

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Concept Note**



**Project Title:** Clean Air for Blue Sky Asia  
**Project Number:** TBC  
**Implementing Partner:** UNDP  
**Start Date:** April 2022  
**End Date:** December 2024

**Overview**

As air pollution is a growing environmental threat that calls for sustained regional cooperation, decision-makers are looking to the scientific community and private sector for help when monitoring, mapping, and managing these harmful consequences to the overall SDGs agenda. Scientific identification and prediction of the air quality response to emission changes is a prerequisite for an integrated assessment system in developing effective control policies. Tackling the multi-tiered issue of Air Pollution requires scientific big data hub, technology information and knowledge sharing program for integrating energy use, emissions, meteorology, health and cost & benefit impacts.

The project will be implemented by UNDP using the Direct Implementation Modality (DIM) with the objective to prototype the first of its kind **Asian Air Quality Management Program (AAQMaP)** to support Thailand, Lao PDR, and Cambodia in their collaborative efforts to tackle for regional air pollution challenges. Ultimately, the AAQMaP and its process will inform government's decisions on policies and investments that promote a cleaner, greener environment. The project has three key outputs:

- 1) Air quality information gap is addressed in targeted countries (Thailand, Laos PDR, and Cambodia), through a prototype Asian Air Quality Management Program (AAQMaP)
- 2) National Counterparts in targeted countries have the capacity to address air pollution challenges by utilizing integrated science-based air quality models
- 3) Existing initiatives to address air pollution management and policy measures are scaled-up and catalyzed

The project main activities are to integrate regional air emission inventory, to enable regional air quality modelling and forecasting, and to promote regional air quality policy capabilities to enable coping regional air pollution study and management.

**Linkage to the UNDP Strategic Plan (2022-2025) Outcome:**

SP Outcome 1: Structural transformation accelerated, particularly green, inclusive, and digital transitions;

**Links to Regional Programme Outputs (2022-2025):**

RPD Output 1.4:

Sustainable, scalable and innovative solutions and strategies for Nature, Climate and Energy transformation strengthened through enhanced Climate Promise, nature-based solutions, and transitioning to clean energy and zero-carbon development.

**Indicative Output(s) with gender marker: GEN1**

Output 1: Phase 1 of Asian Air Quality Monitoring Platform prototype

Output 2: Science-based air quality modeling developed, and solutions identified to address regional pollution challenges

Output 3: A portfolio of actions and initiatives to improve regional air pollution management and policy measures

# CLEAN AIR FOR BLUE SKY ASIA

## ENGAGEMENT FACILITY CONCEPT NOTE

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### **I. DEVELOPMENT CHALLENGE**

In recent years, in the face of urban growth, economic expansion and attendant growth in demands for energy, agricultural and industrial production, tourism, transportation and general consumption, air pollution has become a leading threat to the health of the environment and population, alike. These translate to onward social and economic costs that undermine the gains of economic and development advancements.

The impact of air pollution is getting more serious and leads to dangerous health impact in Asia. According to the World Health Organization (WHO), Southeast Asia recorded the highest urban ambient air pollution levels in the world in 2016. An estimated 2.4 million premature deaths were attributed to air pollution. Air Quality Report (2018) from Greenpeace and AirVisual found that 95 percent of Southeast Asian cities surveyed exceeded the WHO's annual exposure guideline.

Whilst much attention is given to urban industrial sources of air pollution, non-urban sources of air pollution in Southeast Asia, such as those caused by forest fires, vehicle and industrial emissions, and combustion of low-quality fuels and agricultural burning, are also of significant concern. Political, economic, judicial, and social issues linked with air pollution make air pollution extremely difficult to tackle as it is not just a technological issue, but one with roots embedded in social inequality, ineffectual governance, policy and incentivization, and misdirected investment. It has direct impact on health, productivity, employment and society.

Above all, the global demand for greenhouse gas reduction and carbon neutrality in the era of climate change poses a great challenge to Asian countries with high economic growth rates and rapid increases in greenhouse gas (GHGs) emissions. Given the complexity and scale of the challenges, from rapid urbanization to heightened inequality and climate change, and the recognition that such interconnected and structural problems cannot be solved by any single actor. Asian countries are facing a situation where they have to do simultaneously in a manner that does not harm the mutual benefits.

