

United Nations Development Programme

Country: TURKEY

Project Document

Project Title: Organic Agriculture Cluster

UNDAF Outcome(s): Outcome 2: By 2010, social and economic policies for poverty and disparity reduction implemented effectively and quality basic social services reaching vulnerable groups promoted.

Expected Country Programme Outcome

CPAP Outcome: 5 Competitiveness of socially and environmentally responsible private sector increased

Expected Outputs: **CPAP Output:** 5.1. Turkey's companies receive support for increased competitiveness and improved pro-poor, pro-environment approaches aligned to EU norms.

Implementing Partner: GAP Regional Development Administration

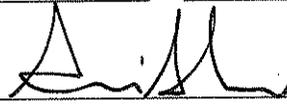
Responsible Parties: GAP Regional Development Administration and UNDP

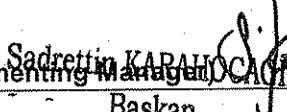
Brief Description

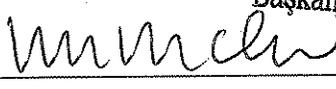
The overall objective, towards which the Project will contribute, is to improve the competitiveness of the Southeast Anatolia Region in a sustainable and socially equitable manner. This overall objective reflects the vision of the Competitiveness Agenda for Southeast Anatolia Region, and serves as a reference point for all initiatives (i.e. projects and programmes) to be implemented within the scope of the Agenda.

The purpose of the Project is to increase the competitiveness of the organic agriculture sector in the Region (especially in Sanliurfa) through activating the regional organic agriculture cluster and improving the local business environment by establishing an innovation and information centre, establishing best practices (pilot and demonstrative actions), and building local capacities, and by promoting the region nationally and internationally.

Programme Period	2006-2010	Budget (including GMS):	6.575.000 TRL
Key Result Area:	Poverty Reduction	Total resources required:	6.383.495 TRL
ATLAS Award ID	_____	Total allocated resources	6.383.495 TRL
Start date	June 2009	Government (GAP RDA)	6.383.495 TRL
End date	December 2013	GMS (3%)	191.505 TRL
PAC Meeting Date	17.02.2009	The deposits to be made by GAP RDA will be converted into USD and reflected to ATLAS (UNDP's ERP system) by using UN Operational Rate of Exchange prevailing at the date of transaction. The total budget of the project will be the sum of the USD values of the deposits to be received from the GAP RDA.	
Management Arrangement:	NIM		

Agreed by the Government  H. Avni AKSOY
Head of Department
Multilateral Economic Affairs *Ankara* 03 August 2009

Agreed by the GAP RDA (Implementing Management)  Sadrettin KARAHAN
Başkan *S. Ifra 14.08.2009*
T. C. BAŞBAKANLIK
GAP BÖLGE KALKINMA İDARESİ
BAŞKANLIĞI

Agreed by UNDP  Ulrika Richardson-Golinski
Resident Representative a.i. *08/09/2009*

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (TRL)*
	4. Organic Agriculture Innovation Centre 4.1. Establishment of the centre 4.2. Needs assessment and biz plans 4.3. Provision of business dev. services		X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	80,000.0 45,000.0 14,000.0 5,000.0 55,000.0 50,000.0 55,000.0 11,534.0
	5. Institutional Capacity Development 5.1. Needs assessment 5.2. Training programmes 5.3. National and int'l study tours			X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	22,500.0 12,500.0 7,000.0 0.0 1,250.0 0.0 18,750.0 10,815.5
							GMS (3%)		29,126.2
TOTAL									1,000,000.0

* Project budget is subject to revision and reallocation between categories and activities as needed/required. UNDP's Corporate Cost Recovery Policy shall be applicable for reimbursement of UNDP's direct implementation support costs. The deposits to be made by GAP RDA will be converted into USD and reflected to ATLAS (UNDP's ERP system) by using UN Operational Rate of Exchange prevailing at the date of transaction. The total budget of the project will be the sum of the USD values of the deposits to be received from the GAP RDA.

