

**Project Proposal to support the interim
phase of the Joint Declaration of Intent
(JDI) between Peru, Norway and
Germany**

**United Nations Development
Programme (UNDP)**



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1. Background of UNDP in Peru (programme, capacities and activities related to the JDI)

UNDP draws on its broad thematic as well as geographic reach to offer high quality technical cooperation to Peru and countries throughout the world. Drawing on more than 40 years of organizational experience, its strengths include an intellectual perspective informed by global trends and knowledge development; a proven ability to contribute to public policy and build capacity in partner countries; and recognition as a trusted partner for multi-sectoral cooperation with various stakeholders, frequently on sensitive issues. An extensive global network as well as an inter-agency coordination role reinforces the strengths of UNDP.

UNDP's mission is grounded in the Millennium Declaration and is aimed at helping to achieve lasting improvements in people's lives, while expanding the choices and options available to them. This requires a strong results-oriented approach deeply embedded in the culture of the organization, and fully supported by institutional mechanisms for risk management and accountability. Furthermore, UNDP is well poised to play a key support role to Peru as it adopts the Sustainable Development Goals in the coming months.

Strategic Plan 2014-17

The Strategic Plan (2014-17) commits UNDP to the pursuit of a clear vision and set of seven outcomes utilizing engagement principles that reflect our approach to development. Our engagement principles include being guided by national ownership and capacity, applying the concept of sustainable human development, advancing gender equality and women's empowerment, and enabling voice and participation, among others.

UNDP aims to further strengthen its cooperation with countries, based on its capacity and mandate to work from the global through to the local level. Our programmes and projects seek to concentrate high quality advice, effective and efficient operations and knowledge-driven, innovative implementation strategies.

The programmatic approach identifies five key development issues: poverty eradication as the greatest global challenge, sustainable development, gender equality and women's empowerment, transitions from relief to development, and resilience, the latter two being particularly relevant in disaster and post-conflict settings. As cross-cutting issues, UNDP promotes national and sub national capacity development, South-South and triangular cooperation, joint inter-agency coordination and cooperation at a regional level.

Under the UNDP Strategic Plan, seven key expected results have been defined. Of special relevance in the context of the Joint Declaration of Intent between Norway, Germany and Peru is the following: *Growth and development [as] inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.* In order to achieve this result, UNDP seeks to strengthen national development processes and associated policy reforms, oriented towards the transformation of productive capacities, including in the forestry and land use sectors. This means using policy analysis to identify opportunities to expand and diversify the productive base and increase value added, so that employment can be generated and livelihoods created while tackling unsustainable patterns of production and consumption.

Moreover, country skills and institutional capacity to design, monitor, coordinate and implement national vision documents and development plans will be strengthened; options for expanding investment for structural transformation through innovative approaches to public-private partnerships will be identified and increased domestic resource mobilization will be sought; as well as utilization of South-South and triangular cooperation.

Under this framework, planning at sub-national levels is supported to help connect national priorities with action on the ground. Among cooperation areas, it includes benefit sharing from biodiversity, incentives to conserve and sustainably utilize biodiversity, and ways to develop and sustainably manage ecosystem services; and, more broadly, grow markets for sustainable products and services benefiting the poor. Innovation becomes of greater importance, supporting this through partnerships and catalytic funding that bring together communities, the private sector, foundations and civil society.

Regarding natural capital, including forests, UNDP's Strategic Plan focuses on conservation and sustainable use of natural resources and biodiversity as well as creation of employment and livelihoods, for instance, through management and rehabilitation of ecosystem services, including protected, indigenous and community conservation areas. An underlying objective will be to test and scale-up public-private initiatives that can increase employment and livelihoods opportunities using production technologies that are sustainable and markets that are inclusive.

UNDP fosters linkages between its biodiversity and climate change programmes as it seeks to strengthen institutional capacities for planning and policy frameworks to boost low-emission, climate-resilient objectives. Support actions include technical assistance for the integration of these objectives into national and sectoral development plans; identifying priority mitigation and/or adaptation measures; reforms that reduce financial risk and offer improved incentives for adaptation and mitigation responses; and development of capacities to access, deliver, monitor, report on and verify the use of climate finances.

As noted above, UNDP's Strategic Plan provides a solid and clear foundation on which the organization can anchor its support to the implementation of the Joint Declaration of Intent. Its mandate to strengthen national and sub-national technical and institutional capacities and policies to further low emissions, climate resilient development is fully aligned with the JDI's objectives and programmatic focus.

UNDP Country Programme

UNDP's technical cooperation in Peru is framed within the United Nations Development Assistance Framework (UNDAF) and UNDP Country Programme. In both cases, environmental sustainability is one of the main pillars, which is reflected in the following expected result: *The State, with the participation of civil society, the private sector, scientific and academic institutions, will have designed, implemented and/or strengthen policies, programs and plans focusing on environmental sustainability, for the sustainable management of natural resources and biodiversity conservation.* Defined jointly with representatives of the Peruvian government and civil society, the Country

Programme Action Plan (CPAP)¹ was signed by the Ministry of Foreign Affairs in 2012, and is recognized as the legal framework agreement governing UNDP's technical cooperation with Peru.

1.1. UNDP's experience in Peru relevant to the JDI

UNDP's support to the JDI would directly benefit from the knowledge, experience and lessons learned as well as institutional and stakeholder engagement developed through the following UNDP-supported initiatives in Peru (See Annex 1):

- During 2013-14, UNDP managed the project "Strengthening capacities of Indigenous People for their informed participation in the design and implementation of the REDD+ mechanism in Peru". In the context of the UN-REDD programme², the project aimed to strengthen the participation and consultation processes of indigenous peoples as part of the preparation phase of REDD+ in Peru. The two national indigenous peoples organizations, AIDSEP and CONAP, actively participated as members of the technical committee of the project. Key results of the project are: strengthened institutional capacity to implement REDD+ at the government and non-government level; recommendations for participatory monitoring by indigenous peoples of REDD+ social and environmental safeguards; and recommendations to ensure transparency in REDD+ financing.
- In 2015-16, UNDP is providing technical cooperation to implement the UN-REDD supported project "Support preparation for future implementation of REDD+ in Peru", which seeks to strengthen the institutional capacities for the effective implementation of REDD+ and contribute to specific aspects defined in the Cancun Agreement. Activities include (1) promoting the dissemination of information and early dialogue with key stakeholders, including indigenous peoples; (2) the promotion of dialogue and consultation processes, including strengthening indigenous REDD+ roundtables; (3) design of a National Forest and Climate Change Fund; and (4) development of a proposal for institutional arrangements for a Safeguards Information System for REDD+ in Peru.
- In 2014-2016 UNDP's Biodiversity Finance Initiative³ in Peru is seeking to address the biodiversity finance challenge in a comprehensive manner – building the political and financial frameworks, and sound business case for increased investment in the management of ecosystems and biodiversity. In close coordination with the Ministries of Economy (MEF) and Environment (MINAM), the project strategy promotes resource mobilization for the implementation of the National Biodiversity Strategy and its Action Plan (NBSAP), including technical assistance to identify access and/or combination of financial mechanisms. The key expected project result is to close the gap in overall funding for conservation and sustainable use of biodiversity in Peru.
- In 2015 – 2021, the GEF-supported "Transforming Management of Protected Area/Landscape Complexes to Strengthen Ecosystem Resilience" aims to increase the

