

Project document for projects outside a CPAP



United Nations Development Programme

Government of Samoa

Private Sector Support Facility (PSSF) Project for Samoa – Phase II

Improving both the growth and profitability of the private sector in Samoa is targeted by government and development partners. As highlighted in the Government's Strategy for the Development of Samoa (SDS) the private sector is the engine of growth of the country's economy and moves will be put in place, with the assistance of UNDP and NZAID, to ensure that resources are readily accessible to people to strengthen and augment the efforts of environmentally sustainable and gender sensitive enterprises to improve their performance and profitability. A Private Sector Support Facility (PSSF) will be designed and set up by the government for this purpose. The PSSF is essentially a mechanism for harmonizing donor funds to support small and medium-sized enterprises in the rural and urban areas towards strengthening their businesses and enterprises using grants, with specific attention to promoting gender equality and the equitable distribution of development aid. In agreement with the Government, a separate and one-off allocation of the budget will be made to cover the start-up costs of an integrated approach to trade activities in Samoa. The Integrated Framework (IF) component will lay the foundation for the formulation of a Diagnostic Trade Integration Study (DTIS) for the country, which will then be funded separately by the IF Trust Fund managed by the Trade and Human Development Unit of UNDP in Geneva.

COMPONENT 1: COVER PAGE

Country: Samoa

UNDAF Outcome(s)/Indicator(s)¹: Equitable economic growth and poverty reduction.

Expected Outcome(s)/Indicator (s): Sustainable economic development that creates employment and investment and supports sustainable livelihoods.

Expected Output(s):

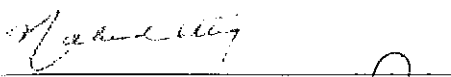
1. Private Sector Support Facility established to harmonise donor funding to SMEs and administered by Ministry of Commerce, Industry and Labour.
2. One or two Trade and Human Development Unit, UNDP Division Missions to Samoa for National Diagnostic Trade Integration Study (DTIS) Validation Workshops.

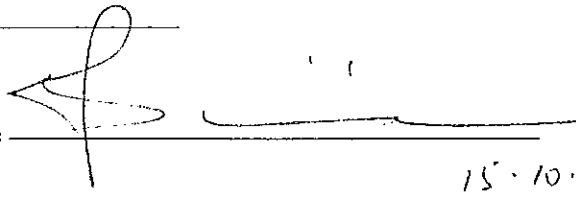
Executing Entity: Ministry of Finance

Implementing Entity: Ministry of Commerce, Industry and Labour (MCIL)

Programme Period: 2008-2012 Programme Component: Pro-poor policy reform Project Title: Private Sector Support Facility Project for Samoa Project ID: 00058221 Project Duration: 5 years Management Arrangement: NEX	Total Budget: US\$2,352,823.70 Allocated resources: <ul style="list-style-type: none">• Government: _____• Regular: _____• Other:<ul style="list-style-type: none">• UNDP: \$ 512,030.05_• Donor: NZAID◦ Parallel: SAT\$4,730,840_• In kind contributions: Government _____<ul style="list-style-type: none">◦ SAT\$203,540 _____ Unfunded budget: _____ (UN exchange rate Sept08: WSS\$2.57)
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Agreed by Government: 

Agreed by UNDP: 

Implementing Partners:
Agreed by Ministry of Commerce, Industry and Labour: 

15.10.08

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Agreed by Ministry of Foreign Affairs and Trade:

A handwritten signature in black ink, appearing to read "Lisa Ann", is written over a horizontal line.

COMPONENT 2: SITUATION ANALYSIS

Samoa is a small, mountainous volcanic island state in the South Pacific. About 20 per cent of land is arable, 48 per cent is covered by forest, while 3.6 per cent is under permanent crops. Natural disasters affect the economy periodically particularly, tropical cyclones. Despite its vulnerability to natural disasters, the Samoan economy has experienced relative steady and persistent real growth in a stable economic and political environment over the past decade. As is the case for most small islands least developed countries with limited natural resources and domestic market opportunities, trade constitutes one of the most important factors for the country's socioeconomic performance and development capacity for the achievement of the Millennium Development Goals (MDGs) by 2015 and a number of global and regional commitments.

In the Strategy for the Development of Samoa, the private sector is identified as the engine of growth for the country's economy. Its role in improving the performance of trade is essential and the Government has initiated positive policy directions for future economic growth through strengthening of the agriculture and tourism sectors, building up of an entrepreneurial community as a focus of growth, and working in partnership with the private sector, including civil society organizations (CSOs), and the donor community to support increased international, regional and local trade initiatives. It has been important to recognise the existence of several levels in the economy and the fundamental needs attached to each. There are also several distinct levels in the population with different needs, such as the differential roles and resources available to men and women for economic endeavours at the subsistence and higher levels. The needs of the broader category of young people in view of their contribution to the growth of enterprises, particularly in the rural areas demands closer attention in terms of capacity development in business and greater access to resources. The poorest level access to (micro) finance to advance virtually any initiative in the private economy is vital. Training by micro-financing organisations including CSOs, can be a vital step in helping the informal sector and including the poor to start participating at the first levels of the cash economy of the formal sector.

The Government of Samoa considered that there would be benefits and advantages in consolidating existing resources through a pooled financing arrangement of donor small private sector funds in order to simplify their management and coordination. The concept of the Private Sector Support Facility (PSSF) was thus borne. The proposed PSSF would have the potential to attract additional donors and other stakeholders within a strategic private sector framework for Samoa.

In keeping with the donors and Government of Samoa's focus on poverty reduction, stakeholders that would be targeted for support from the consolidated PSSF are those that promote equitable sustainable livelihoods through the development of the local economy; have a focus on small to medium businesses employing and/or engaging the vulnerable groups (either as staff, suppliers and/or entrepreneurs); build upon existing public, private and community systems and assets; improve the well being of the disadvantaged and promote gender equality.

A comprehensive analysis of the make up of financial and technical resources available to the various levels of entrepreneurship in the country, from the subsistence levels to the large

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commercial businesses in the Central Business District (CBD) was carried out in 2006,² to provide a baseline understanding of the number of and the efficacy of government and donor funded schemes targeting private business and small enterprises. Barring a relatively successful NZAID-funded scheme targeting small business in the tourism sector, a significant number of other schemes appeared to have been stalled for a range of reasons stemming from a basic lack of awareness on the part of the entrepreneurs and business owners on where to go to for such support and what kinds of schemes were available to them. A Structural Adjustment Facility (SAF) project funded by UNDP was also terminated early in its implementation due to a number of constraints highlighted by an evaluation of the project carried out in 2005

As Samoa will fully graduate from Least Developed Country (LDC) status by 2010, yet continues to be affected by both economic and environmental vulnerabilities chief amongst them are its vulnerability to natural disasters, and it being a small country with very limited natural resources. The Government also strives to promote trade opportunities for the business community at the broad policy level as well as sensitize the wider public on existing and forthcoming trade agreements and their potential benefits to the Samoan economy. The private sector is generally responsive. Imported goods have increasingly dominated the domestic market, crowding out manufacturing activities. However, a persistent and widening current account deficit exists and scale economies also limit production possibilities. One of the main development priorities of the Government focuses particularly on building capacity and improving the investment opportunities for both the private sector and at the household level.

