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**UNITED NATIONS DEVELOPMENT PROGRAMME
COUNTRY: MALAYSIA
PROJECT DOCUMENT**

Project Title	Implementing the National Sustainable Consumption and Production Blueprint through Government Green Procurement (SCP-GGP)
UNDAF Outcome(s):	Not applicable
Expected CP Outcome(s):	2.0 Implementation of a national development agenda that enables green growth through climate-resilient measures, sustainable management of energy and natural resources, and improved risk governance.
Expected Output(s):	Priority 2a: Enhancing national resiliency to climate variability and change Priority 2b: Value natural capital, reduce environmental impacts and improve access to quality ecosystem services for low income households 4. Natural resources management enhanced with institutional capacity strengthened and communities and low-income households benefitting
11 th Malaysia Plan Linkage:	Strategic Thrust 4: Pursuing Green Growth for Sustainability and Resilience Focus Area B: Adopting the Sustainable Consumption and Production Concept Strategy B1: Creating Green Markets
Implementing Partner:	Environment and Natural Resource Economics Section, Economic Planning Unit, Prime Minister's Department Malaysia
<p>Brief Description</p> <p>This project is designed to provide incremental support that will lead to the full adoption and implementation of the National Sustainable Consumption and Production (SCP) Blueprint, particularly through SCP Pathway 1 Government Green Procurement (GGP); to achieve the 11th Malaysia Plan's target of 20% of selected groups of products and services in government procurement to be green procurement by year 2020. The project has three main outputs namely:</p> <ol style="list-style-type: none"> 1. Enabling policy and institutions institutionalized for National SCP Blueprint and GGP implementation. 2. Technical and institutional capacity for SCP and GGP built and enhanced, particularly government procurement practitioners and industry players such as Small and Medium Enterprise (SME). 	

3. Best practices of GGP are demonstrated by developing and piloting product criteria, guidelines and standard operating procedures in construction sector, and monitoring & evaluation system.

These outputs will in turn contribute to the achievement of the 11th Malaysia Plan Strategic Thrust 4 Pursuing Green Growth for Sustainability and Resilience, and Country Programme Action Plan 2016 – 2020 between Government of Malaysia and UNDP – Outcome 2 Enhancing national resiliency to climate variability and change.

Contributing Outcome:
 UNDP Strategic Plan 2018 – 2021
 Outcome 2 Accelerate Structural Transformation for Sustainable Development
 Output 4: Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains.

Atlas Award ID: 00094672

Atlas Project ID: 00098761

Start Date: July 2018

End Date: 31 December 2020

PAC Meeting Date: 12 January 2018

Gender Marker¹: GEN2

Indicative Output(s) with gender marker:
 Output 2 and Output 3

Total resources required
 (TRAC and Government): USD 400,000

Total resources allocated:

- UNDP TRAC: USD 25,080
- Government (inclusive GMS): USD 374,920 (GMS = USD 10,080)
- Co-financing/in-kind contribution: USD 250,000
- Co-financing (Donors/Private Sector): up to USD 100,000 (to be mobilized during project implementation)

Agreed by Economic Planning Unit:


 DATO' NIK AZMAN NIK ABDUL MAJID
 Director General
 Economic Planning Unit

Agreed by UNDP:


 Stefan Priesner
 Resident Representative

06 JUL 2018

¹ The Gender Marker measures how much a project invests in gender equality and women's empowerment. GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality).

TABLE OF CONTENTS

ABBREVIATION	4
I. DEVELOPMENT CHALLENGE	5
II. STRATEGY	12
III. RESULTS AND PARTNERSHIPS	13
IV. PROJECT AND RISK MANAGEMENT	18
V. RESULTS AND RESOURCES FRAMEWORK	21
VI. MONITORING AND EVALUATION	23
VII. MULTI-YEAR WORK PLAN	27
VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS	32
IX. LEGAL CONTEXT	35
ANNEX I: PROJECT BUDGET	36
ANNEX II: RISKS AND MITIGATION	40
ANNEX III: FINANCIAL ARRANGEMENTS	41
ANNEX IV: TERMS OF REFERENCE: NATIONAL/PROJECT STEERING COMMITTEE (N/PSC)	46
ANNEX V: TERMS OF REFERENCE: TECHNICAL WORKING COMMITTEE (TWC)	47
ANNEX VI: TERMS OF REFERENCE FOR KEY PROJECT POSITIONS	48
A. NATIONAL PROJECT DIRECTOR	48
B. PROJECT MANAGER	48
ANNEX VII: PROJECT ANNUAL REPORT TEMPLATE	51
ANNEX VIII: FACE FORM	58
Figure 1. Key Sectors for SCP Intervention for Green Growth in Malaysia	6
Figure 2. 10 Pathways to Achieve National SCP Blueprint’s Goals	7
Figure 3. The Intervention Logic of SCP in Malaysia	13
Table 1. Consumption Indicators in Malaysia	5

ABBREVIATION

APR	Annual Progress Report
AWP	Annual Work Plan
CPAP	Country Programme Action Plan
DOA	Department of Agriculture
EPU	Economic Planning Unit
EU	European Union
FACE	Funding Authorization and Certificate of Expenditures
GCS	Government Cost sharing
GDP	Gross Domestic Product
GGP	Government Green Procurement
GGPSC	Government Green Procurement Steering Committee
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Development Agency)
GMS	General Management Services
GNI	Gross National Income
HACT	Harmonized Approach to Cash Transfer
ICT	Information and Communications Technology
ktoe	Kilo tonne of oil equivalent
OECD	Organization for Economic Co-operation and Development
OICA	Organisation Internationale des Constructeurs d'Automobiles
MITI	Ministry of International Trade and Industries
MOA	Ministry of Agriculture and Agro-based Industry
MOF	Ministry of Finance
MYPR	Mid-Year Progress Report
NRE	Ministry of Natural Resources and Environment
NPD	National Project Director
N/PSC	National/Project Steering Committee
11MP	11 th Malaysia Plan 2016 – 2020
12MP	12 th Malaysia Plan 2021 – 2025
TWC	Technical Working Committee
SBAA	Standard Basic Assistance Agreement
SCP	Sustainable Consumption and Production
SOP	Standard Operating Procedure
SME	Small and Medium Enterprises
TRAC	Target for Resource Assignment from the Core
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UN	United Nations

I. DEVELOPMENT CHALLENGE

Development Trends in Malaysia

1. Malaysia is an upper middle-income country with an increasing population from 30.7 million in 2014 to 32.1 million in 2017, an average real GDP growth rate of 5% for the past 4 years (2014 – 2017) and a rising GNI per capita from RM 34,838 in 2014 to RM 39,656 in 2017².
2. The growing population with increased household income has driven more demands on food, water, energy, transport, housing, consumer goods and services; and pressures on the environment and natural resources. This in turn could affect the quality of economic growth and livelihood in Malaysia in the long-term. Table 1 summarizes a few indicative consumption patterns in Malaysia:

Table 1. Consumption Indicators in Malaysia

Indicator	Data	
CO ₂ emissions per capita <i>Source: NRE</i>	3.2 tonnes of CO ₂ eq/ capita (1994)	7.6 tonnes of CO ₂ eq/ capita (2010)
Energy use per capita <i>Source: World Bank</i>	2,610.31 kg of oil eq (2010)	2,967.54 kg of oil eq (2014)
Electricity consumption (5 sectors – agriculture, commercial, transport, industrial and residential) <i>Source: Malaysia Energy Commission</i>	8,993 ktoe (2010)	11,375 ktoe (2015)
Proportion of total water resources used	Domestic consumption: 0.191 million litre per day per 1,000 capita (2005) Non-domestic consumption: 0.091 million litre per day per 1,000 capita (2005)	Domestic consumption: 0.203 million litre per day per 1,000 capita (2013) Non-domestic consumption: 0.127 million litre per day per 1,000 capita (2013)
Passenger car sales, number per year <i>Source: OICA</i>	543,594 (2010)	591,298 (2015)
Solid waste generation per person per day <i>Source: Ministry of Urban Wellbeing, Housing and Local Government</i>	0.8 kg (2005)	1.17 kg (2016)

Green Growth and Sustainable Consumption and Production (SCP)

3. **Green growth is one of six game changers in the 11th Malaysia Plan 2016 – 2020 that will accelerate Malaysia's trajectory towards sustainability** by shifting from a “grow first, clean up later” approach to a resource-efficient, resilient and socially inclusive development model. This is a macro-policy response towards the issues of inefficient use of resources and productivity, natural resources depletion, biodiversity loss and environmental degradation.
4. This game changer requires fundamental changes in the policy and law-making process, institutional structuring, multiple stakeholders' engagement and collaboration, and people's behaviour and value perception, which will perceive costs for natural resource preservation, biodiversity conservation and

² The Malaysian Economy in Figures 2017, Economic Planning Unit, Prime Minister's Department. The GNI per capita for year 2017 is an estimated figure.

environmental protection for sustainable consumption and production as upfront investment for a sustainable socio-economic growth.

- The 11th Malaysia Plan further specifies **Sustainable Consumption and Production (SCP)** as one of the focus areas that will help Malaysia to achieve green growth with the Government act as a catalyst to create green market in products and services. As one of the main consumer in the economy, green government procurement will be made mandatory for all government ministries and agencies to create the demand for green products and services. By 2020, it is targeted that at least 20% of government procurement in selected product and services will be green.

SCP and Government Green Procurement in Malaysia

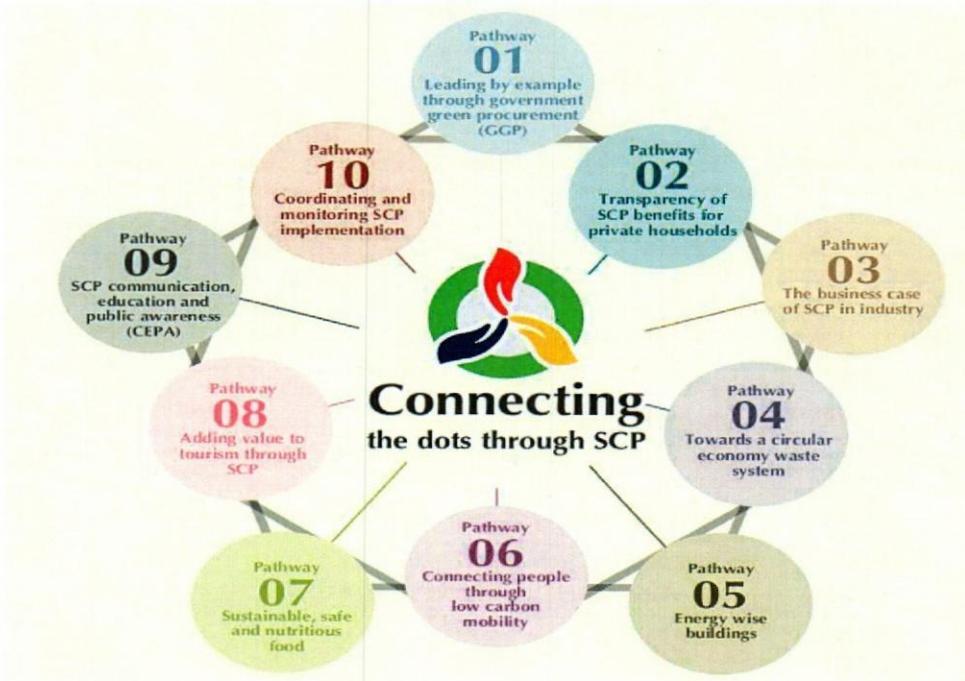
- In 2016, the National Sustainable Consumption and Production Blueprint was formulated with the support of the SCP Policy Support Project³ to outline government initiatives to ensure that consumers and industries can adopt the SCP practices in daily life and business contexts. The Blueprint identifies 8 key sectors (Figure 1) that account for a high percentage of Malaysia's GDP and also the impact on natural resources, water, energy, waste, emissions to soil, water and air, and 10 pathways to achieve its goals by 2030, which are illustrated in Figure 2.