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### **II. STRATEGY**

Establishing comprehensive and systemic strategy/plan is a first step to tackle the multi-tiered issue of Air Pollution, the Ministry of Environment (MOE) and the National Institute of Environmental Research (NIER) can support Asian countries using their experiences to set the standard and implement various policy measures. For example, 'Special Measures for Improving Air Pollution in Seoul Metropolitan Area' and its framework Plans, which have been carried out since the early 2000s, clarified various regulations in the fields of industry, transportation, energy, household, and investment plans. As a result, sulfur dioxide and total dust were dramatically reduced. Recently, the MOE is dramatically reducing fine dust by establishing and strengthening various technical, institutional and financial capabilities. In addition, there are many achievements in efforts to be carbon neutral beyond fine dust reduction.

Based on Korea's successful cases of overcoming air pollution, the project will serve as a milestone for expanding measures to knowledge development and environmental technology in overcoming climate change and air pollution. With collaboration between UNDP and MOE, Korea and Asian academia and experts can participate in preparing from a roadmap or designing a comprehensive strategy and modeling to policy recommendation and its effects. Through in-depth analysis and cooperative projects, the MOE and UNDP will lead a new era for integrating energy, health, climate change and a carbon-neutral society in Asia for Sustainable Development Goals.

Over the past decade, the Lower Mekong region has faced major landscape challenges caused by deforestation, human-induced burning of agricultural areas, and forest fires, which is also an important aspect for climate change response in the region. Fires emit air pollutants and other GHGs emissions into the atmosphere further leading to decreased air quality and elevated public health concerns. Consistent with the 2030 Agenda and UNDP Strategic Plan for 2018 to 2021, the objective of the project is geared to accelerate structural transformations for sustainable development through multi-stakeholder partnerships within and across government and society

Air pollution control must be grounded in sound scientific research and data, given its variable regional impacts depending on the amount of pollutant emissions and intensity, weather phenomena such as rainfall and wind, and topography, etc. The more intractable problem is that it's difficult to deduce the relationship between regional air quality and emission reduction by simply following through with the latter, because the whole photochemical process of having various reactant gases emitted into the air, reacting in the atmosphere, and finally generating pollutants is complex and nonlinear. Diverse identification and efficient prediction of the air quality response to emission changes is a prerequisite for an integrated assessment system in developing effective control policies.