Exports are limited to primary agricultural and fish products. The terms for trade for raw products have declined over the past years, requiring domestic producers to refocus on high value low bulk goods³. However, the agricultural sector severely lacks credit access, mainly due to the lack of collaterals, as the majority of land is communal property. In addition, rural communities need much assistance to increase technical and entrepreneurial skills to operate businesses successfully.

In order to reduce trade deficit, build production capacity and ensure sustainable economic growth, the Government of Samoa is strongly pursuing deeper integration and participation of the Samoan economy into the international trading system⁴. It is believed that the diverse and large scale demands for goods and services in the international market could provide Samoa with incentives for a higher level of production, producing employment opportunities and improve labour skills. Similarly, important constraints related to insularity and remoteness, such as transportation and trade facilitation could also be better addressed by such participation.

Although Samoa is a very small economy and geographically isolated, the government is optimistic in the net positive impacts of international trade on the economic growth and development in Samoa. In its view, membership of Samoa in the IF programme would be an advantage to help utilize its resources more efficiently and effectively in order to achieve a better future for the men, women, and vulnerable people of Samoa.

² Government of Samoa, NZAID, UNDP, 2006. Private Sector Support Facility Report.

³ Sua, Aiono Pouvi Mose, 7 March 2006. Letter of Application for the Inclusion of Samoa in the Integrated Framework.

⁴ Ibid. 2007.

COMPONENT 3: STRATEGY

Under the framework of the UNDAF (2008-2012) and Multi-Country Programme Document, 2008-2012 outcomes stated for Equitable Economic Growth and Poverty Reduction for Samoa, UNDP will provide support through the Private Sector Support Facility (PSSF) – Phase II project and the Integrated Framework for Trade project via two main inter-related initiatives which are:

1. Support to the establishment and development of the PSSF; and
2. Fund initial missions of the Trade and Human Development Unit (THDU) of UNDP in Geneva, to prepare the groundwork for carrying out the Diagnostic Trade Integration Study (DTIS) to be funded from the IF Trust Fund.

Through this two-pronged approach, it is anticipated that natural synergies and inter-linkages may be fostered and capitalized upon, and lead to strategic trade initiatives by the private sector being supported under one of the sectors highlighted for support by the PSSF.

At the request of the government of Samoa, the PSSF project represents a substantive project revision of the Structural Adjustment Facility (SAF) project that was operationally closed in 2005. The SAF project was requested by the government as a means to assist the private sector, particularly manufacturers in Samoa to increase their competitiveness in a more aggressive and liberalized trading market environment once Samoa accedes to World Trade Organization (WTO), through technical advice and recommendations by international and regional experts in the field. The project failed however due to a number of design weaknesses, which were highlighted in an independent evaluation that was conducted later in 2005, as well as other factors. As Samoa still is pursuing WTO membership, the revised approach maintains the goal of building up the resilience and competitiveness of the private sector and trading capacity in the local economy towards a more vigorous global trading environment.

The project will have a budget of US\$512,030.50.00, which comprises remaining funds of the SAF project in UNDP and new CPAP funds of US\$400,000.00 for period 208-2012.

For the PSSF component, the project will fund:

- Provide seed funding for the PSSF, which would also receive significant funding (WSS 4,730,840) from NZAID to start up the actual PSSF harmonised fund.
- Cover costs for the audit, M&E requirements and final outcome evaluation of the project.

NZAID have agreed that all its currently running schemes for private sector development in Samoa will be brought into the PSSF as harmonised resources together with UNDP. Together, NZAID and UNDP funds for the PSSF total close to \$5 million Samoan Tala, which the Government will actively use to possibly attract other major donors to use the Facility such as AusAID and others.

The PSSF project will also fund the initial costs of the IF project up to the value of US\$15,000. Specifically, these costs will include the travel of initial missions of the Trade and Human Development Unit of UNDP Geneva to Apia during the first quarter of 2008, for the National IF Validation Workshops. Any additional funds required by the IF component during the initial

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phase may be referred to the Steering Committee for decisions on alternative funding arrangements in consultation with the Aid Coordination Division of the Ministry of Finance.

The government is fully committed to the achievement of the outcomes of this project and stands prepared to provide the full resources of both the MCIL and MFAT to guide and support each component's implementation.

The main risks for the project include the following, which are also some of the key issues raised in the evaluation of the SAF and need to be kept in mind and addressed:

PSSF

Issue / risk	Actions
<ul style="list-style-type: none"> Poor project design e.g. no source of expertise. 	The PSSF Operations Manual will include proven sources of expertise and advisory services.
<ul style="list-style-type: none"> Grant recipients hold the Facility liable for failure(s). 	The PSSF Operations Manual will include clauses to ensure that the recipients take full responsibility /credit for the failure or success of their projects. Specially designed templates will be designed with this in mind.
<ul style="list-style-type: none"> Lack of response from the public in applying for funds. 	A vigorous awareness raising regime will be followed by the project (with possibility of outsourcing this activity) to ensure that people are well aware of the PSSF and its procedures for accessing fund. Sufficient funds will be allocated for this.
<ul style="list-style-type: none"> Inefficient utilization of the funds by the recipients and poor reporting performance. 	An effective M&E schedule will be maintained by the PSSF Secretariat to ensure that recipients utilize the funds effectively according to expectations.
<ul style="list-style-type: none"> Lack of dynamic drive and visionary decisions by the Forum to guide the operationalization of the PSSF. 	The Business Forum will be operated according to a tightly run schedule with strict adherence to formal processes of preparing sector presentations and recommendations. The Secretariat will also ensure that Business Forums are well documented and disseminated to all key stakeholders, decision-makers and websites. This should contribute greatly to supporting the BF and its value.
<ul style="list-style-type: none"> Negative impact on culture, lifestyles, gender relations and equality and environment in Samoa. 	The criterion used to select projects for funding will ensure that any negative impacts on culture, lifestyles, gender equity and environment are minimized to the greatest extent possible.
<ul style="list-style-type: none"> Poor monitoring and evaluation (M&E). 	The M&E schedule will ensure a rigorous oversight of the entire project to ensure accountability, transparency and achievement of results.

IF

- Local support to the preliminary mission is incomplete so as to making planning difficult.