Figure 1: Key Sectors for SCP Intervention for Green Growth in Malaysia



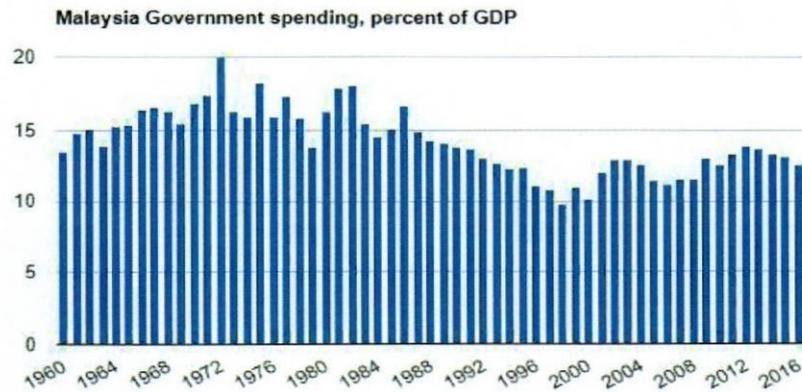
³ The SCP Project was implemented by the Economic Planning Unit, Prime Minister's Department in 2012 – 2016 with EU funding of EUR 2 million.

Figure 2: 10 Pathways to Achieve National SCP Blueprint's Goals

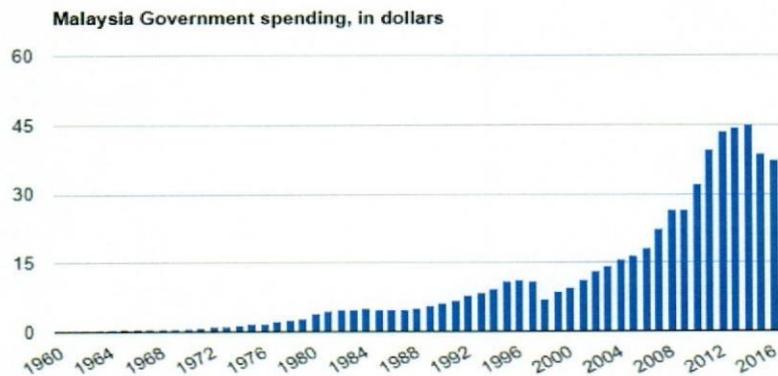


7. With the adoption of Agenda 2030 for Sustainable Development and Sustainable Development Goals particularly SDG 12 – Ensure sustainable consumption and production patterns, and implementation of various initiatives relevant to SCP in the international fora, the **draft National Sustainable and Production Blueprint needs to be refined** to ensure its coherence with international conventions and alignment with existing with national policies and programmes such as Vision 2020, Government Transformation Programme, Economic Transformation Programme, National Green Technology Policy, etc.
8. According to World Bank, Malaysia Government spending⁴ accounts for an average of 14.2% of GDP between 1960 to 2016. In 2016, the government spending was 12.58% of GDP, which is equivalent to USD 37.29 billion. This high purchasing power of the public sector marks a powerful instrument for contributing to the country's economy and influencing the domestic market for green/environmental friendly products and services. Government Green Procurement (GGP) will allow the public sector to lead by example and achieve essential policy objectives such as 45% reduction in greenhouse gas (GHG) emission intensity of GDP by 2030, based on 2005 levels as stated in the National Determined Contribution (NDC) submitted to the United Nations Framework Convention on Climate Change (UNFCCC).

⁴ General government final consumption expenditure includes all government current expenditures for purchases of goods and services (including compensation of employees). It also includes most expenditures on national defense and security, but excludes government military expenditures that are part of government capital formation.



Source: TheGlobalEconomy.com, The World Bank



Source: TheGlobalEconomy.com, The World Bank

9. Initiatives related to cleaner consumption and production and GGP dated since the commencement of Marrakech Process 2003, a global process to support the elaboration of a 10-Year Framework of Programs (10YFP) on sustainable consumption and production, as called for by the WSSD Johannesburg Plan of Action 2002 through a series of certification schemes and guidelines.
10. In 2002, the Malaysian Farm Certification Scheme for Good Agriculture (SALM) and Malaysia Organic Scheme (SOM) were launched by the Department of Agriculture (DOA). This was followed by the SIRIM Eco-Labeling Scheme which was launched by SIRIM QAS International Sdn. Bhd. in 2004. The Scheme has now been adopted as Malaysia's National Eco-Labeling Scheme (2011) for local products with green credentials which will be recognized globally. The Malaysian Timber Certification Scheme (MTCS) introduced by the Malaysian Timber Certification Council (MTCC) in 2005 was followed by the Energy Rating Label Scheme introduced in 2006 by the Energy Commission. Another initiative is enforced Industrialized Buildings System (IBS) for government buildings in 2008 which reduces noise, traffic and waste.
11. In August 2010, the Malaysian Administrative Modernization and Management Planning Unit (MAMPU) issued Green ICT guidelines in order to introduce Green ICT in the public sector. In 2013, the Water Efficient Product Labelling Scheme was introduced to promote good practices of water demand management in Malaysia. Malaysia Green Technology Corporation has set up a GreenTAG endorsement programme to encourage more producers, manufacturers, importers, service providers, wholesalers and retailers to move towards providing environmentally safe and sustainable products and services. GreenTAG endorsement enables companies to access to various incentives, as well as training and

consultation to apply for Eco-label certification. In view of the many accreditation bodies for various eco-labelling schemes, the Malaysian government has set up the Eco-Label Accreditation Scheme for Certification Bodies (2012) to regulate the administration of eco-labels.

12. To streamline initiatives and provide clearer guidance for implementation in promoting the use of green technology in accelerating the Malaysia's economy towards sustainability and green growth trajectory, the National Green Technology Policy (NGTP) was launched in 2009. The NGTP defined Green Technology as "the development and application of products, equipment and systems used to conserve the natural environment and resources, which minimizes and reduces the negative impact of human activities."
13. Subsequently, KeTTHA officiated the MyHIJAU Programme in 2012 to stimulate development of Green Technology to encourage local manufacturers, producers and suppliers to produce green products and services that are competitive in local and global market. There are four components in MyHIJAU Programme focusing on MYHIJAU Mark eco-labelling, green directory, green procurement, and green industry & SMEs. The Green Technology and Eco-Products Exhibition (IEGM) held annually showcases Malaysia as a green technology hub.
14. Increasingly, the Malaysian Government has acknowledged the importance of GGP as one of the first steps in greening the market and business, and conduit for the transition towards green growth. The government's commitment to implementing green purchasing are stipulated in various policies and plans, such in the 10th Malaysia Plan (10MP), the New Economic Model (NEM), the Economic Transformation Program (ETP), the National Green Technology Policy (NGTP), The National Renewable Energy Policy and Action Plan (NREPAP), Small and Medium Enterprise Masterplan (SMEMP) and the Federal Government's Annual Budget in 2010. Under the ETP, the Government has made GGP as one of its Entry Point Projects (EPP).
15. Small and Medium Enterprises (SME) account for 98.5% of total business establishments in 2016⁵, where 20.6% of SMEs are women-owned⁶. To stimulate the growth of local SMEs in providing green supplies, the Green Lane Policy was launched by Ministry of Finance (MOF) in 2011 to identify and incentivise innovative SMEs.
16. MGTC has also developed the Malaysian Green Directory to support the green procurement practices by the Government, with the support of the Green Purchasing Network Malaysia (GPNM), the Malaysian Industrial Development Authority (MIDA) and the International Green Purchasing Association (IGPA).
17. The Ministry of Finance has issued the GGP circular on 10 April 2014, which define GGP as the acquisition of supplies, products, services and work in the public sector that takes into account environmental criteria and standards to conserve the natural environment and resources, which minimises and reduces the negative impacts of human activities.
18. The GGP Short-Term Action Plan 2013 – 2014 was introduced in 2012 to spearhead the implementation of GGP through pilot implementers and product groups. Six product/service groups have been selected including ICT equipment, cleaning services, cement, paint/coating, paper and energy efficient lighting. The system has been tested with five ministries: Ministry of Education (MOE), Ministry of Home Affairs (KDN), Ministry of Health (MOH), KeTTHA and EPU. The lessons and experience from the completion of this pilot phase leads to the formulation and endorsement of GGP Long-term Action Plan 2016 – 2030.

⁵ Economic Census 2016. Department of Statistics Malaysia.

⁶ SME Corporation Malaysia 2016. Definition of women-owned company is more and equal to 51% of the equity is held by a woman/women or CEO or Managing Director is a woman that owns at least 10% of the equity.

19. The GGP Long-term Action Plan 2016 – 2030 lays out the actions and targets required to achieve nation-wide of green procurement in the public sector. By 2020, GGP will be implemented at all levels of government - federal, state and local government with at least 30 product groups that are ready in the market to fulfill the demand of government agencies.
20. Evidently, Malaysia is equipped with fundamental policy environment and has shown commitment to step up the SCP and GGP implementation. The various initiatives also demonstrated the viability of GGP in Malaysia. However, there are still barriers that need to be addressed to ensure successful attainment of the SCP goals and GGP target set forth by the Government as a mean to progress towards green growth by 2020.

Barriers to the Implementation of National SCP Blueprint through GGP

21. **Absence of an explicit SCP policy framework.** Despite strong government commitment, the National SCP Blueprint is yet to be finalized and fully adopted by the Government for implementation by all stakeholders. Finalization of the Blueprint will be an enabler to connect various initiatives that have been undertaken since the acceptance of the SCP in 2002, as the country could not afford to have them implemented separately without a proper framework at the higher level, resulting in a very loose coordination and limited effectiveness.
22. **Insufficient of integrated ecosystem to support the smooth implementation of the GGP and green market at large.** The implementation of GGP in Malaysia is still in infancy stage and various policies and initiatives launched were fragmented and lack of an effective integrated approach. An integrated ecosystem through the creation of platform for a more open and sustainable market, strengthening demand and supply side, creation of market confidence towards green product through development of product criteria and labelling scheme, technical and institutional capacity as well as access to finance are prerequisite for successful transition toward green market and businesses.
23. **Limited demand and supply for green products and services.** Demand towards green products and services is still considerably low in Malaysia, mainly due to higher price, lack of skills to identify and select the right products and services, uncertainty of its genuinity and low awareness of long-term benefit of such uses. Public authorities do not have access to specific and verifiable criteria of many product and service groups, which can allow them to incorporate environmental consideration into their tender.
24. The supply of goods and services in the green market in Malaysia is still quite limited due to lack of confidence in the potential of domestic market demand as well as low awareness of compliance with international market rules. In addition, clear rules and conditions related to environmental products, which inform the production of green products, and services are yet to be available.
25. As the environmental awareness and technical knowledge are relatively low among local suppliers and vendors, they have difficulties to comply with green product criteria and certification requirements in the short and medium-term. As a result, there is little choice of genuine local green products leading towards green washing in market place. Thus, initiatives need to be intensified to enhance awareness of producers and suppliers on product criteria development as well as eco-labelling and certification.
26. **Disintegration of demand and supply of the market.** Green market in Malaysia is still consider very small and less structured in terms of demand and supply. Although the Government has developed MyHIJAU as a platform to register and collate a list of manufacturers and distributors for green goods and services, the number of registrars is still quite limited. Early intervention is required to avoid difficulties in the future in going beyond government's procurement through the creation of an extensive list of goods and services. In addition, mismatch between product criteria and the eco-labelling and certification scheme needs to be reduced to ensure the identified products and services in the market are well equipped with the proper certification scheme.

27. **Lack of technical and institutional capacity to implement SCP and GGP.** Implementing SCP and GGP requires strong institutions and professional procurement expertise in green products and services. The introduction of STAP and LTAP has provide a good foundation in solving the issues by rolling out the capacity building programme for the procurer. However, this programme need to continuously to be updated with the additional product and services identified in the list as well as with the expansion of the coverage of GGP programme to the line agencies and department of the ministries, and not to mention taking into account of continuous changes of personnel in charge.
28. The government does not have adequate trained green procurement professionals. Those who involve in green procurement are either administration, finance or management personnel. Many of them do not have procurement experiences and know very little about market analysis, procurement planning and preparation of terms of reference/technical specification, procurement cost control, supplier assessment and management, procurement contract management, negotiation or communication. They had even less understanding and familiarity with the concept of green procurement.
29. Moreover, financial resource for public green procurement is insufficient. Budgeting is important for implementing public procurement programme because green product production requires innovation and high technology. Given the current demand is low; the prices for green products are relatively higher as compare to those for conventional products. Due to the insufficient budget appropriated to green public procurement, public procurement agencies often adopt the least-cost bidding selection method. In this method, the green products are often at a disadvantaged position.
30. **Perceived cost efficiency.** The deep-seated perception that buying green is costly. In general, public and purchasing is made predominantly based on short-term investment values and not from a life-cycle driven perspective. While applying environmental criteria to procurement procedures can sometimes mean higher initial purchasing costs, the overall costs often actually decrease since the higher purchasing prices of green goods and services are compensated for by lower operating, maintenance or disposal costs. Life-Cycle Costing (LCC) approach can help calculate a more accurate cost of a product over its full life cycle.
31. **Monitoring and evaluation framework non-existent and lack of baseline and indicators.** There is a dearth of dedicated monitoring and evaluation framework to communicate financial/environmental benefits achieved according to GPP practices thus far in Malaysia. In essence, absence of an explicit policy and legal framework, solid and robust institutional structure to direct the implementation of SCP and GGP in Malaysia translates to sluggish actions and a perception that green purchasing is inconsequential.
32. Another challenge to GGP implementation is the lack of clarity of the GGP target proposed by the Blueprint – 20% green procurement by 2020, 50% by 2025 and culminating to 100% green government procurement by 2030 for selected product groups. This target is not clearly defined with indicator and baseline level. Whether the target refers to percentage of total government procurement value per year or it refers to percentage of number of green product groups based on a reference year level will require further consultation and baseline assessment. Such challenge in the monitoring, evaluation and reporting will render tracking of SCP/GGP implementation futile. Concurrently, effective enforcement and management of SCP/GGP implementation by a mandated administrative body is crucial for sustaining GGP measures.