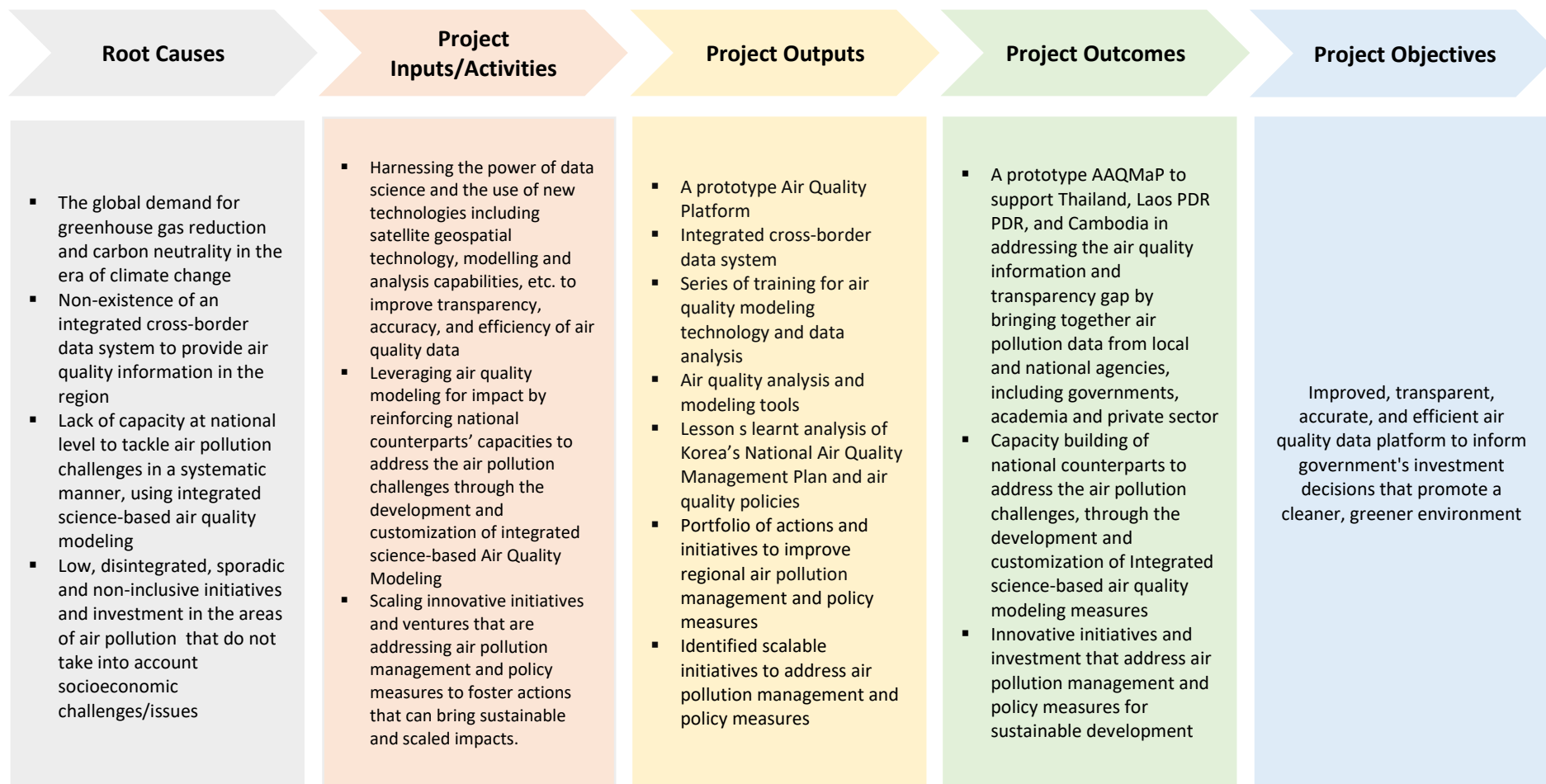
#### *Theory of Change for the Clean Air for Blue Sky Asia Engagement Facility*

Responding to the challenges and demand from the Lower Mekong Countries, to reinforce regional air pollution monitoring and forecasting capabilities, UNDP, through Regional Bureau Asia Pacific (RBAP), with support from Ministry of Environment (MOE), the Government of Korea, has put forward a value proposition to support Asia-Pacific region (with Thailand, Lao PDR and Cambodia as piloting countries) to tackle air pollution by introducing a prototype Asian Air Quality Management Program (AAQMaP) to support Thailand, Laos PDR, and Cambodia in their efforts to tackle regional air pollution challenges and inform government's investment decisions that promote a cleaner, greener environment.

The focus aims to drive transformation by leveraging on a consortium of expertise from a multitude of sectors that can inform on the application of the latest scientific data and knowledge. These are strong partnerships at the global, regional, and national level covering a wide array of stakeholders from private, public sectors, academia, research institutions, expert groups, civil societies, and local governments.

At the center of the strategy, available data science technology will leverage regional air quality data from existing air quality monitoring network and satellite technology, coupled with ground-sensor data, machine-learning, air quality modelling and analysis capabilities, to enable monitoring and forecasting regional air pollution. This information would help stakeholders, public and private to develop data-driven policies, strategies, and initiative to understand and collaborate onto the regional air pollution in Asian region.

## Theory of Change for Clean Air for Blue Sky Asia



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### III. RESULTS AND PARTNERSHIPS

#### Expected Results

***Output 1: Air quality information gap is addressed in targeted countries (Thailand, Laos PDR, and Cambodia), through a prototype Asian Air Quality Management Program (AAQMaP)***

Output 1 will work to harness the power of data science and the introduction of new technologies including satellite geospatial technology, modelling and analysis capabilities, and ground observations to improve accuracy of air quality data. The data shared on the platform, will empower country's logical and scientific basis to improve policy, raise citizen's awareness to make more informed health choices, while giving businesses the ability to make investment decisions that promote a cleaner, greener environment.