¹ For more information on the CPAP:

<http://www.pe.undp.org/content/peru/es/home/ourwork/overview/DocumentoCPAP/>

² Further information about UN- REDD: <http://www.un-redd.org/>

³ For more information on BIOFIN Initiative, see: <http://www.biodiversityfinance.net/home>

resilience of vulnerable ecosystems in the Amazon to the impacts of climate change on protected areas and surrounding landscapes, ensuring biodiversity conservation and delivery of ecosystem services, through a three-pronged approach: development of management systems (monitoring and early warning systems, management and decision making tools and sustainable financing) in order to optimize national readiness to address the implications of climate change on mountain ecosystems; expanding and strengthening protected areas in landscapes that are particularly sensitive to climate change, in order to protect refuges and corridors; and promoting sustainable landscape management in surrounding protected areas, anticipating increased threats from current land uses for biodiversity and ecosystem functions.

- “Integrated Management of Climate Change in Communal Reserves in the Peruvian Amazon” aims to increase resilience of the indigenous populations through Ecosystem-based Adaptation strategies in and around the Amarakaeri and Tuntanain Communal Reserves in Madre de Dios and Amazonas, respectively (2013-2017). The project contributes to sustainable livelihoods of these indigenous communities, ensuring the conservation of 500,000 hectares with high conservation value. Moreover, the impact of the project is extended to eight additional Communal Reserves, thus catalysing Ecosystem-based Adaptation, maintaining biodiversity and responding to climate change in an additional 1.27 million hectares of the Peruvian jungle.
- Under the UNDP Green Commodities Programme⁴, UNDP is actively scoping the design and development of National Commodity Platforms to promote sustainable commodity production and trade. Initial technical cooperation has focused on the oil palm sector, while there are plans to also explore the platform approach to coffee. The goal of this initiative is to mainstream sustainable production practices in commodity sectors, to reduce their environmental and social impacts and improve livelihoods of producers and workers. Through enhanced cooperation between private sector (buyers / producers), government and civil society, the platforms aim to contribute to deforestation mitigation efforts, in line with the National Forests and Climate Change Strategy.
- In development between the Ministry of Environment, UNDP and other actors, the project concept for “Sustainable Productive Landscapes” will be submitted to the GEF as a flagship country initiative aimed at reducing threats to forest ecosystems and contribute to climate change mitigation in the Peruvian Amazon, by supporting natural resource management and agricultural and forest production systems that incorporate considerations of environmental and economic sustainability. An integrated and comprehensive approach will address drivers of deforestation at the landscape scale, at the same time contributing to local livelihoods and addressing unsustainable agricultural practices in selected sectors that have been identified as constituting particularly significant drivers of deforestation.⁵

1.2 UNDP’s technical capacity (Global / regional / national) relevant to the JDI

Upon request from the government of Peru, UNDP would provide the necessary technical and operational support for the implementation of the JDI. Technically, UNDP brings together experts

⁴ Further information on Green Commodities Programme: <http://www.greencommodities.org>

⁵ Draft National Forest and Climate Change Strategy. MINAM. December 2014.

in various fields, including REDD+, forest management, forest policy, rural development, sustainable agriculture, environmental law, climate finance, public finance, management of protected areas, participatory governance, poverty reduction strategies, human rights and indigenous peoples, development planning and policy reforms, and socio-environmental conflicts.

In addition to the technical capacity directly available from our global, regional and Peru-based team, we offer the knowledge and expertise of our global network, with offices located in more than 170 countries. This also allows adapting and implementing already field-tested approaches to the Peru context, thus reducing the learning curve in the implementation of new initiatives. In addition, through a consultant roster, technical support and advice are available, providing accompaniment and follow-up to projects, and exchanging experiences and best practices.

As the agency in charge of the Coordination of the United Nations System in the country, UNDP actively promotes inter-Agency cooperation. If appropriate, UNDP can convene other UN Agencies such as FAO, UNICEF, UNESCO and UNEP, according to the needs and indications of the Project Board.

UNDP actively promotes synergies and coordination with civil society stakeholders, including the media (through agreements with major print media), NGOs, grassroots organizations, academic institutions, among others. In Peru, UNDP has engaged with universities such as the Catholic University of Peru and the National Agrarian University, diverse NGOs and Community-based Organizations, as well as Indigenous Peoples Organizations.

UNDP has an installed and proven operational capacity. In the Peru Country Office, UNDP has a service center operated by a group of experts in procurement of goods and services of various types and magnitude. UNDP Peru also has a Finance Unit, a Human Resources Unit and a Programme management team, including technical and Monitoring and Evaluation specialists.

The organization has broad experience in the design, advising, planning and management of complex administrative processes and of great magnitude. UNDP Peru's responsiveness and operational capacity has been recognized by partners and donors, recently for the implementation of COP20 (US\$ 92 million); assistance to the government programme Qali Warma (US\$ 62 million); and support to the organization of the 2015 Annual Meetings of the Boards of Governors of the World Bank Group and the International Monetary Fund (US\$ 51 million). For exceptional and highly complex processes, UNDP receives operational advice from the Regional Center (located in Panama) and Headquarters (NY).

2. Next steps and indicative timeframe to operationalize project implementation

Drafting of the Project Document: approximately 2-4 weeks

Upon receiving confirmation from the government of Peru of its intention to receive support from UNDP for project implementation, the UNDP Country Office liaises with the Ministry of Environment of Peru (MINAM) to support the drafting of the Project Document (PRODOC). The PRODOC, which constitutes the project's legal framework that binds the government of Peru and UNDP, includes key relevant information to guide project implementation, including background information, expected outputs, AWP, project budget, a results and resources framework, monitoring and evaluation guidelines as well as: a clear indication on procedures to be followed,

determination of the implementing partner, the different roles and responsibilities of all parties involved and the corresponding cost recovery (General Management Support - GMS - and Direct Project Cost - DPC). It also includes annexes regarding communications and visibility, and a risk log. See Annex 2 for the PRODOC template.