II. STRATEGY

33. The theory of change for this project is described in the CPAP 2016 – 2020 and the 11th Malaysia Plan's game changers and Strategic Thrust 4 Pursuing Green Growth for Resilience and Sustainability. In summary, Figure 3 The Intervention Logic of SCP in the final draft of the National SCP Blueprint illustrates the linkage of development challenge, interventions and focus areas for SCP, and ultimately development result of achieving green growth.
34. The project is designed to implement a three-tier approach to address the above-mentioned barriers building upon the analysis of the development challenge in Section I and findings from the SCP project funded by EU and the Advancing and Measuring Sustainable Consumption and Production (SCP) for a Low-Carbon Economy in Middle-Income and Newly Industrialized Countries (Advance SCP) project funded by the Government of Germany in 2015 – 2018⁷. There are:
- a. Adoption and institutionalization of enabling policy for sustainable consumption and production**

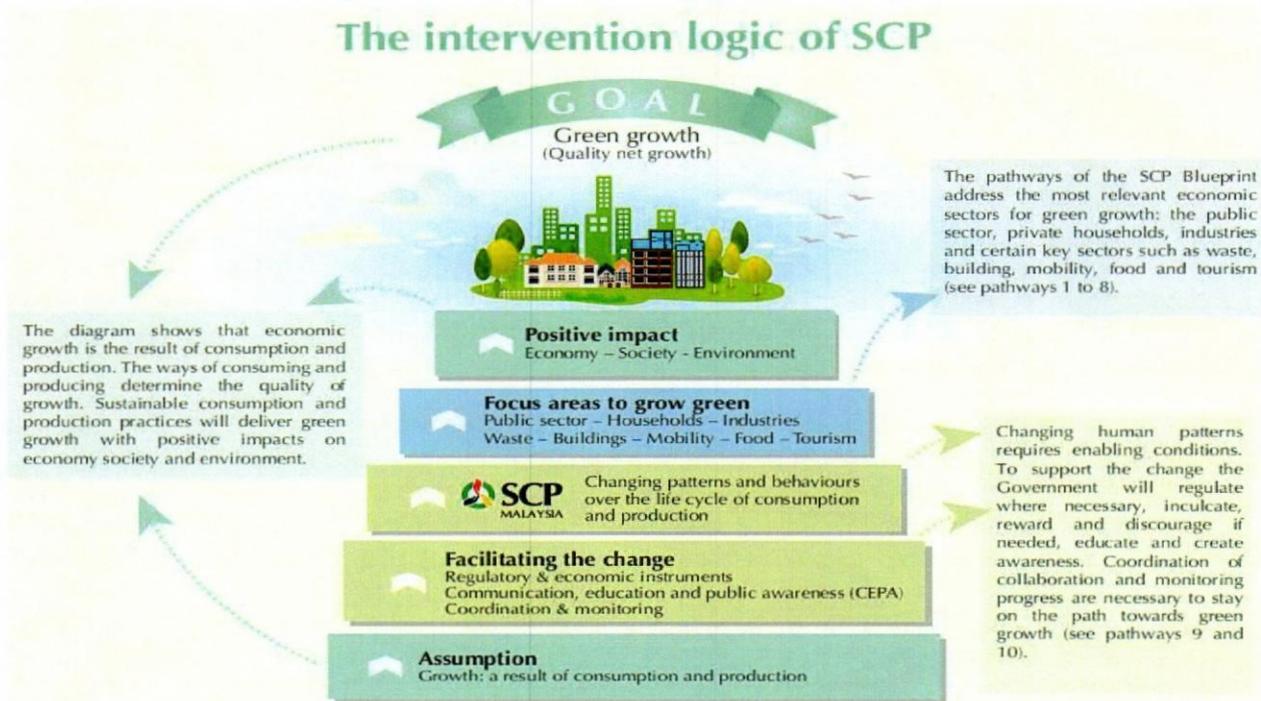
This serves as the building block to address the barriers in enabling policy conditions and market ecosystems, which provides strategic guidance to the second and third tier interventions. The project will also support the baseline assessments including supply chain analysis, SCP/GGP feasibility study and cost-benefit analysis, and comparability of existing green product certification and eco-labelling schemes with GGP selected product groups as policy and technical inputs to the roll out and implementation of the National SCP Blueprint across all federal ministries and their line agencies.
 - b. Technical and institutional capacity building of institutions, government procurement practitioners and vendors/suppliers of goods and services**

A series of capacity building and training activities including development of training modules targeting government procurement practitioners and vendors/suppliers of goods and services will be carried out to ensure technical skills and knowledge are acquired to incorporate SCP concept into GGP application. The project will also conduct gender analysis to support the design of specific activities/interventions targeting women procurement practitioners and women-owned SMEs who are existing or potential vendors/suppliers of goods and services to the government.
 - c. Pilot demonstration of GGP best practices in selected product groups' supply chain**

The pilot demonstration section of the project aims to demonstrate the resource and cost effectiveness in consumption and production by GGP application in the construction or other relevant sector(s); with the goal to gain knowledge of the supply chain of selected green product groups, and provide good feedback and reference for relevant policy/guideline/SOP formulation and green business model development.

⁷ The Advance SCP project focuses on the formulation of a climate-friendly policy and strategy and supports the pilot implementation of climate-friendly public procurement and eco-labels.

Figure 3. The Intervention Logic of SCP in Malaysia



III. RESULTS AND PARTNERSHIPS

Expected Results

35. This project contributes to the UNDP Country Programme Action Plan 2016 – 2020 under Outcome 2 Sustainable and Resilient Development Priority 2a enhancing national resiliency to climate variability and change and Priority 2b value natural capital, reduce environmental impacts and improve access to quality ecosystem services for low income households. The project will work towards the Indicator 4.1: Number of sectoral and subnational policies/frameworks for biodiversity management adopted by 2020.
36. The project will help the Government of Malaysia to finalize and institutionalize the National SCP Blueprint through technical and institutional capacity development, and pilot demonstration of GGP best practices in the sector of construction.
37. The above-mentioned objective will be achieved through the following 3 components:

Component 1: Enabling Policy and Institutions

This component will focus on finalizing and adopting the National SCP Blueprint, which will guide Malaysia in fully implementing the 10 pathways of achieving SCP for green growth in 2030. The finalization and adoption of the Blueprint will also provide the mandate to refine and execute the National Long Terms Action Plan for GGP. This component provides the foundation and strategic guidance for the outputs and activities under Component 2 and Component 3.

Output 1: Enabling policy and institutions institutionalized for National SCP Blueprint and GGP implementation.

Activity 1.1: Update and finalize the National SCP Blueprint with clear milestone, targets, institutions' roles & responsibilities and monitoring, evaluation & reporting framework for adoption by high level

decision-making platform such as the National Green Technology and Climate Change Council chaired by the Prime Minister. The National SCP Blueprint will be finalized with inputs from 2 – 3 stakeholder consultation sessions/workshops and validated by stakeholders in a validation workshop. It is envisaged that these policy documents will feed into the planning and formulation of the 12th Malaysia Plan and National SDG Roadmap Phase II and Phase III.

Activity 1.2: Establish and institutionalize the monitoring, evaluation and reporting framework for National SCP Blueprint and GGP in construction sector. Other sectors may include waste management or transportation. A monitoring task force with concrete milestone check will be set up and this task force should capitalize on the existing SCP technical agency – Ministry of Energy, Green Technology and Water. The project will also support the development of a tracking system/database linking e-Perolehan and MyHIJAU systems for registering types, values and vendors of GGP, which will be useful in tracking the progress towards the GGP targets set forth in the 11th Malaysia Plan.

Activity 1.3: Conduct baseline assessments as inputs to the finalization of National SCP Blueprint and GGP Roadmap and activities under Component 3. The baseline assessments include

- Supply chain analysis for green products in construction sector, which should involve the key market leaders. Other supply chains that can be considered are transportation or waste management, which are also the sectors targeted under the existing green incentive programmes.
- SCP/GGP feasibility assessment including cost-benefit analysis for construction and waste management sectors. Results from the feasibility study will support the implementation of activities under Component 3.
- Effectiveness of MyHIJAU programme.
- Comparability assessment of green product certification/eco-labelling scheme and GGP selected product groups.

Component 2: Technical and Institutional Capacity

The purpose of this component is to address the technical capacity constraint within the government and relevant stakeholders in moving forward the SCP and GGP initiatives. The component will enhance the awareness and understanding of SCP and GGP practices amongst the government procurement practitioners, decision-makers, manufacturers, suppliers, vendors and the general public.

Output 2: Technical and institutional capacity for SCP and GGP built and/or strengthened, particularly government procurement practitioners and industry players such as SME.

Activity 2.1: Review and develop training modules on SCP and GGP for practitioners, trainers and producers. A review on the existing 4 training modules on the National Occupational Skills Standard (NOSS) targeting user, executer, planner and manager developed by the Ministry of Human Resources will be conducted to ensure life cycle analysis and GGP elements are incorporated. The project will provide support in the pilot conduct of the 4 training modules through provision of participants' fees up to 30 participants, it does not cover trainers' professional services and training facilities. The target participants should be government officers responsible for high contract value projects and will be based on training needs assessment and gender balance. A 5th module of the NOSS will be developed for Heads of Department, which should be designed as a half-day to full day course that is focused on SCP principles. The NOSS training modules will also be customized for key companies who will implement GGP as producers/vendors/sub-contractors.

Activity 2.2: Develop and implement GGP communication, education and public awareness strategy. Awareness materials and education video on SCP lifestyles will be developed for public dissemination. Efforts will be made to enhance cooperation and partnership between governments (federal, state and local) and private enterprises.

Activity 2.3: Develop, publish and disseminate GGP guide for Small and Medium Enterprise to facilitate a better understanding of GGP requirements and participation in GGP tender process. This activity will be carried out in consultation with SMEs. Specific skill set training needs for women-owned SMEs will also be identified in the GGP guide, where applicable.

Component 3: GGP Pilot Demonstration

This component will address the limitation in green products and disconnection in the current system, where manufacturers are certified for their green products but the suppliers to the government are not in the vendor registry of MyHIJAU nor e-Perolehan system; through pilot demonstration of GGP best practices for selected product groups in the construction sector.

Output 3: Best practices of GGP are demonstrated by developing and piloting product criteria, guidelines, standard operating procedures, eco-labelling scheme/certification in selected sectors, and monitoring and evaluation framework system.

Activity 3.1: Develop guidelines, Standard Operating Procedures (SOP) and product criteria for selected product groups. There will be provision of technical assistance in preparing the SOP or guidelines for technical evaluation of products, which should include a combination of criteria including life cycle analysis and environmental performance. Product criteria beyond the existing 20 product groups under MyHIJAU programme will be developed to widen the implementation of GGP.

Activity 3.2: Pilot GGP supply chain and eco-labelling scheme/certification for selected product groups. A review on existing 20 product groups under MyHijau programme will be conducted and 2 – 3 product groups will be selected to pilot the green supply chain and eco-labelling scheme/certification. A series of workshops or clinical sessions will be organized with eligible/ready manufacturers to facilitate more products certified under eco-labelling scheme.