To this end, the project will partner with existing initiatives and efforts to build an integrated cross-border data system that can deliver on the promise of producing high-quality data and then making data open in a way that they are accessible to be shared and reused by stakeholders. The project will also develop further cooperation potential to expand other neighboring countries in near future.

The project will undertake a range of result-based activities as follows:

- **Activity 1.1:** Review and assess air quality information gap including air quality related data and regional air quality monitoring system;
- **Activity 1.2:** Review and collect regional air quality, emission and satellite data, identify data and model types, indicators and variables including QA/QC of collected data;
- **Activity 1.3:** Build air emission inventories, and conduct data-integration and analysis in the project domain;
- **Activity 1.4:** Identify regional air pollution characteristics and air quality/satellite/emission data mapping;
- **Activity 1.5:** Data-linking and building a prototype Asian Air Quality Management Program (AAQMaP).

The approach consists of forging partnership and leveraging a consortium of stakeholders to combine and repurpose different types of data sources to enhance the impact of data on development. The project would particularly be bringing experience and resources from the MOE (NIER, Republic of Korea) and beneficiaries' countries, universities, research communities (etc.) to ensure the reliability of published data and to support national capacity to integrate and prototype policy intervention. UNDP can also find linkages to its ongoing related digital data and knowledge platforms, CoPs and other knowledge tools and systems. UNDP NCE team brings significant opportunities for both technical and financial leveraging, with its focus on low carbon development/Green Economy areas.

***Output 2: National Counterparts in targeted countries have the capacity to address air pollution challenges by utilizing integrated science-based air quality models.***

Output 2 will reinforce national counterparts' capacities to address the air pollution challenges, through the development and customization of Integrated science-based air quality modeling. The primary output will be the detailed information from local/regional scale air quality modeling based on integrated regional air emission inventory, which could be the solid basis of further analysis and discussion. The expected output will be also including the identification of a detailed portfolio of cost-effective measures for technological and policy interventions to address regional air pollution while delivering the greatest benefits for human health, climate and the environment. To this end, the project will facilitate the deployment and application of tools for conducting science-based air quality modeling on air pollution issues with the view to formulate public policies scenarios with the estimate public financial and investment requirements guided by national and regional priorities, policies and plans.

The project will focus on the following activities:

- **Activity 2.1:** Introduce and develop local and regional scale air quality modeling including cross-check with air quality monitoring data;
- **Activity 2.2:** Identify and assess relevant national public policies/programs/scenarios aiming to address regional air pollution;
- **Activity 2.3:** Implement local and regional scale air quality modeling and analysis using a variety of scenarios (e.g. Business-As-Usual (BAU) and policy intervention scenarios, etc.);
- **Activity 2.4:** Implement a series of training courses for air quality modeling technology and data analysis including technical workshops for experts;
- **Activity 2.5:** Conduct comprehensive, solution-oriented and interdisciplinary assessment of regional air pollution modeling and its results.

The approaches embedded in this component focus on leveraging science-based air quality modeling, integrated policy analysis and costing exercises as a means for achieving policy coherence, to transfer knowledge to Thailand, Lao PDR and Cambodia governments to identify national priorities and to act as a conduit to strengthen the mechanism for collaboration between the different tiers of government through integrated policy analysis and costing of initiatives, and laying a foundation for longer term enhanced alignment of national and subnational development plans and associated budgets. It could be further developed and expand to other neighboring countries for their near future collaboration potential.

***Output 3: Existing initiatives to address air pollution management and policy measures are scaled-up and catalyzed***

The third Output is to catalyze and scale innovative initiatives that are addressing air pollution management and policy measures. The project aims particularly at leveraging technological and financial investment to foster actions that can bring sustainable and scaled impacts. Concretely, the project will source initiatives to promote public-private and community partnerships and public actions to receive benefit from hands-on support to develop their scaling strategy. The project expects to seek support from NIER/MoE to share lessons learnt from its own national experience, assessing specific financial requirements to support enhanced monitoring, policy implementation and other

interventions required to address regional Air Pollution, and generally generate advocacy for policy dialogues in the Air Pollution space.

