



Interoffice Memorandum

To: Ndolamb Ngokwey
UN Resident Coordinator
Mozambique
Date: 16 January 2008

From:
Assistant Administrator and Director, Partnerships Bureau
UNDP New York
Extension: 6005

Subject: Subject: MDGF-1681: Environment Mainstreaming and Adaptation
to Climate Change in Mozambique
File: MDGF 1681

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme 'Environment Mainstreaming and Adaptation to Climate Change in Mozambique' is approved with an allocation of USD\$7 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 envisages a portfolio of important environmental mainstreaming and climate change related interventions firmly anchored in a poverty-driven strategy. That the focus of its activities will be at the community level, specifically Chicualacuala district, and that the programme will deliver to these communities assistance in range of sectors complemented by *inter alia*, training of community and local government leaders, development of early warning systems, integration of climate change issues into local plans and community exchanges of experience. We very much appreciate this 'bottom-up' approach whereby such down-stream activities will in turn inform national interventions, where the programme will assist the Government more broadly with adapting sectoral and broader development planning to the impact of climate change, 'climate proofing' UN and donor assistance strategies, research and analysis in risk-management and the development and dissemination of training and analytical tools.

We note that the programme is premised on a mutually reinforcing strategy that addresses adaptation to climate change as well as environmental mainstreaming. The independent reviewer commissioned by the Secretariat to examine the proposal has raised some concerns as to the viability of pursuing both issues equally given resource and time constraints. We presume the potential trade-offs have been considered at the country level but this may be an important consideration to bear in mind as implementation proceeds. The Reviewer's very positive review of the programme, which contains a range of comments on various aspects of the programme, is enclosed for your reference. Please note the changes recommended by the reviewer are not required by the Fund, unless specified under Section 'III' below but should at minimum be reviewed to see how they might help enhance the programme as implementation proceeds.



While the proposed Monitoring framework is sound, additional indicators could be considered to capture UN reform and the Paris Declaration that would help ensure ongoing alignment of the programme with the broader goals of the Fund. This has been a common feature across many submissions, and the Secretariat has been tasked with investigating what is feasible within a three-year programme and developing Fund-wide M&E standards.

Finally, please note that the JP design follows current UNDG guidelines with two important exceptions. Most importantly, the current results framework does not identify specific outputs per participating agency, but rather multiple agencies are often identified against the same output. Given the extraordinary amount of additional, detailed information at the activity level, by agency, provided in the documentation, and the elaborate consultation process that clearly went into its formulation there seems little if any risk that Participating Organizations may not have a clear and shared understanding of who is responsible for what. We would nevertheless request that at minimum, a 'lead agency' is identified at the output level as we could foresee scenarios in the future where this may prove important. Secondly, please note that the format of the Annual Work Plan is also a departure from the current guidelines only in so far as the full three year period is already mapped out. While neither of these issues prevents the Fund from approving this important and well designed programme, we do recommend the issue of the results framework be addressed, before finalizing the document. More generally, your team may wish to consult the joint programming experts at the Development Group Office at some point, to see how your future designs could be improved or alternatively, how your past experience could contribute to improving the UNDG JP Guidelines in the future.

III. JP re-design requirements and/or recommendations

The following minor change is required to the Joint Programme document before finalization:

- Lead Agency per smart output – please review the 'SMART' outputs and identify a single, lead agency per output.

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.

[With JP Executive Summary]

Mr. Bisrat Aklilu, Executive Coordinator, Multi-Donor Trust Fund Office

Mr. Gilbert Hougbo, Assistant Administrator and Director Bureau for Africa, UNDP New York

H.E. Mr. D. Juan Antonio Yáñez-Barnuevo, Permanent Representative of Spain to the United Nations

H.E. Mr. Filipe Chidumo, Permanent Representative of Mozambique 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