Activity 3.3: Establish monitoring and evaluation framework with clear identification of M&E tools (e.g. carbon emission), technology needs, etc. The GGP monitoring and evaluation framework will be integrated within the E-perolehan system – government electronic system for procurement of goods and services to keep track of green procurement results (e.g. how many percentage of procurement is “green”, number of procurement processes with green criteria). The existing system can include GGP features/criteria during the submission of tenders/ quotations. A database can be developed to monitor the results and outcomes of GPP: CO₂ emissions, environmental performance, etc.

Project Management and Implementation, Monitoring, Evaluation and Reporting

Project Management Office will in charge of the activity management and coordination, documentation, management and distribution of the knowledge, lessons learned and good practices generated through the project to target audiences and key stakeholders with the goal of ensuring the sustainability of the project and expanding the project’s impact in green growth.

The detailed activities are listed below:

- a. Assignment of PMU staff and recruitment of international or national experts by UNDP Malaysia in close consultation with EPU.
- b. National/Project Steering Committee meeting will be convened at least twice a year.
- c. HACT assurance activity will be conducted annually and audit will be conducted once in a project lifetime according to UNDP rules.
- d. Project Progress Reporting, including mid-year, annual and final reports will be finalized according to UNDP reporting requirements.
- e. Project Inception Workshop will be held in the first quarter of 2018.
- f. SCP-GGP Conference will be held in the interval of 18 months.

- g. Project Final Workshop will be held before November 2020.
- h. Advocacy of project results at international conferences, including the COP of UNFCCC and CBD.
- i. Advocacy of project results to other States in Malaysia through workshops and/or local technical visits will be organized.

Resources Required to Achieve the Expected Results

- 38. Staff from UNDP Malaysia will be involved in the project implementation providing supervision on project implementation and financial management. A Programme Manager will be assigned as a member of the national/project steering committee to performance project assurance, to keep the project's progressing on the right track, and participate in the project's consultation meetings and technical workshops to provide technical advisory inputs and support. UNDP Malaysia will also provide in-house expertise on communication and advocacy, international/regional exchange of SCP/GGP best practices; and draw on sustainable procurement expertise from UNDP regional and country office network or other UN agencies such as UNEP or UNIDO, where applicable.
- 39. This project is primarily funded by government cost-sharing and UNDP TRAC. It is expected that additional funds will be mobilized from potential donor(s) and private sector to support the implementation of activities under Component 2 and Component 3 within the project duration.
- 40. The Project Management Unit (PMU) will be formulated. The PMU, composed of two staff, is in charge of the day-to-day implementation and regular reporting of the project, which will be based in Putrajaya.
- 41. National experts and/or contractual service companies will be recruited to provide relevant expertise for delivering the outputs and activities planned under the three project components. Those experts will provide expertise on supply chain analysis, SCP/GGP feasibility assessment, life cycle analysis, development of training module development and green product criteria for selected product groups in construction sector.

Partnerships

- 42. EPU will act as Implementing Partner and be responsible for the project management activities. EPU will appoint a National Project Director who will direct overall implementation of the project and delegate day-to-day coordination work to the PMU. The Project Management Unit (PMU) within a team comprised of EPU officer in charge of SCP/GGP, Project Manager and additional support staff assigned by UNDP Malaysia.
- 43. UNDP Malaysia will be responsible for: (i) providing project assurance, policy and technical advisory services to successful delivery of project outputs; (ii) providing human resource, procurement, financial and audit services to the project; (iii) overseeing financial expenditures against approved project budgets; (iv) appointing independent financial auditors and evaluators; and (v) ensuring that all activities including procurement and financial services are carried out in strict compliance with UNDP procedures.
- 44. MOF, MITI, KeTTHA, GreenTech Malaysia, SIRIM, institutions, universities, society organizations will provide policy and technical support on the activities pertaining to SCP and GGP policy and standards frameworks development, etc.
- 45. Private sector players may participate in the GGP demonstration and provide technical assistance and information for product design, life cycle analysis and product criteria qualified as green products.

Risks and Assumptions

46. Annex II lists both the risks and mitigation strategy in terms of political, strategic, organizational and operational perspectives.
47. The Social and Environment Impact Screening of the project has been conducted and no gender-related risks or potential negative impact have been identified. Due to the technicality nature of the project, it is difficult to design and implement the project following the overall strategy of addressing the gender issues. Despite of this limitation, the project will conduct a gender analysis under Output 2 and design capacity building/training activities targeting women procurement practitioners in the government sector and women-owned SMEs who are existing or potential suppliers/vendors for GGP.

Stakeholder Engagement

48. The intended beneficiaries of the project will be federal government agencies and private sector – major corporations and SMEs (including women-owned SMEs) in construction or other relevant sectors. An efficient project organization management and coordination mechanism will be designed before project inception: the national/project steering committee will be established and key stakeholders will be engaged through the bi-annual basis meeting. In addition, the key stakeholders will be engaged in the project activities including but not limited to the policy and technical assessments, workshops, demonstration, project dissemination and advocacy activities.
49. Other Potentially Affected Groups: Potentially affected people are local citizens who will benefit from the behavioural and lifestyle change to sustainable consumption and production. They will also take advantage of innovative technology application to improve their living standards. Public awareness raising activities, information sharing and the platform created by the project are good channels to involve the potential groups.

South-South and Triangular Cooperation (SSC/TrC)

50. The knowledge and lessons learned during the project implementation process can be shared with other developing countries that are implementing SCP and GGP via the Advance SCP project funded by Government of Germany and UNDP network of country offices. Malaysia is also able to draw experience, success factors and lessons learned from countries such as Japan, United States, Canada, Austria, Denmark, Finland, Germany, the Netherlands, Sweden, UK, Belgium, Italy and Spain – the front runners in implementing Green/Sustainable Public Procurement; according to the 2013 UNEP report, Sustainable Public Procurement: A Global Review.

Knowledge

51. Publications like policy documents, baseline assessments including supply chain analysis, cost-benefit analysis, GGP pilot demonstration/guidelines for SME and media products will be produced. Results from the project will be disseminated within and beyond the project intervention areas through existing information sharing networks and platforms such as the SCP project website.
52. The project will identify and participate, as relevant and appropriate, in scientific, policy-based, and/or any other networks such as Advance SCP network, which may be of benefit to project implementation though lessons learned. The project will identify, analyse, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

Sustainability and Scaling Up

53. The proposed project will achieve sustainability and replication through a multi-pronged approach that creates an enabling environment for SCP and GGP in Malaysia. The scaling-up efforts of the project will be supported mainly through one of the project outputs, which is the GGP pilot demonstration. The project will organize information exchange and knowledge sharing with other interested state governments and demonstration areas.

IV. PROJECT AND RISK MANAGEMENT

Cost Efficiency and Effectiveness

54. A portfolio management approach is adopted by this project to improve the cost effectiveness by leveraging activities and partnership with other initiatives/projects. UNDP has been a key development partner of the Government of Malaysia in its sustainable and resilient development through projects funded by the Global Environment Facility (GEF) and other sources. The projects are:
- Building Sector Energy Efficiency project implemented by the Department of Works in 2012 – 2017, which promoted the design and retrofit of energy efficiency measures into government and private owned buildings;
 - Green Technology Application for the Development of Low Carbon Cities implemented by the Ministry of Green Technology, Energy and Water in 2015 – 2020; which will catalyse the low carbon technology investments such as electric/hybrid bus, electric vehicles, etc. in the cities.
55. UNDP has been supporting the national and state governments in building and strengthening systemic and institutional capacities in climate resilience and natural resource efficiency, leveraging on its comparative advantage in the global network for policy and technical know-how and strategic cooperation with the Government of Malaysia.

Project Management

56. This project will execute the National Implementation Modality with provision of support services by UNDP Malaysia Country Office. The Project Management Unit (PMU) will be locally operated in Putrajaya. A team comprises of a Project Manager and 1 additional support staff will be assigned by UNDP Malaysia to work in close collaboration with the Environment and Natural Resource Economics Section of EPU.
57. The key activities of project management include: project planning, project management and implementation, final project evaluation, stakeholder consultations, training and workshops, as well as project assurance and information exchanging & sharing.
58. The project is closely linked with the UNDP objective to promote inclusive, sustainable and resilient development strategies that supports economic growth, employment and social inclusion. UNDP Malaysia is implementing and supporting a range of projects in biodiversity, climate change and green technology. Periodic information sharing platform/meetings can be held for experience and lessons-learned sharing.
59. HACT assurance activity will be conducted annually, whereas a comprehensive audit will be conducted once in a project lifetime.

Risk Management

60. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
61. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
62. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no 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/sc/committees/1267/aq_sanctions_list.shtml.
63. 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>).
64. The Implementing Partner shall: (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.
65. 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.
66. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner 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.
67. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner 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.
68. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', 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 the Implementing Partner to find a solution.

69. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.
70. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
71. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that 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. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner 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.

72. Each contract issued by the Implementing Partner 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 the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
73. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, 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.
74. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

V. RESULTS AND RESOURCES FRAMEWORK⁸

Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework: Not applicable									
Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:									
Outcome 2 Sustainable and Resilient Development Priority 2a enhancing national resiliency to climate variability and change and Priority 2b value natural capital, reduce environmental impacts and improve access to quality ecosystem services for low income households.									
Indicator 4.1: Number of sectoral and subnational policies/frameworks for biodiversity management adopted by 2020.									
Applicable Output(s) from the UNDP Strategic Plan 2018 – 2021: Outcome 2 Accelerate Structural Transformation for Sustainable Development									
Output 4: Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains.									
Project title and Atlas Project Number: Implementing the National Sustainable Consumption and Production Blueprint through the Government Green Procurement (SCP-GGP); ATLAS Project ID: 00098761									
EXPECTED OUTPUTS	OUTPUT INDICATORS ⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS	
			Value	Year	Year 1 (2018)	Year 2 (2019)	FINAL (2020)		TOTAL
Output 1 Enabling policy and institutions institutionalized for National SCP Blueprint and GGP implementation	1.1 Number of SCP and GGP policy and strategic/action plan finalized and adopted by Government of Malaysia	Government	0	2017	1	1	0	2	Government publication Treasury circular Desk review through government official websites
	1.2 Monitoring, evaluation and reporting framework for GGP established for construction sector and institutionalized	Government	0	2017	0	1	0	1	Government publication Desk review through government official websites
Output 2 Technical and institutional capacity for SCP and GGP built and/or strengthened,	2.1 Number of training modules on SCP and GGP developed	Government Project	4	2017	1	1	1	3	Training modules Annual project report
	2.2 Number of government and private sector stakeholders who	Project	0	2017	100	500	1,000	1,600	Survey report Questionnaire

⁸ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

⁹ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

<p>particularly government procurment practitioners and industry players such as SME</p>	<p>are aware of SCP and GGP with gender disaggregated data</p>										<p>Annual project report</p>
<p>Output 3 Best practices of GGP are demonstrated by developing and piloting product criteria, guidelines, standard operating procedures, eco-labelling scheme/certification in selected sectors, and monitoring and evaluation framework system</p>	<p>3.1 Number of product groups with green product criteria and guidelines developed</p> <p>3.2 Number of GGP supply chains or eco-labelling scheme / certification piloted</p>	<p>Project</p> <p>e-Perolehan MyHIJAU</p>	<p>To be determined in the inception phase</p> <p>To be determined in the inception phase</p>	<p>2017</p> <p>2017</p>	<p>To be determined in the inception phase</p> <p>To be determined in the inception phase</p>	<p>To be determined in the inception phase</p> <p>To be determined in the inception phase</p>	<p>To be determined in the inception phase</p> <p>To be determined in the inception phase</p>	<p>To be determined in the inception phase</p> <p>To be determined in the inception phase</p>	<p>To be determined in the inception phase</p> <p>To be determined in the inception phase</p>	<p>Government report</p> <p>Government report</p> <p>Government report</p>	<p>Government report</p> <p>Government report</p> <p>Government report</p>

VI. MONITORING AND EVALUATION

75. The project activities will be closely monitored by UNDP and the Economic Planning Unit, Prime Minister's Department (EPU) as outlined in the *Country Programme Action Plan 2016-2020 Part VII: Monitoring and Evaluation*.