AAQMaP is dedicated to address air pollution management challenges and mitigation problems. In partnership with national stakeholders, the project will focus its efforts in generating a portfolio of actions and initiatives offering disruptive technologies, solutions, and services to improve regional air pollution management.

To this end, the project will focus its intervention on the following activities:

- **Activity 3.1:** Conduct lessons learnt analysis of Korea's National Air Quality Management Plan and air quality policies for policy advocacy and knowledge sharing;
- **Activity 3.2:** Assess financing requirements and cost-effective measures for implementing policy options and interventions needed to address regional air pollution;
- **Activity 3.3:** Facilitate the use of the results of the analysis as an advocacy tool for stakeholders' engagement, and to influence policy dialogue on air pollution;
- **Activity 3.4:** Engage with central and local governance institutions, communities, and financial partners (e.g. private sector, impact investors, development financial institutions) to develop portfolio of actions, including research projects, knowledge sharing, and community-based initiatives, etc.;
- **Activity 3.5:** Identify scalable initiatives to address air pollution management and policy measures.

The approach consists of connecting, enabling, and amplifying ongoing scattered solutions, reinforcing their consistency and visibility, through a collaborative methodology which ultimately links innovation research with R&BD collaboration, business incubation, acceleration, and investment, within an enabling policy framework set to support the innovation ecosystem. This area aligns strongly with the Nature Climate Energy (NCE) focus on low carbon development/Green Economy areas, and the additional financing that can be brought through access to vertical funds.

## **Partnerships**

This project build a strategic partnership using ROK resources and expertise to expand Air Pollution monitoring across all three countries, thereby establishing Phase 1 goal of launching a Regional Air Pollution Monitoring Platform under the Clean Air for Blue Sky Asia initiative. Further, it also lays a foundation for connecting to and leveraging wider UNDP expertise and investment in the Air Pollution space for perspectives of Health, Digital Transformation, Climate & Environment, Green Economy, et. al.

The project will also build a results-based partnership with strategic regional and national counterparts to deliver effectively and efficiently the expected outputs. The project would particularly rely on the vast experience, knowledge and resources from regional institutions partners and the wider local partners to mobilize additional resources, expertise, and knowledge. South-South and triangular cooperation are in this regard integral to how UNDP works and thinks about the future of development.

## *Collective intelligence*



The project is in a unique position to facilitate practical knowledge and resources from the UN Development System. The project will particularly draw on UNESCAP and UNEP complementary strengths and capabilities to deliver stronger results and to achieve the ambition of the project.

Building on the UNDP network of knowledge nodes, vast on-the-ground experience and partners, and recognized credibility as a neutral partner, the project will leverage the UNDP Global Policy Network (GPN) assets and capabilities to respond effectively to the countries' demand for advisory and support services.

Country-focused with the ability to pull resources from the entire UNDP network, the GPN is the cutting-edge provider of development advice and solutions, connecting countries to the world of knowledge, resources and networks of best practice that they need to achieve development breakthroughs. Leveraging on the areas where UNDP has unparalleled thematic leadership, i.e. inclusive growth, climate and environment, the project will engage and channel the GPN cross-disciplinary development solutions, existing expertise and assets to ensure an integrated approach to development with cost effectiveness and efficiency.

### *Working with Partners*

As part of the project formulation and consultation process, the project has identified several potential partners, fora and coalitions with whom synergies and cooperation would be essential for the success of the project. It includes the national authorities such as respective Ministry of Environment, Research institutes such as NIER and academia across participating countries and in the region.

The project will collaborate with existing platforms such as the Global Environment Monitoring System for Asia (GEMS Asia), explore private sector engagement to ensure financial sustainability of the initiative in the long term.