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The main outputs for the two initiatives are described below:

1. The PSSF

The Private Sector Support Facility aims specifically at: (a) Harmonizing donor support to enable government to support the strengthening of local businesses, targeting private sector development, particularly small and medium-sized enterprises in the rural areas, where studies have shown the most hardship is experienced, and promoting gender equality; and (b) to foster a more focused, equitable and sustainable dialogue at the national level on the needs and priority areas for investment in private sector growth in the country through a dedicated Forum of local commercial representatives, government and donors that will be formed for this purpose. Opportunities for the growth of trade will be targeted when assessing projects for funds. The Forum would be a 'think tank' for advising government on the priorities for investment and have some indirect influence where PSSF funds should be channeled for the long-term growth and benefit of the country's economy. Further, that the Forum will adopt and operate under principles that embrace gender equality and equity; social and corporate responsibility; environmental sustainability and address the continuum of business development in Samoa from the primary to tertiary levels, including international exports. This would be beneficial to Samoa, which is currently performing lower than other Pacific Island countries on the ease of doing business.⁵

A key recommendation is that all PSSF applicants for funding should be able to show how their proposal makes the connections between three essential levels of function in a simplified value-chain – and the connecting loop back to engaging the poor men, women and young people within the economy.

The levels recognised in the model are:

Level One: Basic / Raw Materials. An example is taro or other crop. The grower could supply direct to local market - but probably oversupplied now and little long term merit. There is more merit in selling the produce up the value chain.

Level Two: Added Value. The important feature is that the produce is converted to some other value form, e.g. chips. Level 1 and Level 2 could take place at the same location. Level 2 - typically supplies and communicates to the local market. Import substitution goods and services are examples.

Level Three: More Complex Role. This is the level that accesses international markets – and more sophisticated import substitution. Level 3 requires much more complex skills, such as: More advanced technologies; More sophisticated packaging and presentation; Export certification for foods; Export branding and packaging for destination markets; Relationships with overseas buyers; and Funding of exported goods.

At the lowest level there is the informal / non-cash economy.

2. The IF for Trade

With assistance from UNDP, membership in the global Integrated Framework (IF) for trade in development for Samoa was confirmed in 2006 with a total funding package of US\$1,338,000,

⁵ Noted that Samoa is ranked lower than Tonga and Fiji in the region in business rankings according to a World Bank study 'Doing Business 2008'. Refer Observer newspaper, 10/10/07

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which will be rolled out in three stages in 2007/08. UNDP worked with the Ministry of Foreign Affairs and Trade's Trade Division, henceforth referred to as Trade Division, to develop Samoa's Technical Review paper for the IF and submission to the IF Secretariat. The aim of the IF is to provide support to the government in mainstreaming trade into key sectors of the national economy both at the macro and lower levels. Given the role of the PSSF Forum to consider development of the export products and overseas markets, efforts will be made to bring about strong collaboration between all players involved in the two components of this project.

The IF Trust Fund comprises two funding Windows as described below:

Window I: US\$300,000. Approximately 1-year duration. Supports costs related to: recruitment of the IF Team Leader; the conduct of the Diagnostic Trade Integration Study (DTIS) Aide Memoire. The outputs will be a DTIS Aide Memoire which is basically the agreement between the government and the IF on the process for implementing the recommendations of the DTIS. A project document for the Window II will also be a major output of this phase. An initial allocation of US\$38,000 from Window II was also made available early in this phase for immediate support to strengthening the institutional set-up in the Trade Division of the Ministry of Foreign Affairs and Trade. Includes: human resources, office equipment and consultation costs

Window II: US\$1,000,000 (*Note: this ceiling may increase significantly in 2008*). Approximately 3-years duration. Supports the full implementation of the DTIS Action Matrix.

This project will in effect finance some initial costs for the commencement of the DTIS process for Window I funding. The main activities that will be funded for this component will a maximum of three missions of the IF representatives from Geneva to Samoa for preliminary talks with the government on the IF DTIS process and map out action plan – refer Annex 2 for the Terms of Reference for the preliminary mission.

COMPONENT 4: RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Country/ Regional/ Global Programme Results and Resource Framework:				
Equitable economic growth and poverty reduction.				
Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets: Sustainable economic development that creates employment and investment and supports sustainable livelihoods.				
Applicable MYFF Service Line: Supporting the preparation and implementation of MDG-based national development strategies (MDG1& 8).				
Partnership Strategy: Government of Samoa; NZAID; MCIL; MFAT, Trade Division; IF Division/UNDP- Geneva				
Project title and ID: Private Sector Support Facility. Project for Samoa – Phase II (ATLAS Award ID): 00014694				
Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
1.Private Sector Support Facility established to harmonise donor funding to SMEs and administered by Ministry of Commerce, Industry and Labour.				
		1.1.3 PSSF Grants		482,980.00
Subtotal:				523,999.95
2 Integrated Framework (IF) system action matrix approved for Samoa.	2.1 Diagnostic Trade Integrated Study (DTIS) arrangements in place.	2.1.1. IF-UNDP preliminary mission undertaken (November 2007, and others)	UNDP Geneva MFAT	15,000.00
Subtotal:				15,000.00
3. Monitoring & Evaluation	3.1 Audit completed.	3.1.1 Audit conducted.	MOF/UNDP	9,000.05
Subtotal:				9,000.05
Total:				US\$111,980.05

COMPONENT 5: Annual Work Plan Budget Sheet

Year: 2008

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
1. Private Sector Support Facility established to harmonise donor funding to Small & Medium-Sized Enterprises (SMEs)..	1.1 Launch of PSSF, 16 June 2008		X			PSSF Secretariat, MCIL	TRAC	Launch of PSSF, June 2008	5,000.00
	1.2 Small Grants for Private Sector Support Facility.			X	X			Seed funding for PSSF	82,980.00
TOTAL									87,980.00

Year: 2009 – 2012

EXPECTED OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
1. Private Sector Support Facility established to harmonise donor funding to Small & Medium-Sized Enterprises (SMEs)..	1.2 Small Grants for Private Sector Support Facility.	X	X	X	X	PSSF Secretariat, MCIL	TRAC	Seed funding for PSSF	-389,000.05
Subtotal:									389,000.05

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2. M&E & Documentation and dissemination of best practice.	2.1 Audit conducted in 2010 for project; site visits and outcome evaluation conducted in 2012.	X			UNDP	TRAC	Site visits	-
							Audit costs	8,000.00
	2.2 Documenting best practice and lessons learned.				UNDP/ PSSF Secretariat	TRAC	Outcome Evaluation Team costs	20,000.00
							Publication costs	2,000.00
Subtotal:								30,000.00
TOTAL								419,000.05

COMPONENT 6: MANAGEMENT ARRANGEMENTS

The project will be nationally executed in accordance with the following management arrangements.

Implementing Partner:

The Implementing Partners for the two respective components are:

- PSSF: Ministry of Commerce, Industry and Labour
- IF: Ministry of Foreign Affairs and Trade.

Project Steering Committee:

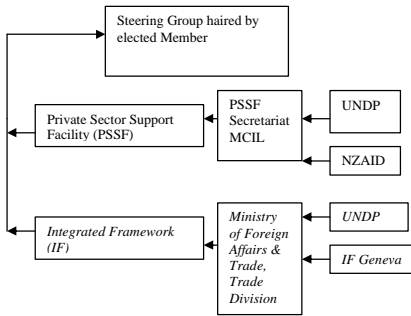
The Steering Committee or the PSSF will focus only on the PSSF related activities, leaving the IF related activities (mission costs only) to be coordinated by the Ministry of Foreign Affairs & Trade (shown in italics in Figure 1 below). Since the Ministry of Foreign Affairs and Trade (MFAT) are already members of the PSSF Secretariat in MCIL, as decided at a Steering Committee Meeting on 15 February 2007, this arrangement will not require any additional negotiations. MFAT is therefore responsible for reporting to UNDP, through the usual NEX channels on expenditures, or may request UNDP to make direct payments using the standard Request for Direct Payment procedure.