Year: 2010

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME				RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET		
		Q1	Q2	Q3	Q4			Budget Description	Amount (TRL)*	
Output 1: Regional organic agriculture cluster activated. Baseline: There is no formal structure to facilitate activation Regional organic agriculture cluster Indicator: (1) A shared cluster development roadmap (2) # of pilot actions (3) Portal (4) Innovation centre (5) # of trainees Targets: (1) Cluster roadmap (2) 5 Pilot actions (3) Portal (4) Innovation centre (5) Training programmes CPAP Outcome: Competitiveness of socially and environmentally responsible private sector increased	1. Cluster Development Activities 1.1. Cluster Analysis 1.2. Establishment of a working group 1.3. Development of cluster roadmap					GAP Regional Development Administration	Government	71200 Int'l Consultants	0,0	
								71300 Local Consultants	0,0	
								71600 Travel	0,0	
								72100 Contractual Svc	0,0	
								72500 Supplies	0,0	
								72800 Information Tech.	0,0	
								74100 Professional Svc.	0,0	
								74500 Misc. Expenses	0,0	
		2. Pilot actions and demonstrative studies 2.1. Competitiveness assessment 2.2. Analysis of int'l best practices 2.3. Pilot action and demo studies 2.4. Evaluation and Impact Assessment	X	X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants	158.000,0
									71300 Local Consultants	83.000,0
									71600 Travel	27.000,0
									72100 Contractual Svc	18.500,0
									72500 Supplies	0,0
								72800 Information Tech.	0,0	
								74100 Professional Svc.	15.000,0	
								74500 Misc. Expenses	2.635.393,2	
	3. Branding, promotion and visibility 3.1. GAP Organic agriculture portal 3.2. Int'l GAP Organic Agri. Biz. Forum 3.4. Workshops (int'l, national, regional)	X	X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants	35.000,0	
								71300 Local Consultants	22.500,0	
								71600 Travel	8.750,0	
								72100 Contractual Svc	6.000,0	
								72500 Supplies	11.000,0	
								72800 Information Tech.	31.000,0	
								74100 Professional Svc.	402.500,0	
								74500 Misc. Expenses	17.230,6	

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME				RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET	
		Q1	Q2	Q3	Q4			Budget Description	Amount (TRL)*
	4. Organic Agriculture Innovation Centre 4.1. Establishment of the centre 4.2. Needs assessment and biz plans 4.3. Provision of business dev. services	X	X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants	205,000,0
								71300 Local Consultants	110,000,0
								71600 Travel	20,000,0
								72100 Contractual Svc	50,000,0
								72500 Supplies	51,000,0
								72800 Information Tech.	0,0
								74100 Professional Svc.	40,000,0
								74500 Misc. Expenses	9,436,9
								71200 Int'l Consultants	22,500,0
								71300 Local Consultants	12,500,0
	5. Institutional Capacity Development 5.1. Needs assessment 5.2. Training programmes 5.3. National and int'l study tours	X	X	X	X	GAP Regional Development Administration	Government	71600 Travel	28,000,0
								72100 Contractual Svc	10,000,0
								72500 Supplies	1,250,0
								72800 Information Tech.	0,0
								74100 Professional Svc.	13,750,0
								74500 Misc. Expenses	9,087,4
								GMS (3%)	121,601,9
								TOTAL	4,175,000,0