### **Sustainability and Scaling Up**

The project, introduced as Phase 1, will lay the foundation for "Clean AIR for Blue Sky Asia", which UNDP in partnership with Government of Korea, envisioned to expand beyond the initial countries i.e. Thailand, Laos and Cambodia to ultimately cover 20 countries by the end of phase 4. (See Figure 1)

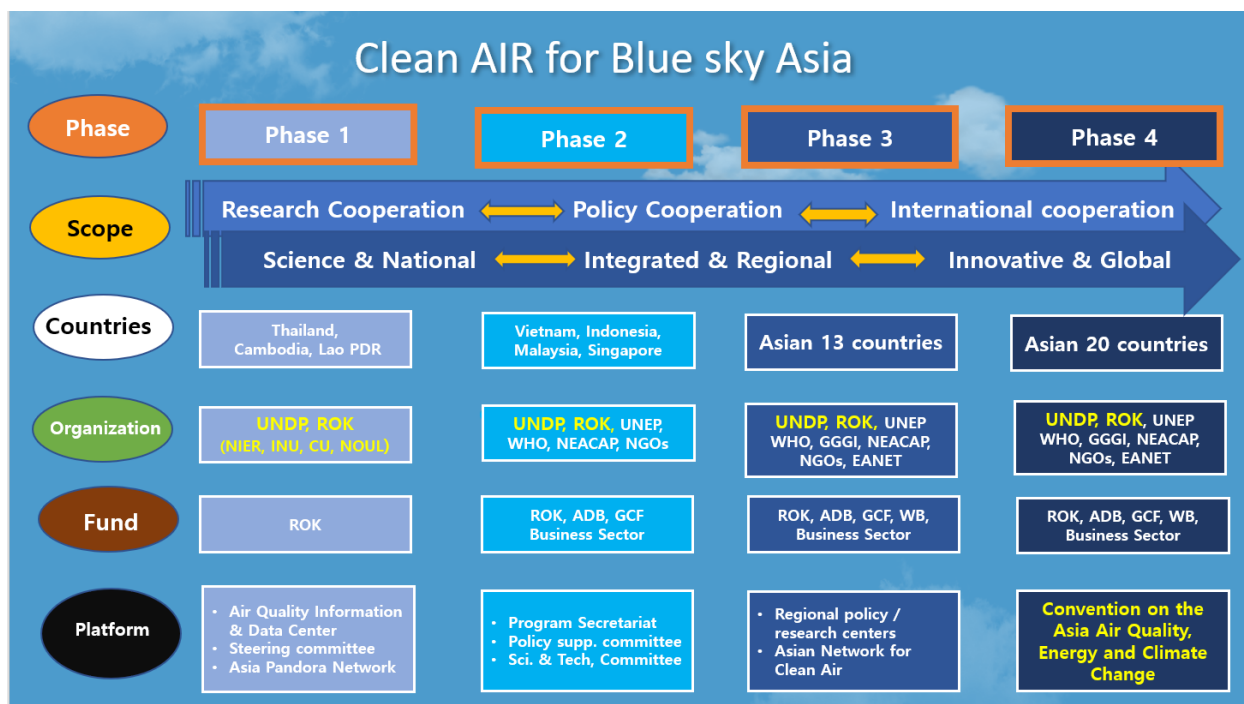


Figure 1: Graphic concept of “Clean AIR for Blue Sky Asia”.

#### IV. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The project will be implemented by UNDP within the Direct Implementation Modality (DIM), in line with UNDP Programme and Operations Policies and Procedures (POPP). UNDP Bangkok Regional Hub (BRH), will be responsible for the management and delivery of project activities to achieve the expected objectives and Outputs. UNDP will, in turn, enter into agreements with partner consortium/organizations, referred to as “responsible parties” to assist in delivering specific activities and outputs.

The project team (consisting of project manager, assistant and other technical experts as required) under the supervision of the NCE Team Lead/Advisor especially on substantive issues, will manage day-to-day activities of the project and coordinate closely with the participating Country Offices. To elaborate, at the regional level, The Project Manager will provide project implementation support and will serve as regional project manager who coordinates activities among countries. S/he will be responsible for quality assurance of the implementation of the project’s technical components. Substantive progress reports and financial reports will be consolidated at the regional level to ensure that a single window of communication is maintained throughout the duration of the project.

The project’s quality is regularly monitored and assured by UNDP staff. Financial transaction, the recruitment of staff and the procurement of goods and services will be performed by UNDP following UNDP rules and procedures. Similarly, UNDP will identify and assess potential responsible parties to undertake certain project activities.