One of the key decisions indicated in the PRODOC is the choice of implementation modality. For this project, UNDP recommends that MINAM consider National Implementation (NIM). Under this modality, the national counterpart - MINAM - designates a National Director who is then responsible for the day-to-day implementation of activities. For more details about NIM, see section 4 about Implementation Modality, and section 5 regarding Project Governance.

The indicative time required for this step is based on assumptions that MINAM and UNDP do not face delays in reaching agreement on the definition of Implementation modality, the Results and Resources Framework, the AWP (including indicative budget, goals and indicators), and the structure of the Project Board⁶.

The following are three additional considerations that may be relevant for this project:

- i. Definition of implementation support from UNDP (approximately 1 week)

MINAM may wish to request that UNDP provide additional support to the implementation phase, beyond that which is included in General Management Services (GMS). In the context of this project, this could be foreseen in order to provide services related to the procurement of goods and services required for the effective execution of project activities. Under the NIM modality, MINAM would be directly responsible for all procurement. However, it has the option to sign a Letter of Agreement through which it requests UNDP procurement services. See Annex 3 for the template of the Letter of Agreement.

In exceptional cases in which particular circumstances require (ii) accelerating project initiation, and/or (iii) accelerating the entire implementation phase:

- ii. Use of Initiation Plan

The Initiation Plan is necessary when financial resources are required to finalize the project design (PRODOC) or to begin certain project activities. For example, an Initiation Plan could include the recruitment of consultant(s) to develop a comprehensive monitoring framework, the undertaking of data analysis, conducting the environmental screening process or the start-up of pilot activities. The Initiation Plan contains three elements:

- A standard cover page;
- A description of the activities/key deliverables and how they will be managed;

⁶ A project can be approved based on the financing plan; therefore not all project funding must be committed or available at the start of the project. In practical terms, this implies that UNDP and MINAM could develop a PRODOC with a programmatic scope that could exceed confirmed funding.

- A standard budget in the form of an AWP.

The duration of the Initiation Plan may not exceed one year. If the full project document is not ready 12 months after the signature of the Initiation Plan, the budget must be closed.

iii. Use of Fast Track Procedures

For this project, Fast Track policies and procedures (FTP) could be requested, under the argument that the implementation of this initiative is strategic and/or time-critical. The justification would be the need to deliver development results within a very short or medium-term timeframe within which UNDP must make a contribution or impact. The timeframe to activate FTP may vary between one or two weeks, conditional to the approval of the Regional Bureau and Headquarters (HQ).

The FTP may initially be activated for any period of time up to 12 months, with the Regional Bureau (RB) having the authority, in consultation with UNDP HQ and the Country Office (CO), to discontinue it at any point, as part of its oversight role. At the end of 12 months, an extension may be considered.

Fast Track Regulations

a) Automatic Delegation of Authority

Once the FTP is activated, a pre-defined package of delegations would immediately become available to the UNDP Resident Representative in Peru, including, for example, a single-level up-scaling of existing procurement authority: the regular limit for local approvals (with Contracts, Asset and Procurement (CAP) local committee) is USD 149,000. With fast track procedures, it increases to USD 300,000.

b) Modified Operational Procedures

The following deviations to existing procedures would be allowed if FTP were to be activated:

- I. Automatic utilization of other UN agency's Long Term Agreements (LTAs) permitted for procurement, even if based on direct contracting (under normal circumstances this is possible only once a verification by Advisory Committee on Procurement in New York (ACP) of the LTA approval process undertaken by the other agency was done, and it was confirmed that a competitive bidding process was followed);
- II. "Delivery time" may be included as a key driver for best-value-for-money;
- III. Use of flexible Invitation to Bid (ITB) or Request for Proposal (RFP);

The following table details the steps and tasks and corresponding indicative timeframe considered as part of the project preparation process.



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Tasks and responsibilities	Responsible Party	Timeframe
Prepare PRODOC		
Draft PRODOC/AWP		
<ul style="list-style-type: none"> • MINAM should work out the project design, starting with a hierarchy of output(s), activities and inputs. UNDP will provide technical support in the design stage. • Draft the AWP (including indicative budget, goals and indicators). A procurement plan should accompany the AWP. • Design of an initial project monitoring and evaluation framework. • Project management arrangements and structure, including project board (steering committee) composition. • A risk analysis, including Social and Environmental Screening Procedure, and risk management should be conducted and attached to the project document. 	MINAM with UNDP support	2-4 weeks
<p>Determine the implementation modality and institutional arrangements</p> <ul style="list-style-type: none"> • It is essential to determine the most appropriate implementation modality and how the activities will be carried out so that project outputs can be achieved within the established limits of time and costs, and meet quality criteria. <p>MINAM should carry out the following activities:</p> <ul style="list-style-type: none"> • Identification of potential partners, including entities that could act as Responsible Parties for activities; appropriate agreements with these organizations should be defined using standard models provided by UNDP. • Assessment of each potential partner’s capacity for project implementation using the implementing partner checklist provided by UNDP. 		
Definition of implementation support from UNDP (optional)		
<ul style="list-style-type: none"> • Upon request by MINAM, UNDP may assist the institution to carry out its role as Implementing Partner by providing country office support services - UNDP then becomes a Responsible Party. In the context of this project, this could be foreseen in order to provide services related to the procurement of goods and services required for the effective execution of project activities. The scope for UNDP support services to MINAM should be detailed in the PRODOC and formalized through a Letter of Agreement (LOA) as appropriate. 	MINAM in coordination with UNDP	1 week
Develop Initiation Plan (optional)		
<p>If immediate resources are required to help finalize the project design or begin certain activities of the project itself, an Initiation Plan should be prepared to supplement the draft project document, and submitted to the PAC. The Initiation Plan contains three elements:</p> <ul style="list-style-type: none"> • A standard cover page; • A description of the activities/key deliverables and how they will be managed; • A standard budget in the form of an Annual Work Plan. 	UNDP in coordination with MINAM	2 weeks



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Project Appraisal Committee (PAC)

- Convening UNDP PAC meeting and presentation.
- PAC members review and discussion of key issues and decision to recommend approval or possibly adjustments to the proposed project.
- Through the minutes of the meeting, the PAC critically assesses the project against established criteria, including the potential for significant and sustainable impact, advises the Resident Representative on the soundness of the design of the project, and provides recommendations for approval or revision of the draft project document.