It is noted that in accordance with the operational arrangements for the Steering Committee, as per PSSF Operations Manual (launched 16 June 200), the Steering Committee will be called the Steering Group. The Steering Group comprises 11 members, including the two International Development Partners (that is, NZAID and UNDP) and is chaired by an elected member of the Steering Committee Group⁶. The SC will be convened on a monthly basis or until the SC decides on an alternative schedule. It is responsible for the overall planning, management and administration oversight of the PSSF and IF components. The SC may second members from other organizations as it feels is warranted to provide technical information and add depth to its understanding of particular issues that may arise from time to time. Refer Annex 3 for Terms of Reference for SC and Figure 1 for organogram for Steering Committee.

Figure 1. Steering Committee

⁶ Noted that the ACEO of the Ministry of Finance, Aid Coordination Unit, chaired the Steering Committee during the Initiation Phase of the project (2006-2007), until its official launch in June 2008..

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Project Managers: Due to the nature of this project, there will be two project managers managing two separate components of this project, one on a shorter term than the other. Below provides a description of each roles and responsibilities:

PSSF

The Project Manager of the PSSF, who is a Senior Staff Member of the Ministry of Commerce, Industry and Labour (MCIL) – refer Annex 4 will be responsible for:

- Ensuring that the PSSF Secretariat is established in accordance with standard government policies and legal framework and the PSSF Operations Manual;
- In the initial phase of project formulation, will work closely with the PSSF consultant to ensure that the operational guidelines and legal instruments, outline in the Operations Manual are completed in a comprehensive and professional manner – refer terms of reference of consultant on Annex 3;
- Will ensure that any problems or issues related to the establishment and running of the PSSF Secretariat are duly referred to the Steering Committee for decision making;
- Will conduct preliminary assessments of proposals for PSSF grants and recommendations to the Steering Group for final decisions. This will include site visits and meeting with the applicants to acquire a full understanding of the nature of their proposals and eligibility.
- Will provide secretarial support to the Steering Committee including the convening of meetings in collaboration with the Chairperson, setting of agendas, minute taking and dissemination, record keeping and other general duties in this connection;
- Prepare standard quarterly financial and narrative reports of the performance of the PSSF project to the Ministry of Finance as per usual NEX procedures;
- Consult with and combine financial and narrative reports from the Ministry of Foreign Affairs and Trade IF Project Manager into the quarterly reporting requirements stated above.

IF Trade

The IF Project Manager (refer Annex 5), who is the Principal Officer for the IF in the Ministry of Foreign Affairs and Trade, will have the duty of ensuring that during the short period that they will operate under the umbrella of the PSSF project, that the following key responsibilities are carried out:

- The national arrangements for the IF Mission have been set in place;

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- National consultation agendas for the Diagnostic Trade Integration Study have been discussed at the highest level of government and national ownership of the IF process is in keeping with national priorities; and
- Liaise closely with the PSSF Project Manager in reporting progress on the IF initiatives and financial reporting;
- Provide technical advice whenever requested to the Steering Committee on the IF project; and
- In consultation with the UNDP and Ministry of Finance, ensure that the funds for the IF are reported on a timely basis.

National Coordinating Authority:

The Ministry of Finance will be the National Coordinating Authority and will be responsible for the overall financial management and monitoring of the project.

UNDP Samoa:

UNDP will offer policy advice and guidance where required to the project as well as play an active role as a member of the PSSF Steering Group for the duration of the project. Arrangements beyond 2012 for UNDP's ongoing participation be decided during that period but it is expected that UNDP will cease to be a member once its funding ceases to be needed for the PSSF due to other donors joining the Facility. On official request by the Government of Samoa, UNDP can recruit or process payments on behalf of the government for the project at a minimal cost recovery basis, using the Universal Price List (UPL). Specifically, UNDP will at the outset undertake the following tasks upon receipt of Request for Direct Payment form from the government:

- Issue initial contract for PSSF consultant and make payments upon approval of the Steering Committee (completed in 2007);
- Consolidate and advance arrangements with the IF Secretariat in Geneva and Samoa Government for its mission; and
- Advance project budget funds requested on a quarterly basis and ensure they are processed in accordance with standard UNDP programming procedures.

Financial Arrangements

Since the NZAID funds are being deposited directly by NZAID into an account established by the Ministry of Finance, this will be regarded as a parallel cost-sharing arrangement. UNDP funds will be deposited into the project account which will be used by the Ministry of Finance as per the terms of the project document. NZAID funds will also provide the same support to the Government through the Ministry of Finance. Reporting will be done separately to UNDP on actual expenditures of UNDP funds.

UNDP conditions for support to the harmonised PSSF:

UNDP rules and regulations will be adhered to in this project and specific requirements included in the PSSF Operations Manual. Key specifics are as follow:

- Specific private sector policy of the government.
 - The private sector continues to be targeted by the government in its national development plan as the engine of growth of the country's economy. Refer to Samoa's official government website for copies of the Strategy for the Development of Samoa (SDS), past and current (2008-2011).
- The disbursement of UNDP funds will be reported using the standard Financial Reporting system showing how UNDP funds have been used in the preceding quarter..
- The initial budget allocated to the PSSF project will be revised by the Government and UNDP as part of the new Country Programme Action Plan, 2008-2012, to determine ongoing funding as per the

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Operations Manual requirements for 5-year funding commitments by the International Development Partners.

COMPONENT 7: MONITORING AND EVALUATION

The Implementing Partners (IPs) for each of the two components of this project, that is the MCIL and MFAT respectively, and the Steering Group will undertake continuous monitoring using the target outputs specified in the Results Framework Component 4 of this project document. The IPs and the Steering Group will assess the performance indicators regularly through their meetings.

