



Interoffice Memorandum

To: James Rawley
UN Resident Coordinator
Egypt

Date: 17 December 2007

From:
Assistant Administrator and Director, Partnerships Bureau
UNDP New York

Extension:

Subject: Subject: MDGF-1675 Climate Change Risk Management in Egypt

File: MDGF 1675

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme 'Climate Change Risk Management in Egypt' is approved with an allocation of USD\$4 million over three years. This figure includes 7% for indirect costs incurred by UN Participating Organizations. Please note the 1% AA fee will be reimbursed directly to the MDTF Office and need not be included in your allocation.

II. JP design comments

No substantive changes are required to the design of your Joint Programme and you may proceed with signature of the Joint Programme document. In addition to the Government, the UN Resident Coordinator and Participating UN Organizations should each sign the Joint Programme document. We would encourage you to ensure some visibility for this event and for the launch of activities.

We note that the programme is intended to intervene primarily at the policy level which we appreciate is appropriate in the Egypt context. In this regard, it will be important that the programme managers make good on the stated intention to coordinate closely with the GEF Small Grants Scheme and similar community-level interventions (page 8). Similarly, policy development efforts in the various sectors envisaged should to be complemented not only by post-facto communication and socialization efforts (very well addressed in the design) but also ex-ante consultative mechanisms that allow for thorough local stakeholder consultation.

While the proposed Monitoring framework is sound, additional indicators could be considered under Outcome 2 which better capture vulnerabilities vis-à-vis water and coastal areas (the current focus is strongly on agriculture). Indicators relating to UN reform and the Paris Declaration would also help ensure ongoing alignment of the programme with the broader goals of the Fund.



III. JP re-design requirements and/or recommendations

The following minor changes are required to the Joint Programme document before finalization:

- Indirect costs – please review the ‘Agency Management Support’ lines which appear to be inconsistent in the rates applied. These should be universally 7%. All references to the AA fee (1%) should be removed; and
- Steering committee – please note the national steering committee should meet at least twice per annum (not once).

IV. Management arrangements and delegation of authority

On receipt of a copy of the signed document, the Fund Secretariat will transfer the full three-year allocation to the custody of the Multi Donor Trust Fund (MDTF) Office pending further instructions from you.

Please note the MDTF Office will pass-through funds to Participating Organizations on instruction from you as Resident Coordinator and Co-Chair of the National MDG-F Steering Committee.

As reflected in the Fund’s Framework Document (Section 9 ‘Formulation Process & Release of Funds) and the global MoU with Participating Organizations (Article I, 2-c) the MDTF Office will release resources on an annual, advance basis. For the first advance, these funds will be transferred on the basis of receipt of the first year Annual Workplan and the signed Joint Programme document. Subsequent annual advances will be released on instructions from you and on the basis of a) receipt of the next annual work-plan approved by the National Steering Committee; b) evidence that a formal review of the programme’s progress has been undertaken not more than three months earlier, either in the form of an annual progress report (if the timing coincides) or through the minutes of a National Steering Committee where this has been discussed; and c) only when combined commitments against the existing advance have exceeded 70%. Please review the initial year budget requests carefully with participating organizations in order to ensure realistic delivery targets in this regard. The annual agency apportionment projected in the final budget attached to the signed Joint Programme document should also be reviewed and can be revised up to the time of your first funds-advance request. This is important for the reasons outlined below.

In order to allow the implementation team some flexibility to adapt the strategy to unexpected challenges and opportunities, and to empower Resident Coordinators in their oversight responsibilities, this memorandum also provides you with the authority over the three year duration of the programme and with the agreement of your National Steering Committee to (a) transfer up to \$1,000,000 or 20% of the total value of the project budget – whichever is lowest – *between Participating Organizations* identified in the original Joint Programme budget and (b) re-phase up to \$1,000,000 or 20% of the total value of the project budget – whichever is lowest - *between years*. The base-line against which these ceilings will be measured is the annual budget projection (by year and by participating organization) confirmed at the time of your first funds-advance request. The MDTF Office must be informed of any revisions of this kind, decided locally and is responsible for tracking these delegation ceilings for each programme. Any changes



that fall outside these parameters will have to be referred back to the (Global) MDG-F Steering Committee for approval.

The success of the MDG-F activities will depend on your ongoing leadership and engagement. We count on you to exercise this leadership and to ensure this Joint Programme remains an ongoing, integrated effort by the UN system in support of national priorities. Please also use the National Steering Committee mechanism to help ensure national ownership by the Government in particular and involve it in important financial and programmatic oversight decisions.

The Executive Coordinator of the MDTF Office, Bisrat Aklilu, will be in contact with any specific documentation requirements to ensure the programme meets compliance requirements for UNDG pass-through arrangements.

With best wishes.

cc.

Mr. Bisrat Aklilu, Executive Coordinator, Multi-Donor Trust Fund Office
Ms. Amat Alsoswa, Assistant Administrator and Director Bureau for Arab States, UNDP New York
H.E. Mr. D. Juan Antonio Yáñez-Barnuevo, Permanent Representative of Spain to the United Nations
H.E. Mr. Maged A. Abdelaziz, Permanent Representative of the Arab Republic of Egypt to the United Nations
Ms. Milagros Hernando, Director-General for Planning & Evaluation, MFA Madrid
Ms. Sally Fegan-Wyles, Director, Development Group Office
MDG-F Secretariat