UNDP

2 weeks

Sign contribution agreement between UNDP and Norway

- There is a pre-existing framework agreement signed between UNDP and Norway since 2003, which is still in force. The project will be implemented within this framework. The legal review and signing of the agreement is straightforward between both parties, as it is based on the existing agreed template. The assumption is that Norway has previously reviewed and is in agreement with the programmatic scope outlined in the PRODOC.

Norway - UNDP

Sign project document

- Once the PRODOC is finalized, it will be formally sent to MINAM for the signature by the Minister or Vice Minister.

UNDP and
MINAM

3. Adherence to Social and Environmental Standards

Social and environmental sustainability are fundamental to the achievement of development outcomes and are systematically mainstreamed into UNDP's Programme and Project Management Cycles. UNDP's Social and Environmental Standards (SES)⁷ underpin and demonstrate this commitment. The SES, as approved in June 2014 by UNDP's Organizational Performance Group and effective 1 January 2015, require that all UNDP Programmes and Projects enhance positive social and environmental opportunities and benefits as well as ensure that adverse social and environmental risks and impacts are avoided, minimized, and mitigated.

UNDP Programmes and Projects adhere to the objectives and requirements of the SES, which are to: (i) strengthen the social and environmental outcomes of Programmes and Projects; (ii) avoid adverse impacts to people and the environment; (iii) minimize, mitigate, and manage adverse impacts where avoidance is not possible; (iv) strengthen UNDP and partner capacities for managing social and environmental risks; and (v) ensure full and effective stakeholder engagement, including through a mechanism to respond to complaints from project-affected people.

4. Implementation modality

For this specific project, the National Implementation Modality (NIM) is proposed, with the option of signing a Letter of Agreement requesting UNDP's support. Both options are described in further detail below:

a) National Implementation Modality (NIM)

Under the NIM modality, the responsibility for the implementation of the project rests with the Ministry of Environment. The implementation of the project requires that MINAM, as Implementing Partner, has the technical and administrative capacity to assume the responsibility for mobilizing and applying effectively the required inputs in order to reach the expected outputs. At the same time, it is expected that the National Implementation Modality will contribute to the strengthening of national capacities.

Under this modality, MINAM would be accountable for:

- The assumption of full responsibility for the effective use of UNDP-administered resources and the delivery of outputs, as set forth in the signed PRODOC.
- Reporting, fairly and accurately, on project progress against agreed AWP's in accordance with the reporting schedule and formats included in the PRODOC;
- Maintaining documentation and evidence that describes the proper and prudent use of project resources in conformity with the PRODOC and in accordance with applicable regulations and procedures. This documentation would be made available on request to project monitors and designated auditors.

UNDP's Accountability:

⁷ For the full description of UNDP's SES: <http://www.undp.org/content/dam/undp/library/corporate/Social-and-Environmental-Policies-and-Procedures/UNDPs-Social-and-Environmental-Standards-ENGLISH.pdf>

Under NIM, UNDP is accountable for the effective and efficient use of resources for the achievement of programme results (in conjunction with MINAM), through support to the project design, the assessment of counterpart capacities, and the evaluation of programme activities.

UNDP project assurance:

- Ensure that funds are made available to the project;
- Ensure the project is making progress towards intended outputs;
- Perform regular monitoring and assurance activities, including periodic monitoring visits and “spot checks” of expenses and results achieved;
- Ensure that resources entrusted to UNDP are utilized appropriately;
- Ensure that critical project information is monitored and updated in Atlas (software UNDP uses to manage projects, finances, human resources, inventory and procurement);
- Ensure that financial reports are submitted to UNDP HQ and the donor on time, and that combined delivery reports are prepared quarterly and submitted to the project board;
- Ensure that risks are properly managed, and that the risk log in Atlas is regularly updated.
- Review reports from the Government as basis for assurance procedures.
- Review NIM audit reports and ensure that IPs take any identified corrective actions, as necessary.

Responsible Party:

As previously mentioned, MINAM may enter into agreements with other organizations or entities, known as Responsible Parties, who may provide goods and services to the project, carry out project activities and produce project outputs. Responsible parties are accountable directly to MINAM as Implementing Partner. For a full definition of Responsible Party, see section 6 on project governance.

Cash Transfer Modalities under the NIM modality:

UNDP will provide the required financial resources to MINAM to carry out project activities during the annual cycle. These arrangements should be clearly stated in the AWP; and will constitute a tool for UNDP for the establishment of cost recovery within the project.

Three cash transfer modalities are available:

- Direct cash transfer - UNDP advances cash funds on a quarterly basis (based on agreed work plan) to MINAM, who in turn reports expenses through Funding Authorization and Certification of Expenditures (FACE) forms. Note that the recording of expenses, from requisition through to disbursement, occurs in the books of the Implementing Partner. UNDP is pre-funding the activities with advances of cash.

The following steps and conditions are applicable in the case of direct cash transfers:

- ✓ MINAM would need to open a bank account for the project and assign two responsible people for banking movements.
 - ✓ Cash transfers are granted for 3 months of delivery/execution. After the third month, MINAM must have executed at least 80% of the cash transfer and should report back the expenses to UNDP (financial report is submitted in an excel spreadsheet, detailing each activity and payment executed).
 - ✓ A detailed budget of the activities to be financed with the cash transfer must be submitted and approved prior to the disbursement.
 - ✓ Examples of expenses to be covered by cash transfers are: workshops, office supplies, trips to rural areas, audiovisual materials such as banners, brochures.
 - ✓ Payments to government officials are not allowed.
 - ✓ Cash transfers are in local currency.
- Direct payment – MINAM, as the Implementing Partner, carries out the procurement activity but requests UNDP to make the disbursement directly to vendors through FACE. In this arrangement, UNDP is undertaking only the fiduciary function on behalf of MINAM.
 - Reimbursement – unlike direct cash transfer, reimbursement arrangement is where UNDP pays the MINAM after the Ministry has itself made disbursements based on the Annual Work Plan. This is a pre-financing arrangement made by the Implementing Partner. The Implementing Partner needs to request authorization from UNDP before embarking on a pre-financing arrangement.

