



**Interoffice Memorandum**

To: Mr. Alfredo Missair  
UN Resident Coordinator  
Nicaragua

Date: 26 March 2008

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

Extension: 6005

Subject: Subject: MDGF-1832-Water and Sanitation Sector in the RAAN and RAAS

File: MDGF 1832

**I. Approval Status**

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme "Water and Sanitation Sector in the RAAN and RAAS" is hereby approved with an allocation of USD\$7.7 millions 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**

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 implementation.

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.

Also note that the Fund Secretariat may revert to you soon with comments on your Monitoring Framework. The monitoring plan is conceptually correct although limited to the programme level. The Secretariat plans to work with all approved programmes during the current year to address their M&E frameworks and to develop a small number of common indicators relating to the thematic windows, UN reform, Paris Declaration process and the Millennium Declaration.

**III. JP re-design requirements and/or recommendations**

[Not applicable]



#### **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 signed Joint Programme document and the completed Fund Release Form should be sent to the MDG-F Secretariat and MDTF Office within 30 days of the receipt of this memorandum. If this deadline is not possible, please inform the secretariat accordingly.

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 the Fund's pass-through arrangements.

With best wishes.

cc.

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

## I.- Executive Summary

Access to drinking water and basic sanitation in rural areas in Nicaragua with an indigenous presence is below 20%. 8.2% of the country's population is indigenous and is concentrated in the autonomous regions of the North and South Atlantic (RAAN and RAAS); this being the zone with the highest rate of extreme poverty. Recent official figures have highlighted the large gap between urban and rural areas in terms of access to water and sanitation (over 75% of the population does not have access to drinking water). Implementation of the autonomous decentralisation process - which began in 1987 and has as its objective the creation of fairer conditions - is still in its early stages and is being challenged by the fact that many public administration decisions are still made centrally.

The objective of the Programme is to reinforce economic and democratic governance in the water and sanitation sector of the autonomous regions of the Caribbean coast of Nicaragua, through greater participation and coordination between institutional stakeholders. In addition the programme seeks to reinforce the institutional framework and investment in infrastructure in order to increase sustainable access to water and sanitation services; with priority given to indigenous peoples and African descendant communities. Governance of the water and sanitation sector in RAAN and RAAS is in line with the priorities of the new national government. This sector is seen as being essential for the life and development of the peoples of the autonomous regions on the Caribbean coast, and an area in which the participating United Nations System agencies have a great deal of experience.

As part of the new national government's priorities, governance of the water and sanitation sector in RAAN and RAAS is also a valuable source of synergies in governmental interventions and makes investment by other donors viable. Due to its importance in determining the quality of life and development, governance of the drinking water and sanitation sector complements the Programmes of the other windows presented to the MDG Fund Spain. The programme's priorities have in turn been established in the United Nations Development Assistance Framework (UNDAF) in the cooperation areas relating to 1. Democratic governance and rule of law for the exercise of human rights and building citizenship; 2. Reduction of the numerous inequities, poverty, hunger and malnutrition to achieve sustainable human development - MDG 1; and 4. Protection of the Environment and Management of Risks for sustainable human development - MDG 7.

The Programme will work at the territorial/communal, municipal, regional and national levels, concentrating local efforts on the areas within the rural zone of eight municipalities in the RAAN and RAAS with the highest vulnerability, malnutrition and poverty rates, and the greatest concentration of populations belonging to indigenous peoples and African descendant communities on the Caribbean coast. Specific actions will also be carried out to improve environmental sanitation conditions in favour of urban water services in three other locations (regional administrative centres and cities with a larger population). At the end of the programme, a contribution will have been made to improving the living conditions of a total of 90,000 persons, 30,000 of whom will benefit directly.

Expected results of the programme are as follows: a) empowerment of the poorest sectors of the population (prioritising indigenous peoples and African descendant communities), for their informed participation in decision-making processes and control of investment in water and sanitation; b) reduction of differences in capacities and support for efficient, equitable and participatory local management of water and sanitation; c) improved access to and quality of drinking water and environmental sanitation for the poorest part of the population and d) support for the processes of institutional, legal and regulatory review at the national, regional and municipal levels, to facilitate the provision of water and sanitation services in RAAN and RAAS. Actions will be carried out at the regional level with joint working plans, agreed with the principal partners, between the

participating agencies. There will be a National Management Committee presided by the Resident Coordinator and composed of representatives of the Spanish Agency for International Cooperation (AECI) in Nicaragua and the principal local partners: Secretariat of the Office of the President (SEPRES), Ministry for Foreign Affairs (MINREX), Development Council of the Atlantic Coast (CDC). This body will meet twice-yearly.

The participating agencies will focus on the implementation of activities in their sphere of competence and experience, combining their actions to achieve the programme objectives. The agencies participating in the programme are UNICEF, ILO, UNCDF, PAHO, UNDP, UNESCO and UNODC. Each of them shall assume responsibility for the activities assigned and will participate in the distribution and communication of the progress of the programme towards the MDGs. The lead agency of the governance window is UNICEF, which has directed and coordinated the preparation of this programme proposal. The principal partners of the programme are the Development Council of the Caribbean Coast (CDC), Autonomous Regional Governments/Councils, National Commission for Drinking Water and Sanitation (CONAPAS), Nicaraguan Institute of Aqueducts and Sewerage (INAA), Nicaraguan Company for Aqueducts and Sewerage (ENACAL), Emergency Social Investment Fund (FISE), central government ministries, municipal and territorial-communal authorities, and community organisations of the indigenous peoples and African descendent communities and other instances of civil society in general.

During the process of drawing up this proposal, the United Nations System agencies involved met on several occasions and incorporated suggestions and comments by the representatives of the Spanish Agency for International Cooperation (AECI), of the Ministry for Foreign Relations (MINREX), the Technical Secretariat for the Office of the President (SETEC), of the Council for Development of the Atlantic Coast of Nicaragua (CDC), Nicaragua Association of Municipalities (AMUNIC), Emergency Social Investment Fund (FISE), regional councils, regional governments and municipal authorities.