The current UNDP Asia Pacific Regional Programme Document’s Advisory Board will serve as the highest level Board and provides strategic direction and executive management decisions and meets once a year. Clean Air for Blue Sky will be governed by an Advisory Group that will ensure country-led stakeholder advisory role, accountability and effective management. The Advisory Group will consist of:

- UNDP Bangkok Regional Hub Manager (Chair)
- Representation from Ministry of Environment, Government of Republic of Korea (Senior suppliers)
- UNDP Resident Representatives of participating countries (Senior beneficiaries)
- UNDP BRH NCE team (Regional project team)
- UNDP BRH Programme Management Unit (Project assurance)

The main functions of the Advisory Group will be to:

1. Provide overall guidance and direction to the project, in line with the theory of change, ensuring it remains within any specified constraints;
2. Address project issues as raised by the project manager;
3. Provide guidance on project risks, and agree on possible countermeasures and management actions to address specific risks;
4. Agree on project manager's tolerances as required;
5. Review the project progress, and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
6. Appraise the annual project implementation report, including the quality assessment rating report; make recommendations for the work-plan;
7. Provide ad hoc direction and advice for exceptional situations when the project manager's tolerances are exceeded; and
8. Assess and decide how to proceed on project changes through appropriate revisions

The Advisory Group will meet once a year (virtually or face-to-face) and be updated and consulted through emails and/or teleconference on a regular basis, as required. The Advisory Group will be managed and supported by a Secretariat based at the UNDP Bangkok Regional Hub. The Secretariat will be responsible for preparing and disseminating minutes of each meeting.

## V. RESULTS AND RESOURCES FRAMEWORK

<b>Intended Outcome as stated in the Global/Regional Programme Results and Resource Framework:</b>								
Outcome 1: Inclusive and sustainable structural transformations accelerated to reduce poverty, inequality, and vulnerabilities towards the achievement of SDGs and inclusive, sustainable, resilient and digital transitions								
<b>Outcome indicators as stated in the Regional Programme Results and Resources Framework:</b>								
1.3. Number of Asia-Pacific cities in most polluted 100 cities in the world								
<b>Applicable Outcome(s) from the UNDP Strategic Plan:</b>								
SP Outcome 1: Structural transformation accelerated, particularly green, inclusive, and digital transitions								
Project title and Atlas Project Number: Clean Air for Blue Sky Asia								
Expected Outputs	Output Indicators	Data Source	Baseline		Targets			Data Collection Methods and Risks
			Value	Year	2022	2023	2024	
Output 1: Air quality information gap is addressed in targeted countries (Thailand, Laos PDR, and Cambodia), through a prototype Asian Air Quality Management Program (AAQMaP)	1.1 % of data sets collected from various observations and sources needed to AAQMaPs	<ul style="list-style-type: none"> <li>Data generation to harmonize modeling input</li> </ul>	0	2021	60	80	90	<ul style="list-style-type: none"> <li>Surveys</li> <li>Monitoring</li> </ul>
	1.2 A comprehensive assessment completed to identify air quality information gap in targeted countries	<ul style="list-style-type: none"> <li>Project Monitoring Reports</li> </ul>	NO	2021	YES	YES	YES	<ul style="list-style-type: none"> <li>Project Monitoring Reports</li> </ul>
	1.3 % increase in monthly users/visitors of a prototype Air Quality Platform (Baseline is the no. of users at the launch of the AAQMaP, assuming Q3 of 2023)	<ul style="list-style-type: none"> <li>System generated data</li> </ul>	0%	Q3-2022	20%	40%	60%	<ul style="list-style-type: none"> <li>System generated data</li> </ul>
Output 2: National Counterparts in targeted countries have the capacity to address air pollution challenges by utilizing integrated science-based air quality models	2.1 Number of generating scenarios and analysis for air quality modeling by country technology and data analysis	<ul style="list-style-type: none"> <li>System generated scenario and reports</li> </ul>	0	2022	0	15	30	<ul style="list-style-type: none"> <li>System generated scenario and reports</li> </ul>
	2.2 Number of people participated in training courses on air quality modeling technology and data analysis disaggregated by gender	<ul style="list-style-type: none"> <li>Project Monitoring Reports</li> </ul>	0	2022	0	M20 F10	M40 F20	<ul style="list-style-type: none"> <li>Monitoring</li> <li>Reporting</li> </ul>
Output 3: Existing initiatives to address air pollution management and policy measures are scaled-up and catalized	3.1 Number of identified scalable initiatives to address air pollution management and policy measures	<ul style="list-style-type: none"> <li>Project Monitoring Reports</li> <li>Independent Evaluation</li> </ul>	0	2022	0	1	3	<ul style="list-style-type: none"> <li>Assessment</li> <li>Feedback from partners and beneficiaries</li> </ul>