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Year: 2011

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME				RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET	
		Q1	Q2	Q3	Q4			Budget Description	Amount (TRL)*
Output 1: Regional organic agriculture cluster activated. Baseline: There is no formal structure to facilitate activation Regional organic agriculture cluster Indicator: (1) A shared cluster development roadmap (2) # of pilot actions (3) Portal (4) Innovation centre (5) # of trainees Targets: (1) Cluster roadmap (2) 5 Pilot actions (3) Portal (4) Innovation centre (5) Training programmes CPAP Outcome: Competitiveness of socially and environmentally responsible private sector increased	1. Cluster Development Activities 1.1. Cluster Analysis 1.2. Establishment of a working group 1.3. Development of cluster roadmap					GAP Regional Development Administration GAP Regional Development Administration GAP Regional Development Administration	Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0
	2. Pilot actions and demonstrative studies 2.1. Competitiveness assessment 2.2. Analysis of int'l best practices 2.3. Pilot action and demo studies 2.4. Evaluation and Impact Assessment	X	X	X	X		Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	8.000,0 8.000,0 2.000,0 3.500,0 0,0 0,0 0,0 2.771,8
	3. Branding, promotion and visibility 3.1. GAP Organic agriculture portal 3.2. Int'l GAP Organic Agri. Biz. Forum 3.4. Workshops (int'l, national, regional)	X	X	X	X		Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	15.000,0 12.500,0 3.750,0 6.000,0 6.000,0 6.000,0 82.500,0 13.881,1

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (TRL)*
	4. Organic Agriculture Innovation Centre 4.1. Establishment of the centre 4.2. Needs assessment and biz plans 4.3. Provision of business dev. services	X	X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	130.000,0 157.500,0 23.500,0 2.000,0 2.000,0 0,0 135.000,0 11.165,0
	5. Institutional Capacity Development 5.1. Needs assessment 5.2. Training programmes 5.3. National and int'l study tours	X	X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	2.500,0 2.500,0 23.000,0 10.000,0 0,0 0,0 10.000,0 543,7
TOTAL							GIMS (3%)		20.388,3
TOTAL									700.000,0

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 UNDP's Corporate Cost Recovery Policy shall be applicable for reimbursement of UNDP's direct implementation support costs.
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Year: 2012

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME				RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET	
		Q1	Q2	Q3	Q4			Budget/Description	Amount (TRL)*
Output 1: Regional organic agriculture cluster activated. Baseline: There is no formal structure to facilitate activation Regional organic agriculture cluster Indicator: (1) A shared cluster development roadmap (2) # of pilot actions (3) Portal (4) Innovation centre (5) # of trainees Targets: (1) Cluster roadmap (2) 5 Pilot actions (3) Portal (4) Innovation centre (5) Training programmes CPAP Outcome: Competitiveness of socially and environmentally responsible private sector increased	1. Cluster Development Activities 1.1. Cluster Analysis 1.2. Establishment of a working group 1.3. Development of cluster roadmap 2. Pilot actions and demonstrative studies 2.1. Competitiveness assessment 2.2. Analysis of int'l best practices 2.3. Pilot action and demo studies 2.4. Evaluation and Impact Assessment 3. Branding, promotion and visibility 3.1. GAP Organic agriculture portal 3.2. Int'l GAP Organic Agri. Biz. Forum 3.4. Workshops (int'l, national, regional)	X	X	X	X	GAP Regional Development Administration GAP Regional Development Administration GAP Regional Development Administration	Government	71200 Int'l Consultants	0,0
		71300 Local Consultants	0,0						
		71600 Travel	0,0						
		72100 Contractual Svc	0,0						
		72500 Supplies	0,0						
		72800 Information Tech.	0,0						
		74100 Professional Svc.	0,0						
		74500 Misc. Expenses	0,0						
		71200 Int'l Consultants	9,000,0						
		71300 Local Consultants	9,000,0						
		71600 Travel	1,000,0						
		72100 Contractual Svc	3,000,0						
		72500 Supplies	0,0						
		72800 Information Tech.	0,0						
		74100 Professional Svc.	0,0						
74500 Misc. Expenses	2,271,8								
71200 Int'l Consultants	5,000,0								
71300 Local Consultants	2,500,0								
71600 Travel	1,250,0								
72100 Contractual Svc	1,000,0								
72500 Supplies	1,000,0								
72800 Information Tech.	1,000,0								
74100 Professional Svc.	32,500,0								
74500 Misc. Expenses	4,293,7								

EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME				RESPONSIBLE PARTY	Funding Source	PLANNED BUDGET	
		Q1	Q2	Q3	Q4			Budget Description	Amount (TRL)*
	4. Organic Agriculture Innovation Centre 4.1. Establishment of the centre 4.2. Needs assessment and biz plans 4.3. Provision of business dev. services	X	X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants	112.500,0
								71300 Local Consultants	77.500,0
								71600 Travel	29.000,0
								72100 Contractual Svc	2.000,0
								72500 Supplies	2.000,0
								72800 Information Tech.	0,0
								74100 Professional Svc.	30.000,0
					74500 Misc. Expenses	13.990,3			
	5. Institutional Capacity Development 5.1. Needs assessment 5.2. Training programmes 5.3. National and Int'l study tours	X	X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants	2.500,0
								71300 Local Consultants	2.500,0
								71600 Travel	2.000,0
								72100 Contractual Svc	0,0
								72500 Supplies	0,0
								72800 Information Tech.	0,0
					74100 Professional Svc.			15.000,0	
				74500 Misc. Expenses	2.271,8				
								GMS (3%)	10.922,3
TOTAL									375.000,0

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EXPECTED OUTPUTS	PLANNED ACTIVITIES (and actions)	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Funding Source	Budget Description	Amount (TRL)*
	4. Organic Agriculture Innovation Centre 4.1. Establishment of the centre 4.2. Needs assessment and biz plans 4.3. Provision of business dev. services	X	X	X	X	GAP Regional Development Administration	Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	102.500,0 30.000,0 18.500,0 51.000,0 10.000,0 0,0 40.000,0 14.990,3
	5. Institutional Capacity Development 5.1. Needs assessment 5.2. Training programmes 5.3. National and int'l study tours					GAP Regional Development Administration	Government	71200 Int'l Consultants 71300 Local Consultants 71600 Travel 72100 Contractual Svc 72500 Supplies 72800 Information Tech. 74100 Professional Svc. 74500 Misc. Expenses	0,0 0,0 0,0 0,0 0,0 0,0 0,0 9.466,0
TOTAL								GIMS (3%)	9.466,0
									325.000,0

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II. Management Arrangements

A Project Board (PB) is going to be established. PB will be responsible for the overall direction and management of the project. The Project Board will approve all major plans and authorize any major deviation from agreed plans. PB will ensure that required resources are committed, will arbitrate on conflicts (if any) within the project, and will negotiate a solution to any problems between the project and external bodies.