Rejection of Expenses

UNDP has a responsibility to accept appropriate cash advance requests, reported expenses or direct payments that are consistent with the Annual Work Plan and UNDP's Financial Regulations and Rules and – therefore – to reject improper advance requests, expenses, or requests for direct payments.

b) National Implementation Modality (NIM) + UNDP as Responsible Party (for some activities) + Fast Track

A variation of the above mentioned option is to engage UNDP as a Responsible Party, through the signing of a Letter of Agreement (LoA) between UNDP and MINAM, for some project activities (see Annex 3).

UNDP as Responsible Party

UNDP country offices commonly act as Responsible Parties for the provision of support services to national Implementing Partners. These services have traditionally been concentrated in the areas of procurement and recruitment, but extend to carrying out activities and producing outputs. In other words, UNDP services can include substantive as well as administrative responsibilities.

If requested by the government of Peru, UNDP could act as a Responsible Party for MINAM in this project. The legal context for UNDP to act as Responsible Party is embedded in the CPAP and PRODOC legal sections. As Responsible Party, UNDP is accountable for any services provided under such agreements to MINAM and is entitled to reimbursement for the costs of service



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provision. This cost reimbursement is negotiated at the time of project formulation and included in the project budget.

In the unique case when UNDP provides only direct payments on behalf of MINAM, UNDP's accountability is limited to 1) assurance that the request has come from an authorized official; 2) verification that the requested payment is in accordance with the project work plan; and 3) verification that payment is made to the designated party.

Under this option, certain project activities would not be included in the Letter of Agreement (meaning that MINAM would have full implementation responsibility – NIM modality - for some project activities). This would allow for direct cash transfers to MINAM; otherwise, if the LoA is signed for the entire project, UNDP can only transfer funds for specific actions/contracts and requires reporting back immediately.

The activities implemented under NIM + LoA (UNDP as Responsible Party) would include the provision of services by UNDP as stipulated in the LoA (procurement, recruitment, carrying out activities, among others). Fast track procedures can be requested under this modality (see section 3 for a full description of fast track regulations and advantages).

Procurement and Contracts

UNDP's procedures and regulations offer effective, efficient and transparent methods for the procurement of goods, services and/or civil works.

The principles to be observed in the processes of acquiring goods; services or civil works for this potential project are the following:

- **Best Value for Money:** This does not mean selecting the lowest price offered or proposed, but rather the choice based on the integration of technical, organizational and price factors, according to their importance.
- **Impartiality, Integrity and Transparency:** As competition depends on efficiency, impartiality and transparency in the procurement process, MINAM is responsible for the protection of the integrity of the purchasing process and for the maintenance of impartiality to all bidders.
- **Effective Competition:** The objective is to provide all eligible bidders with information on the requirements of the national institution in due time and with adequate notification, and grant equal opportunities to all of them.
- **Procurement ethics:** During the purchasing and purchase order or contract execution processes, both bidders and employees involved in the processes are required to observe the highest ethical levels. In this regard, UNDP ethic-related policies must be observed.
- **Environmental considerations:** MINAM must carry out its activities in a way that is environmentally responsible; goods, and/or services or civil works selected should minimize environmental impact.

Procurement Methods:

In addition to economy and efficiency, UNDP requires transparency and responsibility from the Ministry in the use of funds. Once the procurement need has been approved, the funds secured and the specifications, terms of reference or bidding documents have been prepared, MINAM should decide which method of procurement to use. It must be pointed out that, in any

procurement process where cost exceeds USD 5,000, it is mandatory to obtain a minimum of three (3) competitive bids, in order to demonstrate the competitiveness of the process and to obtain the lowest evaluated price, as applicable.

The most commonly used methods to request proposals for procurement of goods, works or services are the following:

- Local shopping (< US\$5,000). Purpose: purchase of goods, services. Informal price competition when the amount of the procurement is under US\$5,000. The recommendation is to get two competitive proposals through an informal process (the proposals received must be in writing, either in a letter, fax or electronic mail).
- Request for Quotation (RFQ) (> US\$5,000 < US\$100,000). Purpose: competition to procure goods, services or civil works. In order to conduct a RFQ process it is mandatory to obtain a minimum of three (3) competitive quotes in writing and the choice is on the basis of price. Competition is obtained by having a minimum of three competitive quotes (that meet the established requirements and terms) that qualify (the supplier meets the pre-determined eligibility criteria), where the lowest price quotation is selected. This is preferably carried out publicly, though it could be organized by inviting short-listed or pre-selected companies by using one of the different methods available (pre-selection, expressions of interest, list of purveyors, suppliers that have completed previous contracts satisfactorily, etc.). In the case of procurement of goods, we suggest that the list of pre-selected companies include 6 to 12 of them.
- Invitation to Bid (ITB) (> US\$100,000). Purpose: purchases exceeding US\$100,000 for goods, civil works or services that can be quantified in terms of quantity and quality. The Invitation to Bid must be disseminated publicly through ads in the local and international press, or through invitations to bid sent to a list of pre-qualified companies. Pre-qualification is based on a public and open process. To ensure economy and efficiency, the selection is intended to obtain a minimum of three competitive (according to requirements and terms established) and qualified (the vendor meets established eligibility criteria) proposals, where the lowest-price acceptable proposal is selected. Both the technical as well as the economic aspects are evaluated.
- Request for Proposal (RFP) (> US\$100,000). Purpose: consulting services or similar services or complex goods. A Request For Proposals leads to the selection of the proposal that best meets the specific requirements, including price and other factors included in the proposals received.
- Direct Contracting, also known as single source, is a procurement method that allows the award of a contract without competition. This method can be used only when it is not feasible to conduct a public bidding process and there are adequate justifications.

Types of Competition: Depending on the nature and size of the procurement process, the competition methods used by UNDP to purchase goods, services or civil works, are the following:

- International Public Bid (IPB): international advertising online in Development Business, UN NY website, international media and local press.
- Restricted International Bid (RIB); invitation to short-listed qualified suppliers or bidders.
- Local or National Bid: low amount, national advertising.

5. Project governance

Establishing an effective project management structure is crucial for the success of the project, fulfilling the needs for direction, management, control and communication, while using a structure that differs from line management. As this project would be cross-functional and involves partnerships, its structure needs to be more flexible, and is likely to require a broad base of skills for a specific period of time. The UNDP Project Management structure consists of roles and responsibilities that bring together the various interests and skills involved in, and required by, the project.