UNDP Samoa, in close collaboration with the Ministry of Finance will monitor and support the implementation of the project based on the monitoring tools listed below:

- **Field visits:** The project will be subject to field visits to be coordinated by MCIL and MFAT, respectively. Field visits serve the purpose of validation, and they include assessment of progress, results and problems. Field visits report will be used to assess the progress of the project.
- **Quarterly Progress Report (QPR):** A harmonized form or template for reporting UNDP funds disbursements will be adopted by the PSSF Secretariat to report on UNDP funds disbursed to the Ministry of Finance as part of the harmonised funds and the MOF will report to UNDP in the usual manner.
- **Quarterly Review:** this project may be subject to a quarterly review is normally conducted on the month following the end of the quarter, and is a coordinated review by all parties involved. This will assess progress of the project and to highlight any problems that may delay the achievement of outputs of the project for UNDP.
- **Terminal Report and Terminal Review:** The Terminal Report is to be prepared by each of the respective Implementing Partners. The Terminal Report provides a self-assessment by the project management (i.e. those responsible for day-to-day management) and specifically as a minimum includes:
 - an analysis of project performance over the reporting period, including outputs produced, and where possible, information on the status of the outcome;
 - constraints in progress towards the results, and reasons behind the constraints;
 - major constraints to achievement of the results;
 - lessons learned; and
 - clear recommendations for the future approach to addressing the main problems contributing to lack of progress if relevant.
 - The Terminal Review is a management dialogue at the country level to assess progress towards results (outputs and outcomes) that can be used for building consensus and mutual understanding between UNDP and its partners around common outcomes (results). The Terminal Review is the key vehicle for learning by determining overall and general lessons learned and reviewing recommendations. Furthermore, the draft Terminal Report will be reviewed and endorsed by the Terminal Review. The Terminal Review will be organized by UNDP Samoa.

COMPONENT 8: LEGAL CONTEXT⁷

1. This project document shall be the legal instrument referred to as such in the attached Standard Basic Assistance Agreement (SBAA) Annex 8.
2. The following types of revisions may be made to this Project Document with the signature of the Resident Representative of UNDP Samoa, provided he/she is assured that the other signatories of the Project Document have no objections to the proposed changes.

(a) Revisions to any of the annexes of the Project Document, or additions of new annexes;

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(b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangements of inputs already agreed to or by cost increases due to inflation;

© Mandatory annual revisions, which re-phases the delivery of agreed programme inputs.

COMPONENT 9:

ANNEXES

Annex 1. Terms of Reference for the PSSF International Consultant.

Annex 2. Terms of Reference for the IF preliminary mission

Annex 3. Terms of Reference for the PSSF Steering Group

Annex 4. Terms of Reference for Project Manager of PSSF project.

Annex 5. Terms of Reference for Project Manager of the IF component.

Annex 6. Cost-sharing Agreement between UNDP and NZAID

Annex 7. Terms of Reference for Audit.

Annex 8. SBAA

Annex 1

TERMS OF REFERENCE

Name of project: Private Sector Support Facility (PSSF)

Name of Assignment: Operationalizing and launching the PSSF

Duration of contractual period: 17 September – 6 December 2007 (forty two working days at 6 days a week) spread over 3 visits to Apia.

Background to the project:

In consideration of the vital role played by the private sector as the engine for economic growth, recent government reforms to improve the business environment, and furthering the aims and objectives of the Strategy for the Development of Samoa (SDS) 2005-2007 for increased prosperity for all, the Government of Samoa in collaboration with NZAID and UNDP undertook a NZAID and UNDP jointly funded scoping study in mid-2006 with Martech Consulting Group's consultant Alastair Aitken with respect to private sector support funding. The Government of Samoa considered that there would be benefits and advantages in consolidating existing resources through a pooled financing arrangement of donor small private sector funds in order to simplify their management and coordination. Such an arrangement would have the potential to attract additional donors and other stakeholders within a strategic private sector framework for Samoa.

In keeping with the donors and Government of Samoa's focus on poverty reduction, stakeholders that would be targeted for support from the consolidated Private Sector Support Facility (PSSF) were those that promoted equitable sustainable livelihoods through the development of the local economy; had a focus on small to medium businesses employing and/or engaging the vulnerable groups (either as staff, suppliers and/or entrepreneurs); built upon existing public, private and community systems and assets; promoting gender equality; and improving the well being of the disadvantaged.

Consultations took place with approximately seventy stakeholders from the private sector, the NGO/Civil Society Sector, relevant Government Ministries and several donors. Stakeholder views underscored the following concerns:

- Limited information flow on best practices in private sector developments.
- Available donor funds needing to be used optimally.
- Limited access to funds because of insufficient publicity and limited outreach.
- Criteria are too constraining.
- Some funds under subscribed.
- Use of different systems for the various funds.
- Absence of harmonized procedures for funds that had the same target sector.
- Limited recognition of activities to promote value-chain thinking.

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- Absence of a strategic framework for investments in the private sector.

The resulting document "A Harmonized Funding Mechanism for the Private Sector Economy of Samoa) Final Report, October 2006 produced a preferred model for the private sector support in Samoa inclusive of the following components:

Private Sector Business Forum for communication and input into the Fund's strategic directions (i.e. sharing achievements, lessons learned, identify goals, issues, priorities, networking and coordination). The Forum would be developed by Private Sector representatives working closely with the PSSF Secretariat.

Steering Committee of representatives from relevant Government agencies, Private Sector and participating donors to provide direction and oversight. The feedback from the Forum would assist the Steering Committee in determining an appropriate mix of funding strategies and programs/projects in support of the private sector.

The Secretariat would be with the Ministry of Commerce, Industry and Labour (MCIL) to administer the scheme under guidelines and criteria approved by the Steering Committee and donors. It would also provide coordination and secretarial support to the Forum and Steering Committee. The Ministry has already had several years of experience in administering the NZAID's Private Sector Support Allocation (PSSA); one of two NZAID private sector funds that would be merged under this Facility.

It is envisioned that the harmonized fund would be split into two main categories. Category A would involve larger projects with longer time frames and possibly benefiting multiple stakeholders. Category B would be for emerging and immediate needs and/or for investigating the basis for a later application of a Category 'A' proposal. Initially there would be ring fencing of funds targeting private sector activities in the tourism sector reflecting also priority accorded it in the SDS.

A recommendation was made for a task team to work with MCIL to set in place all the processes needed to ensure operationalization of the Fund by 1 January 2008. A review of the institutional arrangements would be conducted after 12 months (December 2008) after which additional support would be provided depending on source of funding. Further assistance into future years would be considered after a second review.

The Report also recommended that relevant private sector organizations and NGO's like the Samoa Umbrella of Non-Governmental Organizations (SUNGO); Small Business Enterprise Center (SBEC), Chamber of Commerce (COC), Samoa Association of Manufacturers and Exporters (SAME), and the Samoa Hotel Association (SHA) assist applicants in preparing strong viable applications.

The Government has requested the use of existing resources for private sector support from UNDP, to finance technical assistance through Martech Consulting Group's Alastar Aitken to, in turn, assist the Secretariat in operationalizing and launching the PSSF over a period of four months intermittent.

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Task list of activities to be completed by the consultant:

Goal: Ensure Samoa's ownership of the Private Sector Support Facility by facilitating stakeholder input and involvement in its establishment and launch.

Objective One: Facilitate capacity building of MCIL, as the Secretariat, through mentoring and advisory services to develop, draft and finalize with the Steering Committee, and other key stakeholders, the governance related and administrative aspects of the Facility's operations in a timely and coordinated manner.

Task 1: Meet with the current Steering Committee and the donors to review the Terms of Reference and discuss the consultant's work-plan/scheduling for the Project.