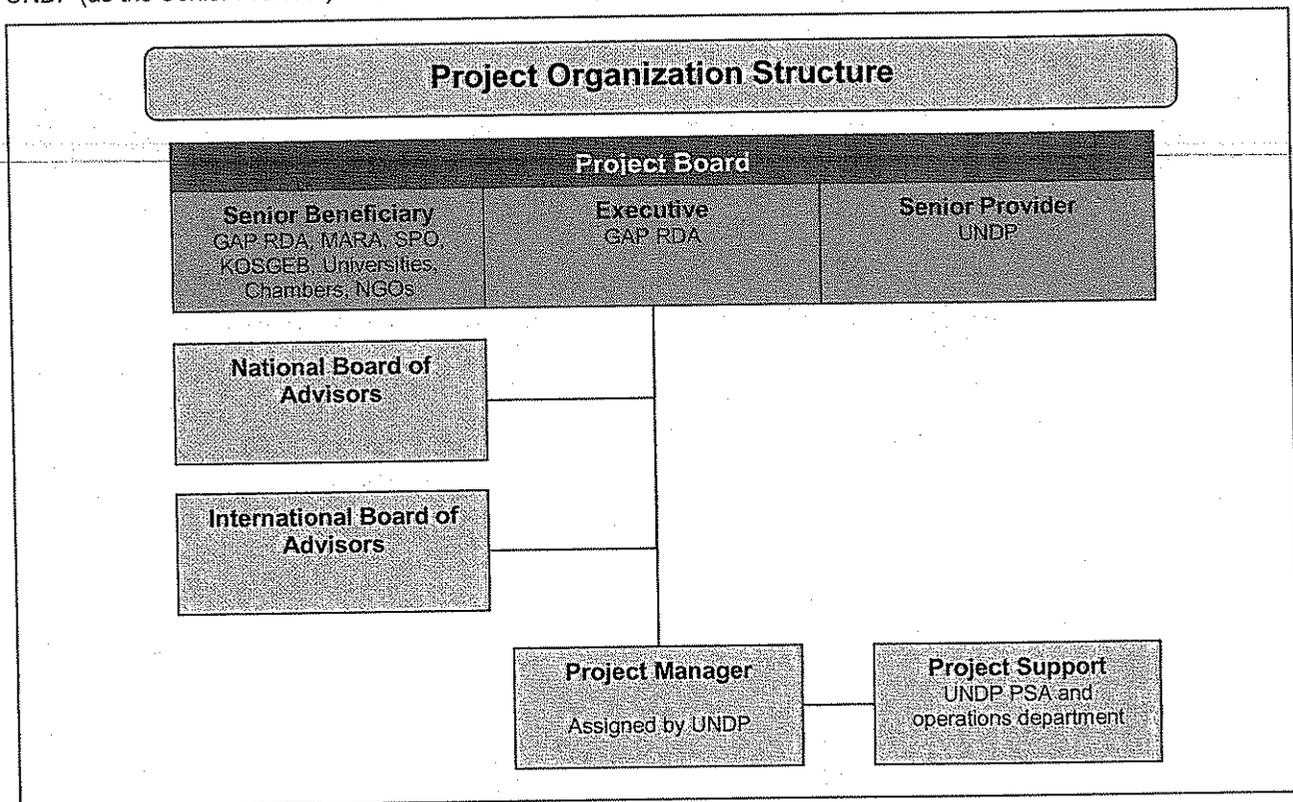
During the implementation of the project specific roles of the PB will include:

- provision of overall guidance and direction to the project, ensuring it remains within any specified constraints
- review of each completed stage and approval of progress to the next
- review and approval of plans and any **exception plans**
- establish (if and when needed) the project assurance unit

At the end of the project PB will:

- assure that all products have been delivered satisfactorily
- approve the **End Project Report**
- approve the **Lessons Learned Report**
- decide on the recommendations for **follow-on actions** and the passage of these to the appropriate authorities
- approve, where appropriate, of a Post-Project Review Plan

The PB will be composed of the Ministry of Culture and Tourism (as the Executive and the Senior Beneficiary), and the UNDP (as the Senior Provider). The Executive is the key decision maker with advice and commitment from UNDP.



The Intellectual Property Rights of all the outputs of the project will vest in the Ministry of Industry and Trade upon completion of the project. The name and emblem of the UNDP can be used only in direct connection with the Project, and subject to prior written consent of the UNDP Resident Representative in Turkey.

The Project will be subject to NIM audit, and related costs will be charged against the project budget.

III. Monitoring and Evaluation Framework

Within the annual cycle

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

Annually (i.e. at the end of the implementation)

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

Quality Management for Project Activity Results

OUTPUT 1: Regional organic agriculture cluster activated.		
Activity Result 1 (Atlas Activity ID)	Cluster Development Activities	Start Date: June 2009 End Date: December 2009
Purpose	To activate the regional organic agriculture cluster	
Description	This activity is composed of the following actions: 1.1. Cluster Analysis; 1.2. Establishment of a working group; 1.3. Development of cluster roadmap	
Quality Criteria	Quality Method	Date of Assessment
Cluster roadmap	Roadmap report	December 2009