- **Implementing Partner:** The Implementing Partner is the governmental unit directly responsible for the government's participation in each UNDP-assisted project. MINAM, as the Implementing Partner, will perform the role and functions of the Executive in the Project Board. Furthermore, as the Implementing Partner, MINAM is the entity responsible and accountable for managing a project, including the monitoring and evaluation of project interventions, achieving project outputs, and for the effective use of UNDP-administered resources. MINAM may enter into agreements with other organisations or entities, namely Responsible Parties, to assist in successfully delivering project outputs.
- **A Responsible Party** is defined as an entity that has been selected to act on behalf of the Implementing Partner on the basis of a written agreement or contract to purchase goods or provide services using the project budget. In addition, the Responsible Party may manage the use of these goods and services to carry out project activities and produce outputs. All Responsible Parties are directly accountable to the Implementing Partner in accordance with the terms of their agreement or contract with the Implementing Partner. Implementing Partners use Responsible Parties in order to take advantage of their specialized skills, to mitigate risk and to relieve administrative burdens. The following types of organizations may act as Responsible Parties: UNDP, other UN agencies, Government agencies, IGOs, CSOs and private firms. Firms and CSOs (except micro-capital grant recipients) shall be selected as Responsible Parties only on the basis of a competitive procurement process undertaken by the Implementing Partner. UNDP, UN agencies, IGOs, Government agencies, or CSOs as micro-capital grant recipients are exempted from competitive procurement process and shall be selected under programming modalities. To the extent that Responsible Parties exempted from a competitive procurement process can be identified or anticipated during project formulation, they should be listed in the annual work plan.
- **Project Board** (also called Project Steering Committee): The Project Board is the group responsible for decision-making by consensus, when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In case a consensus cannot be reached within the Board, final decision rests with the UNDP Programme Manager.

In addition, the Project Board plays a critical role in UNDP commissioned project evaluations by quality assuring the evaluation process and products, and using evaluations for performance improvement, accountability and learning. Project reviews by this group are made at designated decision points during the running of the project, or as necessary

when raised by the Project Manager. This group is consulted by the Project Manager for decisions when Project Manager's tolerances (normally in terms of time and budget) have been exceeded (flexibility).

The Project Board ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. In addition, it approves the appointment and responsibilities of the Project Manager and any delegation of its Project Assurance responsibilities.

Potential members of the Project Board are reviewed and recommended for approval during the initial PAC meeting. Representative of other stakeholders can be included in the Board as appropriate. The objective is to create a mechanism for effective project management. This group contains four roles:

- **National Project Director (also called Executive):** individual representing the project ownership to chair the group. There should be only one project executive, who should normally be a national counterpart, in this case, MINAM.
- **Development Partners (also called Supplier):** individuals or groups representing the interests of the parties concerned which provide funding and/or technical expertise to the project. Typically includes UNDP and possibly donors.
- **Beneficiary Representative:** individuals or groups of individuals representing the interests of those who will ultimately benefit from the project. The primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries. Often CSO representative(s) can fulfil this role.
- **Project Assurance:** Project Assurance is the responsibility of each Project Board member. The project assurance role supports the Project Board by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager; therefore, the Project Board cannot delegate any of its assurance responsibilities to the Project Manager. A UNDP Programme Officer, or M&E Officer, typically holds the Project Assurance role on behalf of UNDP.
- **Project Manager:** The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Board. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results (outputs) specified in the project document-, to the required standard of quality and within the specified constraints of time and cost. MINAM as Implementing Partner appoints the Project Manager, except if UNDP is requested to do so through a Letter of Agreement.

- **Project Support:** The Project Support role provides project administration, management and technical support to the Project Manager as required by the needs of the project or Project Manager.

6. Monitoring and Evaluation

In accordance with the UNDP programming policies and procedures, the project will be monitored through:

a) During the Annual cycle:

- Quarterly, perform a quality assessment including progress towards the achievement of key results, based on quality criteria and methodologies, which must be entered in the Quality Management table.
- Filled out the issues log (Issues Log) in Atlas and be regularly updated by the Project Director to facilitate tracking and resolution of potential problems or requests for change of topics.
- Analysis and fill the Risk Log made at the beginning of the project in Atlas and be regularly updated on the system, taking into account changes in external factors that may affect the project implementation.
- Given the information recorded in Atlas, the Project Manager shall prepare a Progress Report of the Project, which shall be sent to the Project Board prior review of the Insurance Project, using the model of standard report available in the Executive Snapshot.
- Fill out and updated the Lessons Learned Log (Lesson-learned Log) regularly to ensure continuous learning and adaptation within the organization, which will facilitate the preparation of the Report at the end of the project Learned Lessons.
- Fill out in the Schedule Monitoring Atlas and be updated regularly to track the actions / key events in project management.

b) Annually:

- **Annual Review Report,** The Annual Review Report will be prepared by the National Director and shared with the Project Board. The Annual Report, as a minimum requirement, use the same format of the Quarterly Project Progress Report (QPR), considering the achievements regarding the annual goals defined at the Product level.
- **Annual Project Meeting.** Based on the Annual Project Report an annual meeting review will be conducted during the fourth quarter of the year or soon after, to review and evaluate the performance of the Project and prepare the Annual Work Plan (AWP) for the following year. Annual or Final Project Meeting will be conducted by the Project Board and may involve other interested parties. The Annual and Final Reviews will focus on the progress made for the Products and their alignment with the corresponding direct Impact.

7. Audit

In accordance with the UNDP programming policies and procedures, the project will be audited annually. The audit is carried out by external and/or internal auditors:

- a) The project will be audited in accordance with the UNDP Financial Regulations and Rules and applicable audit policies. The Government will provide the UNDP Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including Norway) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by a special and certified audit firm. UNDP will be responsible for making audit arrangements for the project in coordination with MINAM. UNDP and MINAM will provide audit management responses and the Project Manager and project support team will address its recommendations. As a part of its oversight function, UNDP will conduct audit spot checks at least two times a year.

8. Legal framework for UNDP in Peru

UNDP is recognized as being neutral, able to act as an impartial facilitator of dialogue and cooperation on important development issues; trusted due to long-standing relationships at the country level; acknowledged as a partner who can advise on the ‘big’ issues of economic and social transformation, environmental sustainability and democratic governance, as well as help develop the plans and capacities to deliver on them.

The General Assembly, ECOSOC and Executive Board resolutions and decisions determine UNDP’s mandate, operations and organization. The Executive Board approves the multi-year funding framework Strategic Plan, which is the key instrument for the strategic management, monitoring, and accountability of UNDP internally, as well as for external stakeholders.