Task 2: The consultant will be attached to the Industry Development & Investment Promotion (IDIP) Division, under the supervision and oversight of the MCIL CEO, to assist staff in drafting, and finalizing with all stakeholders, all processes, procedures, systems, and terms of reference/job descriptions for the staff involved which are required to manage an effective gender sensitive operation. Wherever possible, the consultant and MCIL, with input from stakeholders, should incorporate best practices in providing a sound legal and operational basis for the funding criteria. The consultant will have a solid level of understanding on gender equity, equality and diversity issues.

Task 3: Assist the MCIL staff in compiling a complete gender sensitive legal and operations manual for the Facility.

Task 4: Advise and recommend an appropriate administrative and operational budget for the Facility inclusive of the Secretariat and the Business Forum, and develop all legal instruments that would be necessary for this system to function effectively. Coordinate with the Ministry of Finance the Office of the Attorney General and development partners involved on the financing and legal arrangements respectively, of the Facility. .

Objective Two: Facilitate strengthened linkages among stakeholders towards the implementation of the PSSF.

Task 1: The consultant will assist the IDIP Division in soliciting and incorporating stakeholder input and providing orientation through road shows or workshops on the Facility's guidelines and procedures. Specific expertise will be provided in areas related to enhancing Private Sector coordination and linkages for a more strategically targeted Facility. These include but are not limited to the following:

The Secretariat with the assistance of the Consultant will issue the letter of invitation to the Steering Committee members based on the 5:4:2 composition. The consultant will assist the Secretariat in the orientation of the new Steering Committee to its role in (a) providing oversight and direction for the Facility; (b) in collaboration with the Business Forum for policy direction, and (c) coordination with the Secretariat with respect to the appraisal and approval of projects.

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Encourage the private sector to take ownership and leadership in the development of the Business Forum through a pre-launch workshop to ensure clarity of roles, functions and actions. Assist MCIL, the Forum and the Steering Committee in the launch of the PSSF inclusive of advising on publicity materials and publications.

Provide additional training and capacity building in coaching at various levels to help businesses and intermediary groups prepare competitive proposals.

Advise MCIL and the Steering Committee on issues and other measures that may enhance the effectiveness of the Facility. Other concerns include but are not limited to the following:

Whether there is a need to legalize the PSSF through an MOU. This may require a tripartite agreement among partners involved and the Government.

Whether or not to include government sponsored schemes (administered by MCIL) under the facility. This will depend upon the financing arrangements.

Monitoring and Evaluation Framework: In collaboration with the Secretariat, develop a framework for reviewing and evaluating the Facility's progress. To the extent possible build upon Government and private sector's existing systems for data collection and analysis to reduce redundancy and cost.

Provide recommendations for an exit strategy for the PSSF if possible (currently proposed at five years).

Milestones to be achieved by the Consultant

Milestone One (1st visit):

Initial MCIL and stakeholders consultations to guide the operationalization of the Fund.

Consultations include:

Meetings with the Steering Committee/donors followed by meetings with MCIL staff to compile Facility Administrative and Operations Manual. Meetings with the Steering Committee/donors on funding commitments. Further consultations with MCIL on a draft PSSF administrative budget and work plan for the funding period to be submitted to Steering Committee for review and approval.

Consultations with the Attorney General on the legal instruments required under the Law for the establishment of such a harmonized Fund and its entire operational and constitutional set-up .

Consultations with the Ministry of Natural Resources and Environment on relevant policies and legal instruments to be taken into consideration in operational criteria for the PSSF applications especially during the selection processes for new enterprises and their impact on the natural environment.

4. Consultations with MCIL staff and Private Sector stakeholders, including the Small Business Enterprise Centre (SBEC), and Women in Business Foundation, etc., on establishing the Business Forum and strengthening stakeholder linkages.

i. Consultations with development partners and the Government of Samoa on financing arrangements

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- ii. Establishment of the expanded steering committee and orientation to their roles and responsibilities.
- iii. Submit of the report covering activities and results of the first visit inclusive of a plan and schedule for the subsequent visits and the launching of the Facility.

Milestone Two (2nd visit):

Completion of a first draft of the gender sensitive Operations Manual
Finalized PSSF annual work plan and budget estimates
Finalized ME framework (Everyone's inputs should be in before finalization)
Completed draft publicity and informational materials for the launching of the Facility.
Pre-launch meeting with Business Forum stakeholders to clarify roles, responsibilities and activities.
Consultation with stakeholders in preparing applications.
Finalized agreement on financing arrangements with development partners and the GoS.
Submittal of the report covering activities and results of the second visit inclusive of a revised plan and schedule for the final visit and the launching of the Facility.

Milestone Three (3rd visit):

Facility launch.
Business Forum meeting.
Submittal of the finalized Operations Manual
Submittal of the final report covering activities and results of the third visit. The final report should also include recommendations for next steps to be taken to further the aims and objectives of the Fund.

Reports to be provided by the Consultant:

Five hard copies and five CD's of the two interim reports and one final report following each of the three Samoa visits. Attachments to the final report include the following documents:
Final Operations Manual and attachment (inclusive of the Legal Framework for the PSSF and the Monitoring and Evaluation Framework).
Gender sensitive publicity and publication materials
Copies of any signed agreements. (Note that this is not for the Consultant to effect as it a process involving the Government and its partners)
Approved budget and work plan for the period of funding based upon funding commitments.

Annex 2

Terms of reference for the preliminary IF mission.

PURPOSE OF THE IF PRELIMINARY MISSION

A preliminary mission is lead by the DTIS Team Leader and all the members of the IF Working Group are invited to participate.

The broad objective of the preliminary mission is to lay the groundwork for the DTIS and delineate the scope of the mission while working closely with the IF Focal Point and the IF Steering Committee. This will involve, among other things, establishing clear objectives for the DTIS and preparing for the main mission by taking stock of past and on-going work, and enabling the mission leader to build contacts with key stakeholders, including the government Focal Point, as well as representatives of the core agencies on the ground and the Geneva-based agencies. At the conclusion of the preliminary mission, a draft TOR for the DTIS prepared by the Team Leader in consultation with the government and stakeholders should be discussed. A generic TOR developed for DTISs follows as a second part of this document but this TOR does not take into account the existing and on-going work in and the needs of the specific country. Based on the availability of the existing work, the priorities outlined by the government and inputs by stakeholders, donors and the IF agencies, the generic TOR needs to be developed a country specific. The country-specific TOR for a DTIS spells out the scope and focus of the part of the study analyzing the issues common to all DTIS' and lists the sub-sectors to be focused at in the country in question.

The specific activities to be undertaken and topics to be covered during the preliminary mission are as follows:

- Discuss the scope and content of the proposed study with the government authorities, agencies, donors, private sector and civil society.
- Establish a clear work plan to include timing of main mission, national workshop and the domestic review process, and timing/objectives with respect to next PRSP (or progress report) and Consultative Group/Roundtable meeting.
- Establish close contact with the IF Focal Point and the PRSP (NDP) Focal Point. Ensure that ministries of Finance and Trade, as well as other relevant ministries, internalize and own the country IF process and objectives.
- Establish the role of the PRSP (NDP) Steering Committee in the IF process and explore linkages with the PRSP (NDP) and other relevant national development strategies. If possible, a presentation should be made to the PRSP (NDP) Steering Committee or relevant sub-committee on the IF exercise.