OUTPUT 1: Regional organic agriculture cluster activated.		
Activity Result 2 (Atlas Activity ID)	Pilot actions and demonstrative studies	Start Date: October 2009 End Date: December 2013
Purpose	To establish local best practice and role models	
Description	This activity is composed of the following actions: 2.1. Competitiveness assessment 2.2. Analysis of int'l best practices 2.3. Pilot action and demo studies 2.4. Evaluation and Impact Assessment	
Quality Criteria	Quality Method	Date of Assessment
Competitiveness Assessment	Competitiveness Assessment Report	June 2010
Five pilot actions (indicatively)	Evaluation reports	End of 2010, 2011, 2012

OUTPUT 1: Regional organic agriculture cluster activated.		
Activity Result 3 (Atlas Activity ID)	Branding, promotion and visibility	Start Date: January 2010 End Date: December 2013
Purpose	To promote the Region nationally and internationally	
Description	This activity is composed of the following actions: 3.1. GAP Organic agriculture portal 3.2. International GAP Organic Agriculture Business Forum 3.4. Workshops (int'l, national, regional)	
Quality Criteria	Quality Method	Date of Assessment
GAP Organic agriculture portal	Portal	December 2010
Int'l GAP Organic Agri. Biz. Forum	Forum evaluation report	December 2010
Participatory Workshops	Workshop	End of 2010, 2011, 2012

OUTPUT 1: Regional organic agriculture cluster activated.		
Activity Result 4 (Atlas Activity ID)	Organic Agriculture Innovation Centre	Start Date: October 2009 End Date: December 2013
Purpose	Innovative capacity of the Region increased	
Description	This activity is composed of the following actions: 4.1. Establishment of the centre 4.2. Needs assessment and biz plans 4.3. Provision of business dev. services	
Quality Criteria	Quality Method	Date of Assessment
Innovation and Information Centre	Needs Assessment & Business Plans	December 2010
Business Development Services	Evaluation Report	End of 2010, 2011, 2012, 2013

OUTPUT 1: Regional organic agriculture cluster activated.		
Activity Result 5 (Atlas Activity ID)	Institutional Capacity Development	Start Date: October 2009 End Date: December 2013
Purpose	Institutional Capacity of the GAP RDA and its national and regional partners improved	
Description	This activity is composed of the following actions: 5.1. Needs assessment 5.2. Training programmes 5.3. National and int'l study tours	
Quality Criteria	Quality Method	Date of Assessment
Training Programme	Training Programme Evaluation Report	End of 2010, 2011, 2012
International and national Study Tours	Study Tour Report	End of 2010, 2011, 2012

IV. Legal Context

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together the instrument envisaged in the Supplemental Provisions to the Project Document, attached hereto.

Consistent with the above Supplemental Provisions, 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.

The implementing partner shall:

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

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

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

Annexes

Annex 1: Risk Log

Annex 2: [Model] Cost Sharing Agreement

Annex 3: Supplemental Provisions (Re. Section IV: Legal Context)

Annex 1: Risk Log

Project: Organic Agriculture Cluster		Award ID:	Date: May 2009
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted updated by	Last Update	Status
1	Decline in demand for organic products nationally and internationally	May 2009	Economic	<p>Potential effect: Difficulties in securing commitment of the local business community</p> <p>Probability = 3 Impact = 5 (scale of 1-5, 5 highest)</p>	The number of awareness-raising activities will be increased	Programme Manager	Programme Manager	(In Atlas, automatically recorded)	No change
2	Trained staff members of the GAP RDA and stakeholders do not stay in their posts.	May 2009	Operational	<p>Potential effect: The long-term impact of the project will decrease</p> <p>Probability = 3 Impact = 5 (scale of 1-5, 5 highest)</p>	The stakeholders will be asked to nominate staff members that are likely to remain in their posts	Programme Manager.	Programme Manager	(In Atlas, automatically recorded)	No change

ANNEX 2: MODEL COST SHARING AGREEMENT

AGREEMENT BETWEEN THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE GOVERNMENT OF (programme country)

WHEREAS the United Nations Development Programme (hereinafter referred to as "UNDP") and the Government of (programme country) (hereinafter referred to as the "Government") have agreed to co-operate in the implementation of a project/programme in the (programme country) (hereinafter referred to as "the Project ") which Project is summarized in Attachment A to this Agreement;