76. Within the annual cycle

- **Track Progress.** Progress data against the results indicators will be collected and analysed quarterly to assess the progress of the project in achieving the agreed outputs. National data sources should be used whenever possible. Slower than expected progress will be addressed by the project management.
- **Monitor and Manage Risk.** Based on the initial risk analysis identified, a risk log (Annex II) shall be actively maintained, including by reviewing the external environment that may affect the project implementation. Risk management actions will be identified and monitored using a risk log. This includes monitoring social and environmental management 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 HACT audit policy to manage financial risk.
- **Evaluate and Learn.** Terminal evaluation shall be conducted in accordance with the evaluation plan. Knowledge, good practices and lessons should be captured and shared, as well as actively sourced from other projects and partners, and integrated back into the project.
- **Review and Make Course Corrections.** The project management will review the data and evidence collected (through all of the above) on a regular basis within the annual cycle, and make course corrections as needed. The frequency of review depends on the needs of the project, but an internal review of the available progress data against the results indicators is recommended to be undertaken at least annually. Any significant course corrections that require a decision by the National/Project Steering Committee should be raised in N/PSC meeting.

77. Annually

- **Annual Project Quality Rating.** On an annual basis and at the end of the project, 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 performance.
- **Annual Project Review and Report.** The National/Project Steering Committee shall hold a project review at least once per year to assess the performance of the project and appraise the Annual Work Plan for the following year. An Annual Progress Report will be presented to the National/Project Steering Committee for the review, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period. Any quality concerns or slower than expected progress should be discussed by the project and management actions agreed to address the issues identified. This review is driven by the National/Project Steering Committee and may involve other stakeholders as required.

78. Closure

- In the project's final year, the National/Project Steering Committee shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up, if applicable.

79. In accordance with UNDP's programming policies and procedures, the project will be monitored through the following approaches:

The specific project monitoring and review meetings are as follows:

- **National/Project Steering Committee Meeting**

The National/Project Steering Committee (N/PSC) will meet after the receipt of each project deliverable or at least once a year, whichever is greater and address project issues raised by the National Project Director, review project progress reports and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plan. A final NSC meeting should also be held at the end of project completion to agree to and endorse the final findings and outcomes of the project and to make recommendations towards project closure.

- **Technical Working Committee Meetings**

The Technical Working Committee (TWC) will be established and meet as regularly as required to assist the NSC in monitoring and advising the technical aspects of the project and its activities. The TWC acts as the technical adviser to the N/PSC, and regularly reviews the progress of all project components. The chairperson of the TWC is a member of the N/PSC.

- **Annual Project Review Meeting**

If required, an internal review meeting will be chaired by EPU during the first quarter of the year to assess the performance of the project based on the Annual Work Plan (AWP) submitted at the beginning of the calendar year as well as the Annual Progress Report submitted during the fourth quarter of each calendar year. The review will involve all key project stakeholders and the Implementing Partner, and will focus on the extent to which progress have been made towards achievement of the outputs and that they remain aligned to appropriate outcomes as outlined in the project document. This review should update output targets and results achieved.

- **Final Project Review Meeting**

A Final Project Review meeting will be chaired by EPU within six months after the operational closure of the projects. Its purpose is to assess the performance and success of the project. It should look at sustainability of the results, including the contribution to related outcomes (and the status of these outcomes) and capacity development. It will also review lessons learned and recommendations that might improve design and implementation of other UNDP-funded projects. The meeting will discuss the Final Project Review Report that should be submitted two weeks prior to the Final Project Review Meeting.

The specific project progress reporting documents are as follows:

- **Mid-Year Progress Report (MYPR)**

A Mid-Year Progress Report shall be prepared by the Project Manager and shared with UNDP by 30 June of each project year. As a minimum requirement, the Mid-Year Progress Report shall utilize the standard template for the Annual Project Report (APR) covering a six-month period. The completed and signed MYPR will be submitted by the Implementing Partner to UNDP and EPU by the first week of July, annually.

- **Annual Progress Report (APR)**

An Annual Progress Report shall also be prepared by the Project Manager and shared with the NSC by the end of the last quarter of each year. The Annual Progress Report shall highlight risks and challenges, the summary of results achieved, and lessons learned of the project for that reporting year. The completed and signed APR will be submitted by the Implementing Partner to UNDP and EPU by the final week of December, annually.

- **Final Project Review Report**

This document which is a structured assessment of progress based on the chain of results initially defined in the Project Document and Annual Work Plans and will include information on financial allocations of expenditure. It may be supplemented by additional narrative to meet specific reporting needs of stakeholders; especially donor(s) within the annex, the following should be submitted together with the report:

- Lessons learnt log - summarizing the information captured throughout the implementation of the project
- Minutes of NSC meetings
- Minutes of TWC meetings
- Annual signed CDRs
- Statements of cash position (if applicable)

- **Final Project Evaluation**

Project evaluation assesses the performance of a project in achieving its intended results. It yields useful information on project implementation arrangements and the achievement of outputs. It is at this level that direct cause and attribution can be addressed given the close causal linkage between the intervention and its effect or output.

Project evaluation provides valuable information to support informed decision-making and serves to reinforce the accountability of Implementing Partner. For the purpose of this project, a terminal evaluation will take place 6 months before the project end date to decide whether the interventions should be scaled up or replicated elsewhere and/or to generate lessons that are of strategic significance for the organization.

The specific financial monitoring and quality assurance are as follows:

- **Combined Delivery Reports**

The Combined Delivery Report (CDR) is the report that reflects the total expenditures and actual obligations (recorded in Atlas) of a Project during a period. This report is prepared by UNDP using Atlas and shared with the implementing partner on a bi-annual basis and at the end of each year. The Implementing Partner is required to verify each transaction made and sign the quarterly issued CDR report.

- **Audit**

Audit is an integral part of sound financial and administrative management, and of the UNDP accountability framework. The project will be audited at least once in its lifetime and in accordance with the threshold established for the annual expenditures by the Office of Audit and Investigations (OAI). The audit provides assurance that resources are used to achieve the results described and that UNDP and government cost sharing resources are adequately safeguarded.

The Auditor-General's Office may undertake the audits of Government Implementing Partners. If the Auditor-General's Office chooses not to undertake the audits of specific Implementing Partners with the frequency and scope required by UNDP and EPU, such audits will be commissioned by UNDP to be undertaken by private sector audit services.

Assessments and audits of non-Government Implementing Partners will be conducted in accordance with the policies and procedures of UNDP. The selection of an Audit Firm shall be through a competitive Request for Proposals, in consultation with the Implementing Partner and EPU.

The audit is expected to provide assurance related to the following broad areas:

- Project progress and rate of delivery

- Financial management
- Procurement of goods and /or services
- Human resource selection and administration
- Management and use of equipment and inventory
- Record-keeping systems and controls
- Management structure
- Auditors' comments on the implementation status of prior year audit

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
Terminal Evaluation			Outcome 2	Q3 2020	UNDP, EPU and project beneficiaries	USD 5,000 GCS

VII. MULTI-YEAR WORK PLAN¹⁰

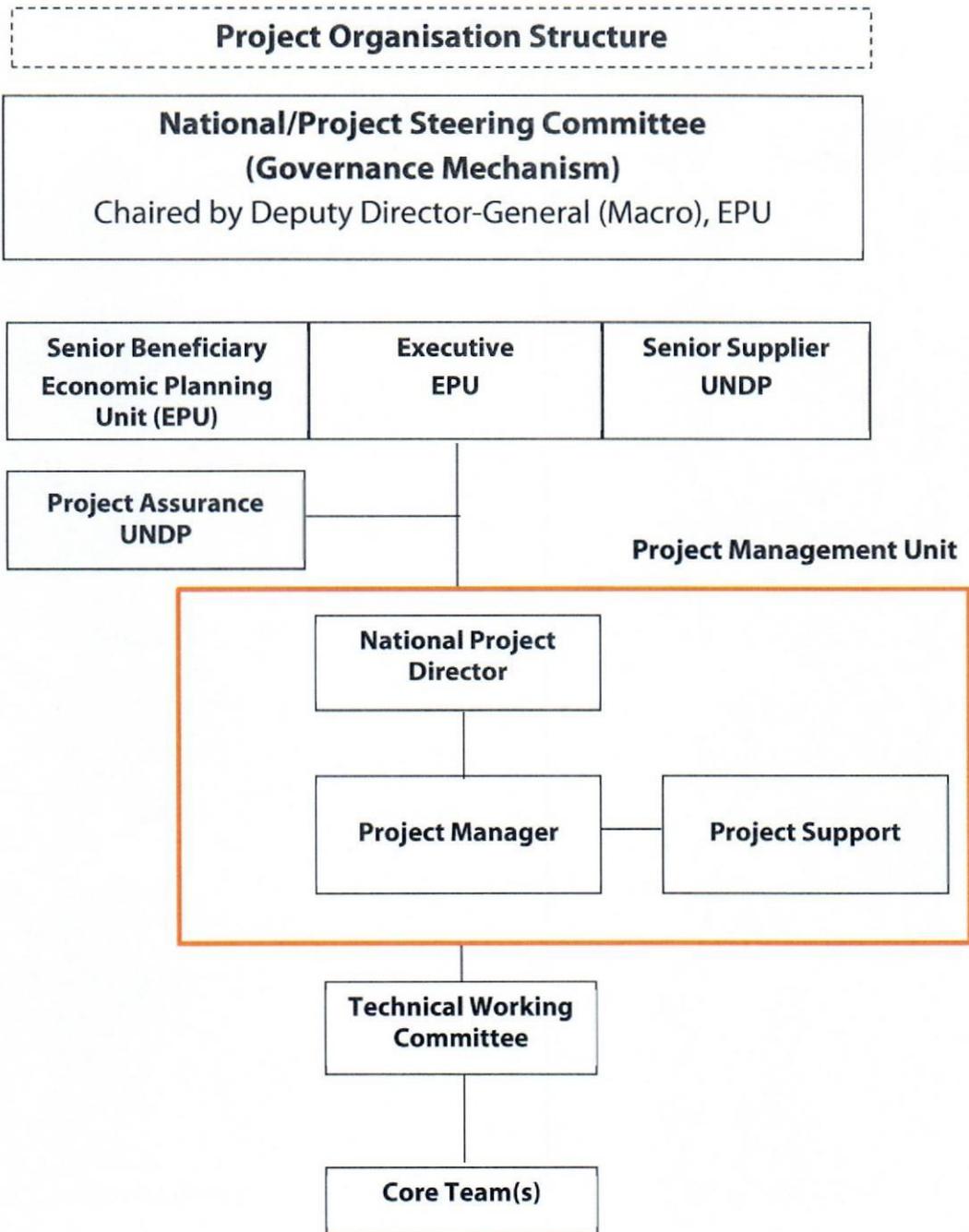
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET			
		2018	2019	2020		Funding Source	Acct Code	Budget Description	Amount (USD)
<p>Output 1: Enabling policy and institutions institutionalized for National SCP Blueprint and GGP implementation</p> <p><i>Output indicator 1.1:</i> <i>Number of SCP/GGP policy and road map adopted by Government of Malaysia</i> <i>Baseline (2017): 0</i> <i>Target:</i> <i>2018 = 1</i> <i>2019 = 1</i> <i>2020 = 0</i> <i>Gender marker: GEN01</i></p> <p><i>Output indicator 1.2:</i> <i>Monitoring, evaluation and reporting framework for National SCP Blueprint and GGP in at least 2 sectors established and institutionalized.</i> <i>Baseline (2017): 0</i></p>	<p>Activity 1.1: Update and finalize the National SCP Blueprint and GGP Long-term Action Plan/Roadmap with clear milestones, targets, institutions' roles & responsibilities and monitoring, evaluation & reporting framework for adoption by high level decision-making platform by 31 Dec 2018.</p> <p>Activity 1.2: Monitoring, evaluation and reporting framework for National SCP Blueprint and GGP in at least 2 sectors established and institutionalized by 31 Mar 2019.</p>	25,000	5,000	0	EPU, PMU	GCS	71300	Local consultant – SCP policy & institutional expert (USD 500 x 20-day)	10,000
						GCS	71600	Travel	5,000
						GCS	74200	Printing and Publication – National SCP Blueprint and GGP Roadmap	5,000
						GCS	75700	Learning cost – conference, training, workshop (1 consultation & 1 validation workshop)	10,000
						GCS	71300	Local consultant – SCP policy & institutional expert (USD 500 x 10-day), Monitoring & Evaluation	20,000

¹⁰ Changes to a project budget affecting the scope (outputs), budget re-allocation between project components/outputs, completion date or total estimated project costs require a formal budget revision that must be signed by the project board/steering committee. In other cases, the UNDP Programme Manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