The host country government exercises its ownership and responsibility for UNDP programme activities by approving and signing the Country Programme Action Plan (CPAP) with UNDP. All activities falling within the CPAP are, therefore, nationally executed. For the complete legal framework, refer to Annex 2 (project document template).

Elements	Planning	Monitoring/review	Reporting
Strategic Plan	Every 4 years	Annual	Annual reporting to Management and Executive Board; comprehensive reviews as required
Global, regional and country programmes	Every 3-5 years, in line with national planning cycles	Annual	As agreed between programme partners at local level. Results Oriented Annual Report required corporately.

Development & management projects	Annual (as part of global, regional and country programme planning)	Quarterly. Other project specific monitoring arrangements may apply at local level.	Development projects are updated annually as part of the corporate Results Oriented Annual Report. Other project specific reporting arrangements may also apply locally.
Individual work plans (PMD)	Annual	At least one mid-year review	Annual

9. Relevant legal and contractual aspects related to the fiduciary duty to the Government of Norway

UNDP and the Norwegian government signed a framework agreement in 2003 that remains in force. Each project / programme is framed in this cost-sharing agreement.

Under this framework, project management and accountability of the Norwegian contribution are governed by UNDP’s financial rules and regulations. NORAD’s contribution to projects/programmes under UNDP’s administration are allocated on the basis of project/programme documents/proposals submitted by UNDP and approved for financing by NORAD. UNDP commits to prepare indicative Annual Work Plans (AWP) and annual strategic implementation plans, as well as annual budgets.

UNDP is responsible for monitoring, review and evaluation of activities carried out under the Framework Agreement. The costs of monitoring are covered from the Norwegian contribution under the Agreement. UNDP commits to regular monitoring as part of project and programme management. The monitoring reports developed in the framework of the UNDP Project are provided to Norway upon request. In addition, UNDP is expected to commission independent evaluations of selected projects and programs, for which Norway is invited to participate.

Annual and final reports are shared with Norway. All contributions received from Norway are subject to internal and external audit procedures defined in the Financial Rules of UNDP. Procurement of goods and services is governed by the rules and procedures of UNDP.

According to the agreement, unused funds, once completed the planned activities, must be returned to Norway. Norway reserves the right to suspend disbursements if reporting obligations and financial accounting are not met, or if there are substantive changes to agreed plans and budgets. Any payments that remain unexpended after such commitments and liabilities have been satisfied may be utilized for the benefit of other activities within the Project upon agreement between the Parties.

MFA may claim repayment in full or in part of funds from the contribution to the extent UNDP has been able to obtain repayment from the negligent party if the funds are found to be misused or not satisfactorily accounted for. Such repayment is in accordance with the Financial Regulations and Rules of the UNDP. UNDP reserves the right to reduce, suspend or terminate the activities, in its sole discretion. If matters arise during the execution of the Project, which are considered by UNDP of substantive character, UNDP is obligated to inform and consult with Norway.

10. Administrative Cost

Costs are recovered in accordance with the decisions and directives of the UNDP Executive Board.

- a) General Management Support (GMS): 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 8%. GMS encompasses general oversight and management functions of UNDP HQ and CO units.
- b) Implementation Support Services (ISS); are provided by the UNDP Country Office and are unequivocally linked to the specific project, will be identified in the project budget, Annual Work Plan, against a relevant budget line and borne by the project accordingly. Cost recovery of ISS is applicable in cases where UNDP provides services as a Responsible Party.

Annex 1: UNDP's experience relevant to the Joint Declaration of Intent in Peru

Project Title	Implementing Period	Project Goals	Geographic Scope	Partners/ counterparts	Funding	Donor
"Strengthening capacities of Indigenous People for their informed participation in the design and implementation of the REDD+ mechanism in Peru"	2013- 2014	Strengthen institutional capacity to implement REDD + at the government and civil society levels, particularly involving Indigenous Peoples.	Peru	MINAM AIDESP CONAP	400,000 USD	UN - REDD (Targeted Support 1)
"Support preparation for future implementation of REDD+ in Peru"	2015- 2016	Develop and implement a REDD+ Capacity Building Strategy and early dialogue with key stakeholders, including indigenous peoples; encourage participation and consultation, incorporating gender equity gender; (3) design a National Forest and Climate Change Fund and institutional arrangements; and (4) develop a proposal for a Safeguards Information System.	Peru	MINAM	500,000 USD	UN-REDD (TS2)
The Biodiversity Finance Initiative - BIOFIN	2014-2015	Construction of political and financial transformative framework to increase investment in biodiversity management.	Peru	MINAM MEF	518,000 USD	BMUB
Integrated Management of Climate Change in Communal Reserves in the Peruvian Amazon	2013- 2017	Reduce vulnerabilities to climate change of indigenous communities through Ecosystem Based Adaptation approach (EbA) by ensuring sustainable	Madre de Dios and Amazonas Regions	MINAM- SERNANP	6,000,000 Euros	BMUB

		livelihoods and the conservation of 500,000 hectares with high conservation value.				
Transforming Management of Protected Area/Landscape Complexes to Strengthen Ecosystem Resilience	2015-2021	Enhance the resilience of vulnerable ecosystems to the impacts of climate change in Protected Areas (PA) and surrounding landscapes , thereby securing their biodiversity and ecosystem functionality and derivative ecosystem services including greenhouse gas sequestration and emissions reduction	Protected Areas Yanachaga Complex (Pasco Region) and PA Manu Complex (Cusco and Madre de Dios Region)	SERNANP	8,200,000 USD	GEF
Green Commodities Programme	2015-2016	Design and development of National Commodity Platforms to promote sustainable commodity production and trade, contributing to reduce deforestation in coffee, cocoa and palm oil sectors.	Peru	MINAGRI MINAM	500,000 USD	UN-REDD SECO
Sustainable Productive Landscapes	2017-2023	To reduce pressures on Amazon forests through the promotion of the sustainable management of productive landscapes.	Peru	MINAM MINAGRI Regional Governments	20,000,000 USD	GEF <i>pending approval</i>



Annex 2: Project Document Template

United Nations Development Programme

Country: _____

Project Document

Project Title

UNDAF Outcome(s):

Expected CP Outcome(s):

(Those linked to the project and extracted from the CPAP)

Expected Output(s):

(Those that will result from the project and extracted from the CPAP)

Implementing Partner:

Responsible Parties:

Brief Description

For projects within a CPAP, the narrative section is limited to this box as it is assumed that more detailed information shall be found in the approved CPAP. However, additional sections can be inserted as required within the template.