WHEREAS the Government has informed UNDP of its willingness to contribute funds (hereinafter referred to as "the contribution") to the UNDP on a cost-sharing basis to increase the resources available for the Project;

WHEREAS the UNDP shall designate an executing entity or implementing partner for the implementation of each project financed from the contribution (hereinafter referred to as "the Executing Agency/ Implementing Partner")

NOW THEREFORE, UNDP and the Government hereby agree as follows:

Article I

1. The Government shall, in the manner referred to in paragraph 2 of this Article, place at the disposal of UNDP the contribution of _____.
2. The Government shall, in accordance with the schedule of payments set out below, deposit the contribution in (title and number of bank account) at the (name and address of bank of deposit).

	<u>Date payment due</u>	<u>Amount(US\$)</u>
(a)		
(b)		
(c)		
(d)		

ANNEX 2: MODEL COST SHARING AGREEMENT

The above schedule of payments¹ takes into account the requirement that contributions shall be paid in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.

3. All financial accounts and statements shall be expressed in United States dollars.
 4. UNDP may agree to accept contribution-payments in a currency other than United States dollars provided such currency is fully convertible or readily usable by UNDP and subject to the provisions of paragraph 5, below. Any change in the currency of contribution--payments shall be made only in agreement with UNDP.
 5. The value of a contribution-payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by UNDP of the contribution-payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.
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6. Any interest income attributable to the contribution shall be credited to the UNDP Account and shall be utilized in accordance with established UNDP procedures.

Article II

1. . In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 3%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.

¹ It is recommended that country offices negotiate the number of installments to ensure at least six months' anticipated disbursements are funded with each installment. This will make processing of contributions and reporting more efficient for the country offices.

ANNEX 2: MODEL COST SHARING AGREEMENT

2. The aggregate of the amounts budgeted for the project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the project under this Agreement as well as funds which may be available to the project for project costs and for support costs under other sources of financing.

Article III

1. The contribution shall be administered by the UNDP in accordance with UNDP regulations, rules and directives, applying its normal procedures for the execution of its projects.
2. Project management and expenditures shall be governed by the regulations, rules and directives of UNDP and, where applicable, the regulations, rules and directives of the Executing Entity/Implementing Partner.

Article IV

1. The implementation of the responsibilities of the UNDP and of the Executing Agency/Implementing Partner pursuant to this Agreement and the relevant project document shall be dependent on receipt by the UNDP of the contribution in accordance with the schedule of payments set out in Article I, paragraph 2, above.
2. If unforeseen increases in expenditures or commitments are expected or realized (whether due to inflationary factors, fluctuation in exchange rates or unforeseen contingencies) UNDP shall submit to the Government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.
3. If the contribution-payments referred to in Article I, paragraph 2, above, are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2, above, is not forthcoming from the Government or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

Article V

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

Article VI

ANNEX 2: MODEL COST SHARING AGREEMENT

The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

Article VII

UNDP shall provide the Government on request with financial and other reports prepared in accordance with UNDP reporting procedures.

Article VIII

1. UNDP shall notify the Government when all activities relating to the contribution have been completed.
2. Notwithstanding the completion of all activities relating to the contribution, UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the activities finance by the contribution have been satisfied and these activities brought to an orderly conclusion.
3. If the unutilized contribution-payments prove insufficient to meet such commitments and liabilities, UNDP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.
4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Government.

Article IX

1. After consultations have taken place between the two Parties to this Agreement and provided that the contribution-payments already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project, this Agreement may be terminated by UNDP or by the Government. The Agreement shall cease to be in force thirty days after either of the Parties may have given notice in writing to the other Party of its decision to terminate the Agreement.
2. If the unutilized contribution-payments, together with other funds available to the Project, are insufficient to meet such commitments and liabilities, UNDP shall notify the Government and consult with the Government on the manner in which such commitments and liabilities may be satisfied.

