



Interoffice Memorandum

To: Mr. Alfredo Missair
UN Resident Coordinator
Nicaragua

Date: 26 January 2008

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

Extension: 6005

Subject: MDGF- 1751 Local Environmental management for Natural
Resources Management and Provision of environmental Services
in the Bosawás Biosphet

File: MDGF 1751

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme “Local Environmental Management for Natural Resources Management and Provision of Environmental Services in the Bosawás Biosphere Reserve” is hereby approved with an allocation of US \$4.5 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. However, we do have a small number of compliance requirements identified under Section ‘III’ below, however, which will need to be addressed before finalization of the document. Once these have been addressed, you may proceed with signature of the Joint Programme document. In addition to the Government, the UN Resident Coordinator and each Participating UN Organizations should sign the Joint Programme document. We would encourage you to ensure some visibility for this event and for the launch of implementation.

We greatly welcome the programme’s strong emphasis on poverty eradication and sustainable development. In this spirit, the targeting of the Bosawás Biosphere Reserve in the Atlantic region is very sound as are the down-stream interventions proposed such as those addressing local planning, rehabilitation of eco-systems in the micro-basins affected by Hurricane Felix, access to safe water and sanitation services, renewable energy, agro-forestry including production and marketing advice to cocoa producers and the deliberate communication and participation strategy tailored to vulnerable groups and indigenous populations in particular. The Payment for Environmental Services pilot is also an innovative and interesting component about which we look forward to learning more. Generally, this programme promises very tangible results in terms of MDG goals one and seven.

We note the programme’s intended impact on mitigation and adaptation to climate change as such, is fairly indirect; this was the case from the outset in the Concept Note and is consistent with terms of reference of this thematic window. Nonetheless, it has been suggested by one of our reviewers that some thought should be given in the strategy to ‘climate proofing’ the key physical investments anticipated; we believe this is good advice and would urge your designers to give it serious consideration.

As far as Fund guidelines are concerned, as with the Nicaragua Gender programme, the proposed governance arrangements also require revision as the intermediary mechanism required by the Fund guidelines – the Programme Management Committee (PMC) – remains missing. As we have advised elsewhere, we would recommend merging the relevant members of Country Team and Theme Group



(presumably involving national as well as international partners) to formally convene as the PMC. The Secretariat remains available if you would like to discuss these issues in greater detail – we recognize there may be country-specific issues we are unaware of that may make it difficult to comply with Fund standards for some reason.

The Monitoring and Evaluation Framework for the programme is adequate and we appreciate the early identification of key evaluation questions in order to guide the elaboration of indicators related to each of the agencies' areas of responsibility. The Secretariat will revert to you in early 2008 to provide suggestions on how to incorporate indicators relating to UN reform and the Paris Declaration in Monitoring framework.

III. JP re-design requirements and/or recommendations

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

- The oversight arrangements should be revised to include a Programme Management Committee as per Fund standard policy;
- The signature blocks on the cover page on the UN side, should include the Resident Coordinator and each Participating UN Organization in addition to Government.

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. 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. Mrs. María Rubiales de Chamorro Permanent Representative of Nicaragua 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

MDGF-1751 Local Environmental management for Natural Resources Management and Provision of environmental Services in the Bosawás Biosphere Reserve

Executive Summary

The Programme forms part of the United Nations Development Assistance Framework (UNDAF) for Nicaragua, through which the United Nations System supports progress towards achieving the Millennium Development Goals, in particular MDG 7: ensuring environmental stability, and UNDAF outcome 4: protection of the environment and risk management for human development. The Programme will focus on managing natural resources and providing environmental services in the Bosawas buffer zone, more specifically the municipalities of Bonanza and Wasparam and the Wasparam, upper Wawa and upper Kukalaya microbasins. The seven participating UN agencies will jointly sponsor the planning and management of these micro basins as well as establishing drinking water and renewable energy systems and promoting agroforestry and rural communication strategies.

The Joint Programme is of particular importance because it deals with an area which is not only economically deprived and socially marginalised but that was also recently caught in the path of Hurricane Felix, which effectively destroyed any opportunities and potential that these communities may have had for accelerated economic growth. The Joint Programme also contributes to the implementation of the Bosawas Management plan, promoting environmentally friendly options for the use and management of natural resources in the buffer zone of the Biosphere Reserve. Furthermore, it contributes to the promotion of the Nicaraguan Government's central economic goals, especially with regard to the development of forestry, food production and agribusiness (The Nicaraguan Caribbean Coast on the Path towards Human Development), and makes a huge contribution towards reaffirming the United Nations System's statements of support to the country's Caribbean Coast, in accordance with the results of the United Nations Human Development Report on the Caribbean Coast and the subsequent cooperation agreement signed between the Nicaraguan Government and the United Nations.

Funding for the Joint Programme comes from the Fund set up by the Spanish Government to contribute to achieving the Millennium Development Goals (MDG-F), particularly from its Environment and Climate Change thematic window.

Seven UN System agencies will participate in its implementation: (UNIDO, UNDP, WFP, PAHO, UNEP, UNESCO, UNICEF and UNV) together with various national government counterparts such as the Ministry for Foreign Affairs, the Ministry for the Environment and Natural Resources, the Ministry for Agriculture and Forestry, the Ministry of Health, the Emergency Social Investment Fund, the Technical Secretariat to the Presidency, the Technical Secretariat to the Caribbean Coast, the Government of the North Atlantic Autonomous Region and the Offices of the Mayors of Bonanza and Wasparam.