Programme Period: _____
Key Result Area (Strategic Plan): _____
Atlas Award ID: _____
Start date: _____
End Date: _____
PAC Meeting Date: _____

YYYY AWP budget: _____
Total resources required: _____
Total allocated resources: _____
• Regular: _____
• Other:
o Donor: _____
o Donor: _____
o Donor: _____
o Government: _____

Agreed by (Implementing Partner):

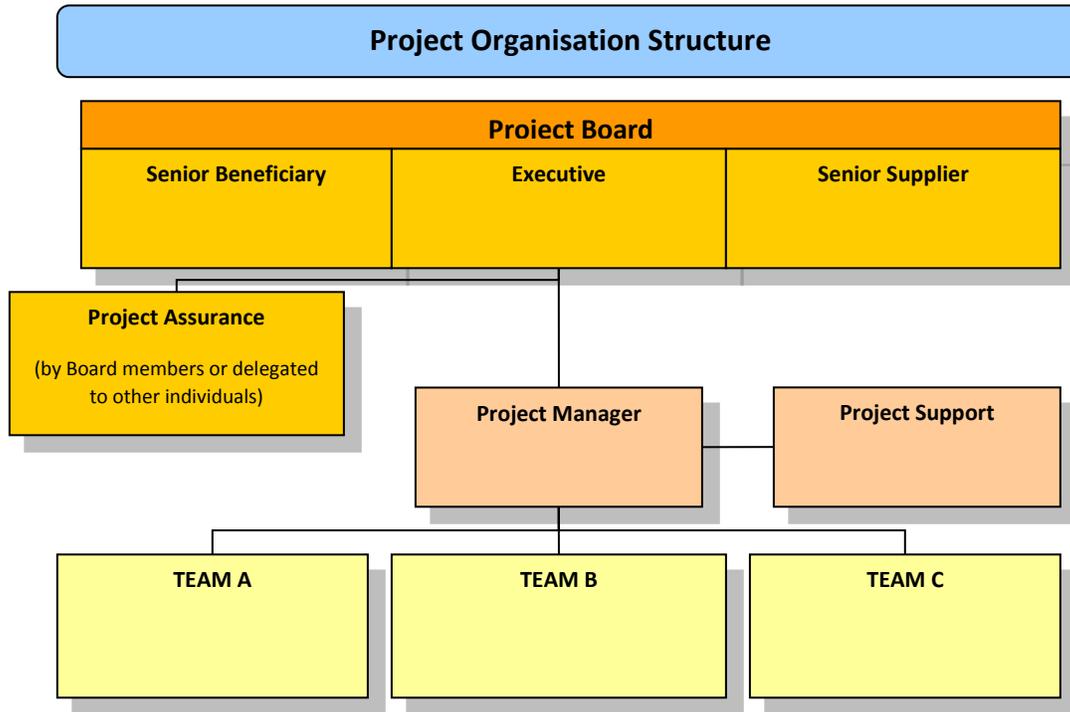
Agreed by UNDP:

<i>Targets:</i>									
<i>Related CP outcome:</i>									
TOTAL									

Management Arrangements

Explain the roles and responsibilities of the parties involved in managing the project.

Use the diagram below for the composition of the Project Board.



Suggested sub-headings in this component may include:

- results of capacity assessment of implementing partner
- UNDP Support Services (if any)
- collaborative arrangements with related projects (if any)
- prior obligations and prerequisites
- a brief description/summary of the inputs to be provided by all partners
- audit arrangements
- agreement on intellectual property rights and use of logo on the project's deliverables

Monitoring Framework And Evaluation

Please refer to the [Project Document - Deliverable Description](#) to complete this component of the template.

Suggested text to be adapted to project context

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

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a 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

- **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.

In case a project evaluation is required, please indicate the justification and proposed timing for the evaluation. A project evaluation is required only when mandated by partnership protocols such as GEF. However, a project evaluation may be required due to the complexity or innovative aspects of the project.

Quality Management for Project Activity Results

Replicate the table for each activity result of the AWP to provide information on monitoring actions based on quality criteria. To be completed during the process “Defining a Project” if the information is available. This table shall be further refined during the process “Initiating a Project”.

OUTPUT 1:		
Activity Result 1 (Atlas Activity ID)	<i>Short title to be used for Atlas Activity ID</i>	Start Date: End Date:
Purpose	<i>What is the purpose of the activity?</i>	
Description	<i>Planned actions to produce the activity result.</i>	
Quality Criteria <i>how/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. What method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>

Legal Context

This document together with the CPAP signed by the Government and UNDP which is incorporated by reference constitute together a Project Document as referred to in the SBAA [or other appropriate governing agreement] and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, 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.

- a) 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.

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

Risk Analysis: An assessment of risks that may affect the project should be conducted during the formulation.

Use the standard Risk Log template.

Agreements: Any additional agreements, such as cost sharing agreements, project cooperation agreements signed with NGOs (where the NGO is designated as the "executing entity") should be attached.

Terms of Reference: TOR for key project personnel should be developed and attached

Capacity Assessment: Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

Annex 3: Letter of Agreement Template

STANDARD LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT OF PERU FOR THE PROVISION OF SUPPORT SERVICES

Dear Mr.,

MINAM

1. Reference is made to consultations between officials of the Government of *Peru* (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 managed programmes and 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 institution designated in the relevant programme support document or project document, as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution 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 administrative budget of the office.
3. The UNDP country office may provide, at the request of the designated institution, the following support services for the activities of the programme/project:
 - (a) Identification and/or recruitment of project and programme personnel;
 - (b) Identification and facilitation of training activities;
 - (c) Procurement of goods and services;
 - (d) Administration of travel.
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 programme support document or project document, in the form provided in the 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 programme support document or project document is revised with the mutual agreement of the UNDP Resident Representative and the designated institution.
5. The relevant provisions of the Country Programme Action Plan (CPAP) and its supplementary provisions, signed between the Government of Peru and the United Nations Development Programme in Peru in Lima on 30 March, 2012 including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally managed programme or project through its designated institution. 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 this Letter of Agreement.

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 of the CPAP and its corresponding clauses.

7. The manner and method of cost-recovery by the UNDP country office in providing the support services described in paragraph 3 above are specified in the CPAP and detailed in the annex to this 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 three 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 managed programmes and projects.

Yours sincerely,

Signed on behalf of UNDP Peru

Resident Representative

For the Government

MINAM