



**Interoffice Memorandum**

To: Rene Mauricio Valdes  
UN Resident Coordinator  
Ecuador

Date: 9 January 2008

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

Extension:

Subject: Subject: 1745 - Conservation and Sustainable Management of  
Natural and Cultural Heritage of the Yasuni Biosphere Reserve  
(Ecuador)

File: MDGF 1745

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme 'Conservation and Sustainable Management of Natural and Cultural Heritage of the Yasuni Biosphere Reserve' is hereby approved with an allocation of USD\$ 4 million for 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

We have identified in section III below, some changes we require to the design of your Joint Programme. Once these adjustments have been reflected in the document, you may proceed with signature of the Joint Programme document. The UN Resident Coordinator and all Participating UN Organizations should each sign the Joint Programme document in addition to the Government (including primary national counterparts). We would encourage you to ensure some visibility for this event and for the launch of activities.

We do have a concern that the Joint Programme document did not locate this important intervention in a broader context of the work of other local and international organizations, alliances and so forth. This may simply reflect the constraints of time for the formulation and the Joint Programme format. We nonetheless will require some additional details on this aspect be reflected in the final Joint Programme document and that an Inception Workshop be held at the outset which brings together key stakeholders.

We also note that the budget is somewhat front-loaded with 45% of the budget in Year I. This is not a problem on our side, but in light of the delegations of authority explained below, you may want to review these figures before finalization.

The comments of our technical reviewer on the Joint Programme document are attached for reference. The review is very positive and includes some useful recommendations you may wish to consider in the finalization of the document or during the course of the programme's implementation. Please note the changes recommended by the reviewer are not required by the Fund, unless specified under Section 'III' below.

Finally, please note that the Fund Secretariat may revert to you with comments on the Monitoring Framework in the first part of 2008. While the proposed framework is very thorough, it focuses primarily on output-related indicators and does not include indicators touching on outcomes; for example, indicators



identified under *Outputs 1.2, 2.4 and 2.5* on development of capacities of local actors and government officials could be re-worked so the impact of these investments can be measured in terms of which capacities are strengthened and for whom. Similarly, the framework does not contain any indicators relating to UN reform or the Paris Declaration. 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 in this regard.

III. JP re-design requirements and/or recommendations

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

- Section 3.3 “propuesta de programa conjunto” of the Document (pages 9-10) should include a brief mapping of ongoing, complementary initiatives;

In addition, kindly ensure that an Inception Workshop is held shortly after signature of the Joint Programme, which brings together key stakeholders to review the draft Work plan. We would appreciate receiving a copy of the Workshop Report in due course.

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.

Bisrat Aklilu, Executive Coordinator, Multi-Donor Trust Fund Office  
Ms. Rebeca Grynspan, Assistant Administrator and Director Bureau for Latin America and the Caribbean, UNDP New York  
H.E. Mr. D. Juan Antonio Yáñez-Barnuevo, Permanent Representative of Spain to the United Nations  
H.E. Mr. Rodrigo Riofrio, Permanent Representative of Ecuador 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