ANNEX 2: MODEL COST SHARING AGREEMENT

3. Notwithstanding termination of this Agreement, UNDP shall continue to hold unutilized contribution-payments until all commitments and liabilities incurred in implementation of the activities financed by the contribution have been satisfied and these activities brought to an orderly conclusion.
4. Any contribution-payments that remain unexpended after such commitments and liabilities have been satisfied shall be disposed of by UNDP in consultation with the Government.

Article X

This Agreement shall enter into force upon signature and deposit by the Government of the first contribution-payment to be made by the Government in accordance with the schedule of payments set out in Article I, paragraph 2 of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English and (_____) language (s) in two copies.

For the Government:

For the United Nations Development Programme

(Signature)

Name:

Title:

Date:

Place:

(Signature)

Name:

Title:

Date:

Place:

Standard annex to project documents for use in countries which are not parties to the Standard Basic Assistance Agreement (SBAA)

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

General responsibilities of the Government, UNDP and the executing agency

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.
2. The Government shall remain responsible for this UNDP-assisted development project and the realization of its objectives as described in this Project Document.
3. Assistance under this Project Document being provided for the benefit of the Government and the people of (the particular country or territory), the Government shall bear all risks of operations in respect of this project.
4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency named in the cover page of this document (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.
5. The UNDP undertakes to complement and supplement the Government participation and will provide through the Executing Agency the required expert services, training, equipment and other services within the funds available to the project.
6. Upon commencement of the project the Executing Agency shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.

7. Part of the Government's participation may take the form of a cash contribution to UNDP. In such cases, the Executing Agency will provide the related services and facilities and will account annually to the UNDP and to the Government for the expenditure incurred.

(a) Participation of the Government

1. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.
2. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency, assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.
3. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.
4. Within the given number of man-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.
5. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.
6. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.
7. The Government shall make available to the project - subject to existing security provisions - any published and unpublished reports, maps, records and other data which are considered necessary to the implementation of the project.

8. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.

9. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.

10. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. Payment of this amount shall be made to the UNDP in accordance with the Schedule of Payments by the Government.

11. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP and the executing agency

1. The UNDP shall provide to the project through the Executing Agency the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.

2. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Manager ^{a/} who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.

3. The Executing Agency, in consultation with the Government and UNDP, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.

4. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.

^{a/} May also be designated Project Co-ordinator or Chief Technical Adviser, as appropriate.

5. The Executing Agency may, in agreement with the Government and UNDP, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government and UNDP, in accordance with the Executing Agency's procedures.
6. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held by the Executing Agency. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP and of the Executing Agency.
7. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.
8. Prior to completion of UNDP assistance to the project, the Government, the UNDP and the Executing Agency shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly therefrom. The UNDP may, however, at its discretion, retain title to part or all of such equipment.
9. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP, and if necessary the Executing Agency, shall review the activities continuing from or consequent upon the project with a view to evaluating its results.
10. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

Rights, Facilities, Privileges and Immunities

1. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.
2. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.

3. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:

(a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;

(b) Be immune from national service obligations;

(c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;

(d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;

(e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.

4. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.

5. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:

(a) The salaries or wages earned by such personnel in the execution of the project;

(b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn therefrom;

(c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and

(d) As in the case of concessions currently granted to UNDP and Executing Agency's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn therefrom upon departure of such personnel.

6. The Government shall ensure:

(a) prompt clearance of experts and other persons performing services in respect of this project; and

(b) the prompt release from customs of:

(i) equipment, materials and supplies required in connection with this project; and

(ii) property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

7. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where, in its opinion or in the opinion of the UNDP, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP or the Executing Agency.

8. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.

9. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

Suspension or termination of assistance

1. The UNDP may by written notice to the Government and to the Executing Agency concerned suspend its assistance to any project if in the judgement of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government and the Executing Agency that it is prepared to resume its assistance.

2. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.

3. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.