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action
Track results progress	Progress data against the results indicators in the RRF will be collected and analyzed to assess the progress of the project in achieving the agreed outputs.	Quarterly	Slower than expected progress will be addressed by project management.
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Annually	Relevant lessons are captured by the project team and used to inform management decisions.
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	Annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)	
Project Review	The project's governance mechanism (i.e. project advisory group) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Advisory Group shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annually or as deemed necessary	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.

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## VII. LEGAL CONTEXT

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAs for the specific countries; or (ii) in the [Supplemental Provisions to the Project Document](#) attached to the Project Document in cases where the recipient country has not signed an SBA with UNDP, attached hereto and forming an integral part hereof. All references in the SBA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

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

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## VIII. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]<sup>1</sup> [UNDP funds received pursuant to the Project Document]<sup>2</sup> are used to provide support to individuals or entities associated with terrorism, that the recipients of any amounts provided by UNDP hereunder do not appear on the United Nations Security Council Consolidated Sanctions List, and that no UNDP funds received pursuant to the Project Document are used for money laundering activities. The United Nations Security Council Consolidated Sanctions List can be accessed via <https://www.un.org/securitycouncil/content/un-sc-consolidated-list>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor, and sub-recipient:
  - a. Consistent with the Article III of the SBAA [*or the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
    - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
    - ii. assume all risks and liabilities related to such responsible party’s, subcontractor’s and sub-recipient’s security, and the full implementation of the security plan.

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<sup>1</sup> To be used where UNDP is the Implementing Partner

<sup>2</sup> To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

- b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
- c. Each responsible party, subcontractor and sub-recipient (each a "sub-party" and together "sub-parties") acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the sub-parties, and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.
  - (a) In the implementation of the activities under this Project Document, each sub-party shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").
  - (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, each sub-party, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. SH may occur in the workplace or in connection with work. While typically involving a pattern of conduct, SH may take the form of a single incident. In assessing the reasonableness of expectations or perceptions, the perspective of the person who is the target of the conduct shall be considered.
- d. In the performance of the activities under this Project Document, each sub-party shall (with respect to its own activities), and shall require from its sub-parties (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, sub-parties will and will require that their respective sub-parties will take all appropriate measures to:
  - (i) Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;
  - (ii) Offer employees and associated personnel training on prevention and response to SH and SEA, where sub-parties have not put in place its own training regarding the prevention of SH and SEA, sub-parties may use the training material available at UNDP;
  - (iii) Report and monitor allegations of SH and SEA of which any of the sub-parties have been informed or have otherwise become aware, and status thereof;
  - (iv) Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and
  - (v) Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. Each sub-party shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the



investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the relevant sub-party shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

- e. Each sub-party shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the relevant sub-party to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.
- f. Each responsible party, subcontractor and sub-recipient will ensure that any project activities undertaken by them will be implemented in a manner consistent with the UNDP Social and Environmental Standards and shall ensure that any incidents or issues of non-compliance shall be reported to UNDP in accordance with UNDP Social and Environmental Standards.
- g. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud, corruption or other financial irregularities, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption, anti-fraud and anti money laundering and countering the financing of terrorism policies are in place and enforced for all funding received from or through UNDP.
- h. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices (b) UNDP Anti-Money Laundering and Countering the Financing of Terrorism Policy; and (c) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
- i. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- j. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud, corruption other financial irregularities with due confidentiality.

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

- k. *Option 1:* UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud corruption, other financial irregularities or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any

other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud, corruption or other financial irregularities, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

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

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