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- Initiate relationships with the private sector, research partners and other stakeholders and create mechanisms for keeping partners in the field informed.
- Contact the IMF and World Bank and any other IF core agency representatives on the ground (ITC, UNCTAD, WTO)⁸. Arrange a briefing to the local UN Heads of Agencies during the preliminary and main missions.
- Make contact with the key donors in the country (by overall size or interest in trade) and those involved with the IF. The government and the UNDP and World Bank resident representatives will guide the mission leader in this regard. In this context, use the mission to establish an IF Donor Facilitator/Lead Donor, if not yet established, to work closely with government and UNDP in DTIS preparation and follow-up.
- Visit key research institutions and think tanks to explore possibilities for collaboration during the IF exercise.
- Assess existing work on trade and TRTA in the country and gather trade-related research and related materials on technical assistance. For example, a National Consultant may be commissioned to carry out a stocktaking exercise prior to the Preliminary Mission and it is for the Team Leader to ensure that her/his inputs sufficiently cover the information needs in this respect.⁹
- Identify Focal Points in the local UNDP and World Bank offices for the IF.
- The Preliminary Mission Report
- The Team leader will draft an Aide-Memoire that outlines key aspects of the discussion and reflects at a minimum the following key outcomes:
- Identification of country interests in trade-related analysis as a basis for country-specific TOR of the DTIS.
- Summary of working arrangements agreed with the government IF Focal Point, as well as IF Focal Points in the UNDP and World Bank offices, and IF Facilitator.
- Proposed timing of main mission and detailed schedule of other IF related activities, including national workshop.
- Identification of any immediate assistance required to help authorities engage in DTIS and DTIS follow-up process (funding from the IF National Implementation Arrangements Project, USD 38,000/country, Window I of the IF Trust Fund, is available towards these needs).

⁸ While there may not be representatives from ITC, UNCTAD or WTO on the ground, any project managers of on-going projects being implemented by these agencies as well as FAO and UNIDO should be visited.

⁹ Please, see Annex I for the TOR of the National Consultant for the stocktaking exercise.

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- Identification of working arrangements with government, private sector and possible civil society stakeholders (NSC, main mission counterparts for each area of the DTIS to cover, consultative process).
- Identification of National Consultants / local counterparts (research institutions and think tanks) who could participate in the work.
- Identification of agreed upon objectives for the IF process, including where possible general benchmarks to monitor progress.
- Identification of an IF Donor Facilitator/Lead Donor, if not yet established.

Annex 3

Terms of Reference

Private Sector Support Facility Steering Group

Objective:

There will be a Steering Group (SG) formed to provide overall guidance and oversight to the entire project and to ensure that the project accomplishes its goals by the end of its lifetime. Reference s.14 of the Operations Manual for more details on the SC.

The Steering Group will comprise of 11 persons being:

5 from private sector:

Chamber of Commerce
Samoa Associate of Manufacturers and Exporters (SAME)
Samoa Hotels Association
Samoa Crops Association
WIBDI (representing the village involvement)

4 from Government:

MCIL (Secretariat)
Ministry of Foreign Affairs and Trade, Trade Division (temporary)
Ministry of Finance
Samoa Tourism Authority

2 Coordinating Development Partners:

UNDP
NZAID

Tasks:

The Steering Group will undertake to:

- Provide overall policy guidance for the project
- Review the project activities, and their adherence to the work plan set forth in the project document and approve any modifications/revisions as may be necessary;
- Provide support and advice to the project team on implementation of the activities;
- Provide advice on stakeholder identification and participation and endorse the defined roles for each of the participating agencies;
- Ensure participation of stakeholders through liaison with relevant stakeholder groups;
- Review and endorse the project work plan in line with the project document;
- Monitor the performance of the project;
- Facilitate effective inter-agency sharing of information relevant to the project;
- Evaluate and provide advice on all draft reports/ policy papers, etc., produced as outputs of the project;

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- Approve recruitment of all appropriately qualified project personnel and agencies for the project;
- Spearhead any relevant launching activities related to the outputs of the project;
- The SG shall meet at least 4 weeks after the signing of the project document and as needed and at least annually.

Annex 4

Terms of Reference

Project Manager of Private Contestable Fund

The Project Manager will be appointed by the Implementing Partner, and he or she will be responsible for the day-to-day management and successful implementation of the project in accordance with the specific activities under this project and ensure the realization of the objectives and work plan set out in the project document and which will be closely monitored by the Steering Committee.

Duties

Significantly, the Project Manager's tasks will include but not be limited to the following:

- Responsible for day-to-day project implementation, which will be fully in line with UNDP procedures for National Execution projects and for the achievement of project objectives;
- Supervise all related activities pursuant to implementation of the overall objectives and specific activities of the project;
- Consult and coordinate closely with the Project Manager of the Integrated Framework (IF) component located in the Ministry of Foreign Affairs and Trade, Trade Division to ensure that the reporting requirements of the project are consolidated and forwarded to UNDP on the quarterly basis;
- On the basis of the project document and in close consultation with the relevant stakeholders, prepare the detailed annual work plans of the project in a manner consistent with the reporting, budgeting, monitoring and evaluation procedures and guidelines for a project under the UNDP national execution procedures.
- Coordinate and monitor the activities described in the work plan and progressively make any necessary decisions that would be opportune and necessary to suit local conditions and circumstances that would progress the objectives of the project and enhance outcomes.
- Prepare and oversee the development of detailed gender sensitive TORs for any necessary contractors and consultants in consultation with UNDP Samoa and external consultants, if necessary.
- Contract and manage the work of consultants and contractors in accordance normal national standards and procedures.
- Review contractor's and consultant's reports and ensure wide circulation to project Steering Committee members and technical experts.
- Manage the disbursement and utilization of project funds in accordance with standard National Execution procedures through the National Coordinating Authority, that is, the Ministry of Finance, Aid Coordination Unit, and UNDP procedures in the areas where UNDP provides support services.
- Review and approve invoices from consultants and contractors.
- Request, when needed and in line with MCIL capacity, UNDP Samoa to make necessary payments under the project using the 'Request for Direct Payment' modality.
- Report periodically and/or when there is an urgent need to National Coordinating Authority.

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- Prepare all substantive and financial reports and ensure their timely delivery to UNDP.
- Ensure close collaboration with relevant stakeholders including members of the Steering Committee.
- Request, if needed and in line with the NEX capacity assessment, UNDP Samoa to assist with the identification, assistance with and/or recruitment of project personnel (e.g. consultants and contractors).
- Maintain records of all relevant project documentation.
- Inform and justify to the project Steering Committee and UNDP about any delays during the project, should that happen.
- Undertake logistical and administrative support to the project Steering Committee including setting agendas in consultation with the Chair of the SC and UNDP, convening of SC meetings on behalf of the Chair, minute taking and dissemination, follow-up on decisions of the SC, and record keeping, etc.
- Ensuring that the audit for the project is conducted in a timely fashion as per standard NEX procedures and forwarded to UNDP before the deadline of 28 April 2008.
- Prepare and submit to the UNDP a Terminal Project Report at the end of the project.