<p>Output indicator 2.1: Number of training modules on SCP and GGP developed <i>Baseline (2017): 4</i> <i>Target:</i> 2018 = 1 2019 = 1 2020 = 1</p> <p>Output indicator 2.2: Number of government and private sector stakeholders who are aware of SCP and GGP with gender disaggregated data <i>Baseline (2017): 0</i> <i>Target:</i> 2018 = 100 2019 = 500 2020 = 1,000</p> <p><i>Gender marker: GEN02</i></p>	Activity 2.2: Develop and implement GGP communication, education and public awareness strategy by 31 October 2020.	5,000	5,500	5,500	5,500	EPU, UNDP	GCS	71300	Local consultant – Comms & advocacy expert (USD 400 x 10-day)	4,000
						EPU, PMU	GCS	72400	Comms equipment	5,000
						EPU, PMU	GCS	74200	Audio visual & printing production	7,000
		Activity 2.3: Develop, publish and disseminate GGP guide for Small and Medium Enterprise to facilitate a better understanding of GGP requirements and participation in GGP tender process by 30 June 2019.	20,000	20,000	5,000	EPU, UNDP	GCS	71300	Local consultant – GGP expert (USD 500 x 40-day)	20,000
						EPU, PMU	GCS	71600	Travel	5,000
						EPU, PMU	GCS	74200	Printing and publication	5,000
						EPU, PMU	GCS	75700	Learning cost – conference, training, workshop	15,000
		POLICY/TECHNICAL ADVISORY SERVICES & PEER REVIEW	0	5,500	0	UNDP	GCS	64300	Direct project cost	5,500
		Sub-Total for Output 2								121,500
	<p>Output 3: Best practices of GGP are demonstrated by developing and piloting product criteria, guidelines, standard operating procedures, eco-labelling scheme/certification in selected sectors, and monitoring</p>	Activity 3.1: Develop guidelines, Standard Operating Procedures (SOP) and product criteria for selected product groups by 31 December 2019.	0	15,000	15,000	15,000	EPU, PMU	GCS	71300	Local consultant – Green procurement expert (USD 500 x 30-day)
						EPU, PMU	GCS	75700	Learning cost – conference,	15,000

General Management Support	GMS		5,355	3,030	2,535	UNDP	GCS	75100	and HACT assurance activity/audit	10,920
	Direct Project Cost for project cycle management, human resource and financial management		13,000	13,000	13,000	UNDP	GCS	64300	General Management support services	39,000
TOTAL			208,935	104,030	87,035					400,000

VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



Project Management Arrangement

National/Project Steering Committee (NSC)

A National/Project Steering Committee will provide policy guidance and direction to the project implementation process and sustainability of project results beyond project cycle according to the established detailed work plan, monitoring tool and will be chaired by Deputy Director-General (Macro). The Committee will be composed of representatives from EPU, UNDP Malaysia, MOF, KeTTHA, MITI, NRE, MOA, Ministry of Works, Ministry of Transport, Ministry of Urban Wellbeing, Housing and Local Government, CSO/NGO representatives and other relevant stakeholders to be identified. The TOR of the N/PSC in Annex IV shall be agreed among the stakeholders within the first two months of the project.

National Project Director (NPD)

The National Project Director will be responsible for provide direction and decision on the project implementation and coordination among the stakeholders to the project. Among these responsibilities are ensuring that the project document and project budget revisions requiring N/PSC's approval are verified by Implementing Partner and processed through the Government co-coordinating authority in accordance with established procedures and providing direction and guidance on project-related issues. The NPD also has the authority to disburse funds upon the advice from the Project Manager based on the required project milestones. The Director of the Environment and Natural Resource Economics Section of EPU will be the NPD of the project. Terms of reference can be referred to Annex IV.

Technical Working Committee (TWC)

A technical working committee will be established by the National/Project Steering Committee to provide technical advice and guidance to the project. It will be led by the Environment and Natural Resource Economics Section of EPU. The members of the TWC will consist of representative from EPU sections, UNDP Malaysia and as well as other relevant stakeholders to be determined by the National/Project Steering Committee. The terms of reference can be referred to Annex V. As and when needed, the TWC may set up core teams to work on various technical aspects of the project. For example, GGP product criteria, guidelines and training module development for different product groups.

Consultants and Technical Support

If applicable, technical support will be provided by local and international professionals with extensive experience working in SCP and GGP as required by the project. The UN/UNDP global knowledge network will provide valuable inputs through best practices and lessons learned from sustainable procurement experiences within UN/UNDP and from other countries.

Financial Management Arrangement

Based on the approved Annual Work Plan, UNDP will provide required financial resources to the Implementing Partner to carry out project activities during the annual cycle. The following modality will be used, where applicable and relevant:

- Direct payments to vendors and other third parties, for obligations incurred by the Implementing Partner;
- Reimbursement to the Implementing Partner for obligations made and expenditure incurred by them in support of the activities executed.

The Implementing Partner will work closely with UNDP to monitor the use of the financial resources and are accountable for:

- Managing UNDP and Government of Malaysia's resources to achieve the expected results;
- Maintaining an up to date accounting system that contains records and controls to ensure the accuracy and reliability of financial information and reporting. Expenditures made should be in accordance with the Annual Work Plans.

At the end of a quarter/year, UNDP prepares a Combined Delivery Report (CDR) which records all disbursements made under the project for verification. The Implementing Partner and UNDP should sign this CDR.

A project revision shall be made when appropriate; to respond to changes in the development context or to adjust the design and resources allocation to ensure the effectiveness of the project provided that the project remains relevant to the CPAP. A project revision shall be supported by the record of an approval decision made by the N/PSC, and an updated and signed AWP.

The contribution of funds for this project shall be charged:

- 3% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
- Direct project cost for project assurance, policy/technical advisory services and human resource, procurement, financial and audit support services provided by UNDP Malaysia.

UNDP Support Services

In addition to the roles and responsibilities assigned to UNDP and the Implementing Partner in the Project Document, UNDP may/shall provide the following services, at the request of the Implementing Partner:

- recruitment and management of project personnel;
- procurement of goods and services;
- identification, development and implementation of capacity building/training activities;
- provision of policy and technical advisory services in green/sustainable procurement, project assurance, monitoring, evaluation and reporting.

The above will be carried out based on UNDP policies and procedures following the principles of best value for money, fairness, integrity, transparency, and effective competition.

In-Kind Contribution

In addition to the financial resources through UNDP, the implementing partner will provide the following in-kind contribution:

- Access to all relevant data and information required to for the project that is accessible for public viewing;
- Office space (i.e. room/workspace) for the project team, consultants and experts;
- Use of office support facilities by the project team, consultants and experts (e.g. fax machine, stationary, photocopy machine, telephone), and secretarial support where applicable;
- Facilities for convening meetings, workshops and seminars; and
- Staff time for leadership, coordination and guidance to the project implementation and inter-agency coordination.

IX. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Malaysia and UNDP, signed on 12 September 2012. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

This project will be implemented by the Economic Planning Unit ("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.

ANNEX I: PROJECT BUDGET

Output/Atlas Activity	Responsible Party	Fund Code	Donor	ATLAS Budgetary Account Code	ATLAS Budget Description	Amount 2018 (US\$)	Amount 2019 (US\$)	Amount 2020 (US\$)	Total (US\$)	
Output 1 Enabling policy and institutions institutionalized for National SCP Blueprint and GGP implementation	UNDP	TRAC 04000	UNDP 00012	71200	International consultant – SCP & GGP specialist	25,080.00	-	-	25,080.00	
	EPU	GCS 30071	GOM 00157	71300	Local consultants – SCP policy & institutional expert (USD 500 x 30-day), Monitoring & Evaluation expert (USD 500 x 30-day)	30,000.00	-	-	30,000.00	
	EPU	GCS 30071	GOM 00157	71600	Travel – domestic and international ticket, DSA and terminal expenses	5,000.00	-	-	5,000.00	
	EPU and UNDP	GCS 30071	GOM 00157	72100	Contractual services company - supply chain analysis, GGP feasibility assessment and review of eco-labelling scheme / certification	50,000.00	-	-	50,000.00	
	EPU	GCS 30071	GOM 00157	74210	Printing and Publication – National SCP Blueprint and GGP Roadmap	-	5,000.00	-	5,000.00	
	EPU	GCS 30071	GOM 00157	75700	Learning cost - conference, training and workshop	25,000.00	5,000.00	-	30,000.00	
	UNDP	GCS 30071	GOM 00157	64300	Project assurance and policy/technical advisory services	5,500.00	-	-	5,500.00	
	UNDP	GCS 30071	GOM 00157	75100	UNDP Project Management Support Services (GMS)	3,465.00	300.00	-	3,765.00	
	Subtotal GCS (inclusive of GMS)						118,965.00	10,300.00	-	154,345.00
	Subtotal TRAC						25,080.00	-	-	-

Output/Atlas Activity	Responsible Party	Fund Code	Donor	ATLAS Budgetary Account Code	ATLAS Budget Description	Amount 2018 (US\$)	Amount 2019 (US\$)	Amount 2020 (US\$)	Total (US\$)
					Subtotal for Output 1	144,045.00	10,300.00	-	154,345.00
		GCS 30071	GOM 00157	71300	Local consultant - SCP/GGP training module expert (USD 500 x 10-day), Communications & advocacy expert (USD 400 x 10-day) and GGP expert (USD 500 x 40-day)	29,000.00	-	-	29,000.00
		GCS 30071	GOM 00157	71600	Travel – ticket, DSA and terminal expenses	-	5,000.00	-	5,000.00
		GCS 30071	GOM 00157	72400	Communications equipment	1,000.00	2,000.00	2,000.00	5,000.00
		GCS 30071	GOM 00157	74200	Printing and publication -	-	3,500.00	8,500.00	12,000.00
		GCS 30071	GOM 00157	75700	Learning cost - conference, training and workshop	20,000.00	30,000.00	15,000.00	65,000.00
		GCS 30071	GOM 00157	64300	Policy/technical advisory services and peer review	-	5,500.00	-	5,500.00
		GCS 30071	GOM 00157	75100	UNDP Project Management Support Services (GMS)	1,500.00	1,380.00	765.00	3,645.00
					Subtotal (GCS) (inclusive of GMS)	51,500.00	47,380.00	26,265.00	125,145.00
					Subtotal TRAC	-	-	-	-
					Subtotal for Output 2	51,500.00	47,380.00	26,265.00	125,145.00

Output/Atlas Activity	Responsible Party	Fund Code	Donor	ATLAS Budgetary Account Code	ATLAS Budget Description	Amount 2018 (US\$)	Amount 2019 (US\$)	Amount 2020 (US\$)	Total (US\$)
Output 3 Best practices of GGP are demonstrated by developing and piloting product criteria, guidelines, standard operating procedures, eco-labelling scheme/certification in selected sectors, and monitoring and evaluation framework system	EPU	GCS 30071	GOM 00157	71300	Local consultants - Green procurement expert (USD 500 x 30-day) and Monitoring & Evaluation Expert (USD 500 x 10-day)	-	20,000.00	-	20,000.00
	EPU	GCS 30071	GOM 00157	71600	Travel – ticket, DSA and terminal expenses	-	-	3,500.00	3,500.00
	EPU	GCS 30071	GOM 00157	75700	Learning cost - conference, training and workshop	-	12,000.00	32,000.00	44,000.00
	UNDP	GCS 30071	GOM 00157	64300	Project assurance and policy/technical advisory services	-	-	5,500.00	5,500.00
	UNDP	GCS 30071	GOM 00157	75100	UNDP Project Management Support Services (GMS)	-	960.00	1,230.00	2,190.00
						Subtotal (GCS) (inclusive of GMS)	-	32,960.00	42,230.00
					Subtotal TRAC	-	-	-	-
					Subtotal for Output 2	-	32,960.00	42,230.00	75,190.00
Project Management		GCS 30071	GOM 00157	64300	Direct Project Cost – project cycle management, human resource and financial management	13,000.00	13,000.00	13,000.00	39,000.00
	UNDP – 001981	GCS 30071	GOM 00157	71300	Local consultant – terminal evaluation and HACT assurance activity/audit	-	-	5,000.00	5,000.00
		GCS 30071	GOM 00157	75100	UNDP Project Management Support Services (GMS)	390.00	390.00	540.00	1,320.00
					Subtotal (GCS) (inclusive of GMS)	13,390.00	13,390.00	18,540.00	40,320.00

Output/Atlas Activity	Responsible Party	Fund Code	Donor	ATLAS Budgetary Account Code	ATLAS Budget Description	Amount 2018 (US\$)	Amount 2019 (US\$)	Amount 2020 (US\$)	Total (US\$)
					Subtotal TRAC	-	-	-	-
					Subtotal for Project Management	13,390.00	13,390.00	18,540.00	45,320.00
					PROJECT SUBTOTAL (GCS)	183,855.00	104,030.00	87,035.00	374,920.00
					PROJECT SUBTOTAL (TRAC)	25,080.00	-	-	25,080.00
					PROJECT TOTAL BUDGET	208,935.00	104,030.00	87,035.00	400,000.00

ANNEX II: RISKS AND MITIGATION

#	Description	Date Identified	Type	Impact & Probability	Countermeasures/Management response
1	National SCP Blueprint 2016 – 2030 may not be approved by relevant high-level authorities in a timely manner; or it is not enforced even though it is approved.	22 December 2017	Political and Strategic	Probability = 2 (low) Impact = 3 (medium)	<p>The project includes a baseline assessment on supply chain and SCP/GGP cost-benefit analysis and GGP pilot demonstration to build a strong policy and business case for the relevant policy-makers to review and approve the policy documents.</p> <p>In addition, the project will also conduct a series of consultations for different target groups of stakeholders including policy and decision-makers.</p>
2	Inadequate data and information on the green products such as life-cycle analysis (LCA), carbon emissions and material content that could impede the baseline assessments and development of product criteria and eco-labelling scheme or certification.	22 December 2017	Operational	Probability = 3 (medium) Impact = 3 (medium)	<p>The project will engage relevant government agencies namely GreenTech Malaysia, Sirim, etc. and local researchers that have conducted numerous research on LCA and green product labelling to address data and information gaps.</p>
3	Lack of technical know-how and expertise within public procurement practitioners in procurement of green products and services.	22 December 2017	Operational	Probability = 4 (moderately high) Impact = 4 (medium)	<p>The project through its Component 2 will review, customise and develop training modules on SCP and GGP to build technical capacity of public procurement practitioners. Furthermore, an international expert specializes in SCP and GGP and procurement expertise within UN/UNDP will be engaged to provide technical support.</p>
4	Competing interests among different stakeholder groups in the jurisdiction and supply chain of green products and services that could affect the successful implementation of GGP pilot demonstration.	22 December 2017	Organizational	Probability = 3 (medium) Impact = 4 (medium)	<p>The project will conduct a stakeholder mapping during inception phase, baseline assessments and a series of stakeholder consultations to ensure all views and inputs will be taken into consideration and used for consensus building among the stakeholders.</p>

ANNEX III: FINANCIAL ARRANGEMENTS

The UNDP Resident Representative ensures that the project has an internal control system that allows it to monitor effectively the financial activity of the project and to support and monitor the progress towards achieving results.

UNDP may assist with direct payments to other parties for goods and services provided to the project. In this connection, the government implementing agency will forward to the UNDP a standard form and keep all the original record of the transaction such as purchase orders, invoices, receipts, delivery orders etc.

Letter of Agreement
between the Government of Malaysia and UNDP for the Provision of Support Services

United Nations Development Programme

Sustainable human development



Dear Sir,

1. Reference is made to consultations between officials of the Government of Malaysia (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally executed programmes or projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its Executing Agent designated in the relevant project document, as described below.

2. The UNDP country office may provide support services for execution activities, such as assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Executing Agent is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the cost-sharing component of the project where applicable.

3. In addition, the UNDP country office may provide, at the request of the Executing Agent, the following support services for implementation activities:

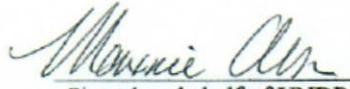
- (a) Identification and assistance with and/or recruitment of project and programme personnel;
- (b) Identification and facilitation of training activities, including fellowship, short-term training and study tours;
- (c) Procurement of goods and services; and

4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above shall be detailed in an annex to the project document, in the form provided in Attachment hereto. If the requirements for support services by the country office change during the life of a programme or project, the annex to the project document is revised with the mutual agreement of the UNDP Resident Representative and the Executing Agent.

5. The relevant provisions under Article VIII of the Agreement between United Nations Special Fund and the Government of the Federation of Malaya concerning assistance from the Special Fund dated 25 July 1961, regarding facilities, and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally executed programme or project through its designated Executing Agent. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.

6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions under Article IX of the Special Fund Agreement.
7. The manner and method of cost recovery by the UNDP country office in providing the support services described in paragraph 3 above shall be specified in the annex to the project document.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.
10. If you are in agreement with the provisions set forth above, please sign and return to this Office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for nationally executed programmes and projects.

Yours sincerely,


 Signed on behalf of UNDP
 Maxine Olson
 Resident Representative


 For the Government
 Name/title Dato' Iskandar Dzakurnain b. Badarudin
 Director General
 Economic Planning Unit
 Prime Minister's Department

6 DEC 2001

Attachment: Description of UNDP Country Office Support Services

1. Reference is made to consultations between the Economic Planning Unit in the Prime Minister's Department, the institution designated by the Government of Malaysia and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed project titled *Implementing the National Sustainable Consumption and Production Blueprint through the Government Green Procurement*, "the Project".
2. In accordance with the provisions of the letter of agreement signed on 16 December 2001 and the project document signed on January 2018, the UNDP Malaysia country office shall provide support services for the Project as described below.
3. Support services to be provided:

Support services	Schedule for the provision of the support services	Cost to UNDP of providing such support services	Amount and method of reimbursement of UNDP
1. Recruitment and management of project staff member (human resources) under UNDP service contract	January 2018 – 31 December 2020	Not exceeding USD 39,000 stated in the signed Project Document and/or Annual Work Plan.	Deduct from the Component 4 Project Management budget under account code 64300.
2. Procurement of technical experts (national and international) for Component 1, Component 2, Component 3 and Project Management	January 2018 – 31 December 2020	Not exceeding USD 39,000 stated in the signed Project Document and/or Annual Work Plan.	Deduct from the Component 4 Project Management budget under account code Direct Project Cost 64300.
3. Procurement of goods and services	January 2018 – 31 December 2020	Not exceeding USD 39,000 stated in the signed Project Document and/or Annual Work Plan.	Deduct from the Component 4 Project Management budget under account code Direct Project Cost 64300.
4. Provision of project assurance, UNDP policy and technical advisory/peer review services for deliverables under Component 1 Enabling Policy and Institutions Component 2 Technical and Institutional Capacity Component 3 GGP Pilot Demonstration	January 2018 – 31 December 2020	Not exceeding Component 1 budget of USD 5,500. Not exceeding Component 2 budget of USD 5,500. Not exceeding Component 3 budget of USD 5,500.	Deduct from the Technical Components' budget under account code Direct Project Cost 64300.

4. Description of functions and responsibilities of the parties involved:

- Economic Planning Unit to determine the type of services to be provided by UNDP, in line with the signed Annual Work Plans.
- Economic Planning Unit will be consulted by UNDP in the process of providing the support services.
- UNDP will conduct all provision of support services using UNDP financial, procurement and human resource policies, rules and regulations stipulated in the
- UNDP will update Economic Planning Unit, quarterly, on the cost of the provision of the support services.

5. All decisions related to UNDP support services shall be made upon agreement/approval by the Government in accordance to the signed Annual Work Plans.

Signed by



For Economic Planning Unit

Director, Environment and Natural Resource Economics Section
National Project Director

AHMAD KAMAL WASIS
Director
Environment & Natural Resources Economic Section
Economic Planning Unit
Prime Minister's Department

ANNEX IV: TERMS OF REFERENCE: NATIONAL/PROJECT STEERING COMMITTEE (N/PSC)

The National/Project Steering Committee (NSC) will provide strategic guidance and direction to the Project Management Office (PMO) on the project implementation. The N/PSC will be chaired by Deputy Director-General (Macro), Economic Planning Unit, Prime Minister's Department or his/her alternate.

The Environment and Natural Resource Economics Section will act as the Secretariat to the N/PSC. Members of the N/PSC will consist of representatives from the relevant Ministries, State Governments, UNDP, CSO/NGO and other relevant stakeholders to be determined by the Committee to ensure inclusive and balanced representation among state and non-state stakeholders.

The N/PSC will meet after the receipt of each project deliverable or at least once a year, whichever greater. Meeting quorum is achieved when 50% of N/PSC membership is in attendance via physical presence or telephone conference. The change of chairperson or project leadership, however, will require full quorum in attendance via physical presence or telephone conference and full consensus amongst the members.

The N/PSC will have the following duties and responsibilities:

- Provide policy guidance on matters pertaining to the project implementation;
- Monitor and evaluate the implementation of the project towards fulfilment of the objectives and/or outcomes stated in the project document;
- Review, approve and endorse annual work plan and budget, and changes to a project budget affecting the scope (outputs) or completion date, budget re-allocation between project components/outputs, or total estimated project costs require a formal budget revision;
- Review and approve relevant changes to the project result framework;
- Coordinate the roles of the various organizations/entities involved in the project execution and ensure coherence among the relevant outputs and activities;
- Review and approve all related reports or deliverables produced by the project;
- Advice and provide direction on the long-term sustainability strategy of the project; and
- Initiate remedial actions to overcome constraints in the project implementation.

ANNEX V: TERMS OF REFERENCE: TECHNICAL WORKING COMMITTEE (TWC)

The Technical Working Committee (TWC) will act as the technical adviser to the N/PSC to provide technically sound inputs and information to the development and implementation of project activities, in order to successfully deliver the project outputs.

The TWC will be led by the Environment and Natural Resource Economics Section of EPU, with PMU acts as Secretariat to the TWC. The members of the TWC will consist of technical experts from relevant technical government agencies, CSO/NGO and private sector to be determined by the N/PSC.

The TWC will be specifically responsible for:

- Provide technical guidance and decisions on matters pertaining to the technical aspects of the project to ensure that they meet with the objectives set in the project document and with international best practices and standards;
- Monitor and evaluate the technical implementation of the project towards fulfilment of the objective/ outcomes stated in the project document;
- Review and comment on the proposed technical work plan and budget;
- Review and technically endorse the project deliverables; and
- Regular monitoring of the progress of the project and recommend approved technical reports to the N/PSC.

ANNEX VI: TERMS OF REFERENCE FOR KEY PROJECT POSITIONS

A. NATIONAL PROJECT DIRECTOR

(in-kind contribution by Implementing Partner)

The main responsibility of the National Project Director (NPD) is to provide technical and operational directions to the project outputs and activities among the main stakeholders to the project: government agencies and UNDP. The NPD is a mid-level management staff member of the Government of Malaysia's implementing agency of a UNDP-supported project.

Specifically, the NPD will be responsible for the following:

- Assure overall direction and guidance for the project team contracted under UNDP in consultation with UNDP Programme Officer;
- Serve as primary liaison with the National/Project Steering Committee (PSC), particularly the Ministry of Natural Resources and Environment, the Economic Planning Unit, State Governments and, other Federal and State Government departments and agencies
- Assist in obtaining cooperation, information and support from various departments and agencies;
- Ensure that the project document and project revisions requiring Government's approval are processed through the Implementing Partner/Agency, in accordance with established procedures;
- Prepare work plans in discussion with the Project Manager and UNDP;
- Identify areas of cooperation and provide guidance on the establishment of the national coordination mechanism, particularly with respect to key institutions;
- Review and ensure quality control for project related progress or technical reports, presentations, publications, training manuals/guides and other materials;
- Provide formal project/deliverable sign-off and acceptance upon verification;
- Report regularly to the N/PSC on the project progress; and
- Represent the project in key national and international fora.

B. PROJECT MANAGER

The Project Manager assigned by UNDP reports directly to and work under the guidance of UNDP Programme Manager in close consultation with the National Project Director. The Project Manager is responsible for the support of the day-to-day implementation, management and coordination of project activities and to ensure effective planning and monitoring of the project to achieve stated outcomes and outputs in accordance with project document and Country Programme Action Plan 2016 – 2020 between EPU and UNDP.

The Project Manager will be based in Putrajaya.

Summary of key functions:

1. Project Management (40%): Day-to-day management and implementation to ensure achievement of project objectives and outputs & activities.