Qualifications

- University degree in any of the social sciences including economics, geography, business management, human development, or other relevant field.
- Have a sound appreciation of the private sector in Samoa at all its levels – micro (community and subsistence) and macro levels.
- Demonstrated experience in dealing with development aid to the country and its impact on the Samoan economy.
- Solid level of understanding on gender equity, equality and diversity issues.
- Experience in gender and development issues.
- Demonstrated senior level management experience.
- Some understanding of and experience working with UNDP or other UN agencies.
- Excellent writing and communication skills.

Annex 5

Terms of Reference

Project Manager of Integrated Framework for Trade Component

The Project Manager will be appointed by the Implementing Partner, and he or she will be responsible for the day-to-day management and successful implementation of the project in accordance with the specific activities under this project and ensure the realization of the objectives and work plan set out in the project document and which will be closely monitored by the Steering Committee.

Duties

Significantly, the Project Manager's tasks will include but not be limited to the following: Responsible for day-to-day project implementation, which will be fully in line with UNDP procedures for National Execution projects and for the achievement of project objectives;

- Supervise all related activities pursuant to implementation of the overall objectives and specific activities of the project;
- Consult and coordinate closely with the Project Manager of the Private Sector Support Facility (PSSF) project located in the Ministry of Commerce, Industry and Labour (MCIL) to ensure that the reporting requirements of the project are consolidated and forwarded to UNDP on the quarterly basis;
- On the basis of the project document and in close consultation with the relevant stakeholders, prepare the detailed annual work plans of the project in a manner consistent with the reporting, budgeting, monitoring and evaluation procedures and guidelines for a project under the UNDP national execution procedures.
- Coordinate and monitor the activities described in the work plan and progressively make any necessary decisions that would be opportune and necessary to suit local conditions and circumstances that would progress the objectives of the project and enhance outcomes.
- Prepare and oversee the development of detailed gender sensitive TORs for any necessary contractors and consultants in consultation with UNDP Samoa and external consultants, if necessary.
- Contract and manage the work of consultants and contractors in accordance normal national standards and procedures.
- Review contractor's and consultant's reports and ensure wide circulation to project Steering Committee members and technical experts.
- Manage the disbursement and utilization of project funds in accordance with standard National Execution procedures through the National Coordinating Authority, that is, the Ministry of Finance, Aid Coordination Unit, and UNDP procedures in the areas where UNDP provides support services.
- Review and approve invoices from consultants and contractors.
- Request, when needed and in line with MCIL capacity, UNDP Samoa to make necessary payments under the project using the 'Request for Direct Payment' modality.
- Report periodically and/or when there is an urgent need to National Coordinating Authority.
- Prepare all substantive and financial reports and ensure their timely delivery to UNDP.

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- Ensure close collaboration with relevant stakeholders including members of the Steering Committee.
- Request, if needed and in line with the NEX capacity assessment, UNDP Samoa to assist with the identification, assistance with and/or recruitment of project personnel (e.g. consultants and contractors).
- Maintain records of all relevant project documentation.
- Inform and justify to the project Steering Committee and UNDP about any delays during the project, should that happen.
- Prepare and submit to the UNDP a Terminal Project Report at the end of the project.

Qualifications

- University degree in any of the social sciences including economics, trade related degree, geography, business management, human development, or other relevant field.
- Have a sound appreciation of the private sector in Samoa at all its levels – micro (community and subsistence) and macro levels.
- Demonstrated experience in dealing with development aid to the country and its impact on the Samoan economy.
- Solid level of understanding on gender equity, equality and diversity issues.
- Experience in gender and development issues.
- Demonstrated senior level management experience.
- Some understanding of and experience working with UNDP or other UN agencies.
- Excellent writing and communication skills.

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Annex 6

Cost-sharing Agreement between UNDP and NZAID

[Available upon request from Ministry of Finance, Aid Coordination Unit]

Comment [RK1]: ???There's no cost-sharing arrangement? Are you referring to the Partnership Framework? I'd suggest deleting.

Annex 7

UNDP Audit Guidelines

Audit scope

The audit of nationally executed programmes/projects must cover the financial operations and the use of control of non-expendable equipment as well as provide detailed observations and comments on the management structure and the monitoring, evaluation and reporting mechanisms. The following aspects are to be considered:

- The rate of delivery;
- Financial accounting, monitoring and reporting;
- Systems of recording and reporting on resources utilization;
- Equipment use and management;
- Management structure (which entails overall organization, staffing and the like), including the adequacy of appropriate internal control and record keeping mechanisms;
- The audit shall only cover nationally implemented budget lines, and those implemented by the associated UN Agencies.

Audit Certification

The audit of nationally executed programmes/projects must confirm and certify that:

- Disbursements are made in accordance with the activities, work plan and budgets of the project document;
- Disbursements are supported by adequate documentation;
- Financial reports are fairly and accurately presented and represent correctly financial position;
- Appropriate management structure, internal controls and record-keeping systems are maintained;
- The executing agent and the country office have undertaken and prepared reports for monitoring and evaluation of the substantive activities and of the management systems of the programme/project;
- Procurement, use, control and disposal of non-expendable equipment are in accordance with the Government or UNDP requirements; and
- Satisfactory measures have been taken by the executing agent and by UNDP to comply with the recommendation of prior audits.

Methodology and timetable

The audit is to be conducted in conformity with general accepted common auditing standards and in accordance with the professional judgment of the auditor, and with appropriate reference to:

- The International Standards on Auditing (ISA), namely, the standards on auditing promulgated by the International Federation of Accountants;

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- The standards and terms of reference established for the United Nations Board of Auditors, which are described in the annex to the UNDP financial regulations and rules;

The auditors must undertake the following activities, among others:

- Consult with relevant units as necessary (the executing agent, the UNDP Multi-Country Office, implementing partners, the Government coordinating authority, and other concerned parties);
- Obtain and analyze existing documentation;
- Review the procedures and systems currently in use;
- Perform test checks on accounts and documents;
- Write and audit report with recommendations for action;
- Present the findings of the report to the parties concerned and submit five copies to the executing agent.

Sources of information

The executing agents and the UNDP Multi-Country Office, and other concerned entities as appropriate, must provide the auditors with all relevant information required by them for conducting the audit. The required documentations are as follow:

- Signed project documents;
- Work plan;
- Financial reports;
- Direct payment support documents;
- Disbursement documentation at the Government side;
- Combined Delivery Report.

The audit report

The auditors must produce and audit report in English, and shall do so to the extent possible, in the suggested format presented in the UNDP procedures for National Execution.

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Annex 8

SBAA available upon request