- Supervision of the overall day-to-day management and implementation of project outputs and activities as outlined in the project document, inception report and National/Project Steering Committee decisions where applicable;
- Strategic guidance and management oversight to ensure project implementation is on track;
- Management of project finances achievement of annual delivery target (at least 95%), with accountability to National/Project Steering Committee/Project Board, UNDP and Implementing Partners;
- Ensure that UNDP-specific policies, rules and processes (annual work plan, budgeting, finance, procurement, audit, monitoring and evaluation, reporting etc.) are fully complied according to deadlines. These include:

- i. Preparation and submission of annual work plan with annual outputs and activities, result-based indicators and targets with budget breakdown to UNDP, EPU and Implementing Partners.
 - ii. Preparation of overall and annual project procurement plan;
 - iii. Development of terms of reference for technical services, consultants/experts and specification of equipment/materials as required by the project, in consultation with UNDP Programme Manager and Implementing Partners.
 - iv. Preparation and submission of Quarterly Progress Report, Mid-year Progress Report, Annual Project Report, Project Implementation Review and Final Project Report to UNDP and EPU.
 - v. Supervision to all project documentation and records keeping for procurement, Midterm Review, Terminal Evaluation, audit, project assurance activities and knowledge management.
- Ensure management and administrative requirements (technical, financial, communications, audits, evaluations, etc.) of the different partners/donors (notably Global Environment Facility) are met;
 - Management of risks and issues, and execution of adaptive management in consultation with and upon decision from UNDP Programme Manager and National Project Director if required;
 - Management of project team to ensure the team operates in a productive manner, through a clear division of labour, setting of specific annual goals and targets for all team members including annual performance planning at the start of each year and performance evaluation at mid-year and at the end of each calendar year;
 - Identification and sourcing of necessary technical expertise and support from UNDP Country Office, local and international, and oversee the recruitment of experts and service providers;
 - Management of experts and service providers through planning, implementing, managing and monitoring the delivery of outputs, reports and knowledge products;
 - Supervision of the planning and organisation of events and capacity building activities such as conference, workshop, training, consultations, meetings of the National/Project Steering Committee, Technical Working Committee and Core Groups, and technical missions;
 - Ensure that the project draw from other UNDP-supported projects, avoiding duplication and maximizing synergy.
 - Completion of other relevant duties and tasks assigned by UNDP Programme Manager and/or National Project Director.

2. Technical Support (30%): Provision of technical support services in the development of outputs/knowledge products, design of project activities including monitoring and evaluation.

- Review and contribution to all outputs and deliverables produced under the project;
- Analysis and aggregation of project results/outputs, and reporting of project progress at the objective and outcome level;
- Review and ensure technical soundness and cost effectiveness of project activities;
- Development and implementation of capacity building activities aimed at government counterparts, civil society groups, media and relevant stakeholders to implement National SCP Blueprint and GGP Roadmap;
- Preparation and design of landscape connectivity and management solutions at the national, sub-national and/or local level in full-fledged proposals/roadmaps for initiation by implementing partners and relevant stakeholders;
- Contribution of written inputs to UNDP flagship products/newsletter/policy brief (e.g. Human Development Report), knowledge networks and communities of thematic practice based on results, data and information, lessons learned and best practices.

3. Knowledge Management (20%): Supervision and guidance to knowledge building, sharing and documentation of project results, best practices, case studies, lessons learned, etc.

- Preparation and update of project information page, project stories for UNDP websites, government and relevant websites, media, etc. on a quarterly basis;
- Development of knowledge products with UNDP, implementing partners and consultants/experts;

- Supervision and contribution to the design and publication of communication materials and knowledge products and knowledge-sharing platforms; tools and mechanisms;
- Supervision to the synthesis and documentation of project results, lessons learned, best practices and case studies draw from project;
- Sharing of knowledge and information between UNDP, project management and government counterparts in the process of project implementation;
- Ensure that no statements are made or announced, and no data or information released regarding the projects without prior consent from UNDP and implementing partners.

4. Partnership and Stakeholder Management (10%): Management of stakeholders and partners, development of new partnerships.

- Identification of stakeholders and implementation partners for the undertaking of various outputs and activities;
- Preparation and implementation of a stakeholder mapping and stakeholder engagement/partnership strategy including civil society/non-government organisations and indigenous & local communities with activities, targets and expected results;
- Supervision to the preparation and update of a list of project stakeholders, partners and beneficiaries in a half yearly basis;
- Development of new partnership with civil society and/or non-governmental based organizations; local communities and private sector to deliver the project outputs and activities;
- Liaison with other relevant UNDP Country Office, UNDP-supported project colleagues, government and relevant partners/stakeholders regarding project, including to share information about trends, issues and results in the thematic area, to coordinate and utilize resources effectively and efficiently.

ANNUAL PROGRESS REPORT XXXX

Section 1: Overall Implementation of Project Outputs as Per Signed Annual Work Plan 20XX

20XX AWP Budget: 20XX AWP Budget (Revised): 20XX Expenditure: 20XX Expenditure (%): 20XX In-Kind Contribution:	Total Project Budget: Total Project Expenditure: Total Project Expenditure (%): Total In-Kind Contribution: Gender Marker Rating (ATLAS):
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OUTPUT 1:
<p>Activity 1: Target 20XX: Achievement and Results 20XX:</p> <p>Activity 2: Target 20XX: Achievement and Results 20XX:</p> <p>Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track <input type="checkbox"/> Achieved</p> <p>Remarks if any project outputs, activities and targets were not implemented or amended. Please indicate mitigating/adaptive actions with timeline.</p>

OUTPUT 2:
<p>Activity 1: Target 20XX: Achievement and Results 20XX:</p> <p>Activity 2: Target 20XX: Achievement and Results 20XX:</p> <p>Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track <input type="checkbox"/> Achieved</p> <p>Remarks if any project outputs, activities and targets were not implemented or amended. Please indicate mitigating/adaptive actions with timeline.</p>

OUTPUT 3:
<p>Activity 1: Target 20XX: Achievement and Results 20XX:</p> <p>Activity 2: Target 20XX: Achievement and Results 20XX:</p> <p>Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track <input type="checkbox"/> Achieved</p> <p>Remarks if any project outputs, activities and targets were not implemented or amended. Please indicate mitigating/adaptive actions with timeline.</p>

Section 2: Project Progress/Contribution to National Development Agenda in 20XX

2.1 Analysis/Development/Refinement of National or Sectoral Policies, Strategies and Action Plans

(Note: Please indicate and elaborate on how the outputs have been utilized by the Implementing Partner to contribute to analysis/ development/ refinement of National or Sectoral Policies, Strategies and Action Plans. Please also indicate if the outputs have contributed to the implementation of the 11th Malaysia Plan)

<input type="checkbox"/> Yes	
Contribution to 11 th Malaysia Plan's Strategic Thrusts:	
STRATEGIC THRUSTS (Mandatory)	
	Enhancing inclusiveness towards an equitable society
	Improving wellbeing for all
	Accelerating human capital development for an advanced nation
	Pursuing green growth for sustainability and resilience
	Strengthening infrastructure to support economic expansion
	Re-engineering economic growth for greater prosperity
GAME CHANGERS (If Applicable)	
	Unlocking the potential of productivity
	Uplifting B40 households towards a middle-class society
	Enabling industry-led Technical and Vocational Education and Training (TVET)
	Embarking on green growth
	Translating innovation to wealth
	Investing in competitive cities
<input type="checkbox"/> No	

2.2 Awareness/Understanding/Convening on Key Thematic Issues

(Note: Please indicate in the narrative the overall awareness and education on the thematic issues)

<input type="checkbox"/> Yes	<p><i>(Please attach as an annex a full list of consultation/training/workshop events. Please include the following details:</i></p> <p><i>Location & Date:</i></p> <p><i>Topic:</i></p> <p><i>Objective:</i></p> <p><i>No of Participants: (Total and gender breakdown)</i></p> <p><i>Affiliations (Name the Ministries involved and indicate the number of private sector, civil society organizations and academia who participated):</i></p> <p><i>Feedback from participants: (in percentage of the combined overall ratings and relevance; and notable comments)</i></p>
<input type="checkbox"/> No	

2.3 Capacity Development and Institutional Arrangements (Mandatory response)

(Note: Please indicate if capacities are being built to implement or sustain systemic changes.)

<input type="checkbox"/> Yes	
<input type="checkbox"/> No	

2.4 Development and/or Application of New Datasets, Statistics or Models

(Note: Please indicate if datasets, statistics or models have been generated or improved/ updated. Please also indicate on how these have been utilized by the Implementing Partner to strengthen national evidence based policy making.)

<input type="checkbox"/> Yes	
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<input type="checkbox"/> No	
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2.5 Mainstreaming of Gender Equality

(Note: Please specify aspects of project activities and outputs that have contributed to gender equality. E.g: gender disaggregated data have been produced; activities was gender inclusive; gender analysis of outputs have been generated; outputs have been utilized in state/national/agency policies in gender sensitive ways; and/or stakeholder capacity in collecting, retrieving, and analyzing data with a gender perspective have been supported.)

(New in 2017: please specify project team's reflections in their contribution to gender equality especially if it's unchanged from last reporting period)

<input type="checkbox"/> Yes	
<input type="checkbox"/> No	

2.6 Pilot Initiative/Demonstration of New/Innovative/Other Approaches or Solutions

(Note: Please indicate if pilot initiative or demonstration of new/innovative/other approaches or solutions were undertaken and how outputs have contributed to inform decision-making and/or national policy and also if it has led to actual/ planned upscaling or replication.)

<input type="checkbox"/> Yes	
<input type="checkbox"/> No	

2.7 Review of Risk Analysis and Action

(Note: Upon reviewing the Risk Analysis stated in the Project Document, please indicate if the risks status were monitored and updated regularly. Please also highlight mitigation steps undertaken, if applicable.)

<input type="checkbox"/> Yes	
<input type="checkbox"/> No	

2.8 Areas of Improvement for Project Management and Implementation

(Note: Please indicate any additional comments on areas of improvement that should be taken into consideration by EPU and UNDP Malaysia in the implementation of future projects.)

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Section 3: Project Extension into 20XX

(NOTE: APPLICABLE ONLY TO PROJECTS ORIGINALLY SCHEDULED FOR COMPLETION IN 20XX)

Please indicate reasons for the project extension
Proposed duration of project extensions XX Months
Agreement by National Steering Committee: Date of Meeting: Minutes Attached: <input type="checkbox"/> Yes <input type="checkbox"/> No

Annual Progress Report 20XX approved by:

.....

Name
Designation

FOR UNDP USE

UNDP Observations and Assessment

For UNDP Programme Management to comment on the reported contributions and activity progress by IP as Quality Assurance assessment

Section 1: Overall Implementation of Project Outputs as per Signed Annual Work Plan 20XX

Output 1:

Output 2:

Output 3:

Section 2: Project Progress/Contribution towards National Development Agenda in 2017

Prepared by:

[Programme Manager]

B. Mid-Year Progress Report (MYPR) Template



COUNTRY PROGRAMME ACTION PLAN 2016-2020

MID-YEAR PROGRESS REPORT 20XX

SECTION A: TO BE COMPLETED BY UNDP MALAYSIA

1. PROJECT DETAILS			
Project Title:		Award ID:	
Implementing Partner:		Project ID:	
		Project Period (Project Document):	
		Revised Project End Date (If Any):	

2. FINANCIAL MANAGEMENT	
2016 AWP Budget: USD	Total Cumulative Expenditure: USD
2016 Expenditure - As of 30 June: USD	Total Cumulative Expenditure (%):
2016 Expenditure - As of 30 June (%):	

3. PROJECT MANAGEMENT			
NSC:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	NSC Date (Actual/ Scheduled):
Minutes (Attached):	<input type="checkbox"/> Yes	<input type="checkbox"/> No	NSC Chair & Designation:

4. RISK LOG MANAGEMENT AND MONITORING			
Risk Log Reviewed:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Last Log Update:
Risk Log Amended:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Last Log Amendment:

5. AUDIT AND EVALUATION			
NIM Audit:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Project Evaluation: <input type="checkbox"/> Yes
Report (Attached):	<input type="checkbox"/> Yes	<input type="checkbox"/> No	No
Rating:			Report (Attached): <input type="checkbox"/> Yes
			No
			Rating:

SECTION B: TO BE COMPLETED BY IMPLEMENTING PARTNER

1. 2016 OUTPUT TARGETS AND STATUS	
Output 1: Name	
Target:	Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track Details:
Output 2: Name	
Target:	Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track Details:
Output 3: Name	
Target:	Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track Details:
Output 4: Name	
Target:	Status: <input type="checkbox"/> On Track <input type="checkbox"/> Off Track Details:

2. ISSUES AND CHALLENGES
Description:
Action Taken By implementing Partner:
Additional Support Requested from UNDP/ EPU:

Mid Year Progress Report 20XX approved by:

.....
Name:
Designation:
Date:

