



**Interoffice
Memorandum**

To: Mr. Lorenzo Jimenez de Luis
UN Resident Coordinator
Paraguay

Date: 27 June 2008

From: Bisrat Aklilu
Officer-in-Charge
Partnerships Bureau
UNDP New York

Extension 6880

Subject: Economic Capabilities and Opportunities for Social Inclusion File: MDGF 1854

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme “Economic capabilities and opportunities for social inclusion” is hereby approved with an allocation of **USD\$ 3,672,000** 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. 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 MDG-F Secretariat, in collaboration with various experts, has reviewed the draft Joint programme presented and considers it a faithful extension of the approved concept note. We recognize that an effort has been made to address the recommendations of the Technical sub-committee and the Steering Committee. However, the budget should be reduced in the amount of \$200.000 in line with the recommended allocations approved by the Steering Committee.

The comments of our technical reviewer on the Joint programme document are attached for your 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 that the changes recommended by the reviewer are not required by the Fund, unless specified under section III below.



External coherence

The Joint Programme meets a number of the Fund's strategic goals and we appreciate that is aligned with the main national priorities such as the need for a public policy on youth employment and the reform of the social security system. We believe that the mechanisms for the participation of the local counterparts and the definition of the civil society partners and local authorities could be further elaborated.

We also think that there is a fairly clear division of labor between the UN Participating Agencies and we welcome that the Programme will indeed benefit from previous positive experiences of the Gender Thematic Group in Paraguay on gender mainstreaming. In this sense, we welcome that the Programme successfully incorporates a gender sensitive perspective.

Internal coherence

The Programme's internal logic is sound. However, some activities that seem to be part of a concrete strategy are not clearly linked between them. This is the case of the activities within the following strategies. This includes: the youth employment plan (activities 1.1.1 to 1.1.6), the capacity building strategy (activities 3.1.8 to 3.1.14) and the communication strategy (activities 3.2.4 to 3.2.6). We recommend further developing the narrative and the work plan so that there are explicit linkages between activities under each one of the proposed strategies.

In addition, the Programme should give more details on geographic and sector concentration consequently specifying in more detail the targeted beneficiaries while incorporating baseline data in reference to this population.

Sustainability, Monitoring and Evaluation

The engagement of beneficiaries in the implementation of the Joint Programme should be further articulated. Furthermore, it is necessary to provide reasonable assurances of the sustainability of some initiatives, particularly those related to the financial products linked to the remittances.

The monitoring and evaluation framework could be improved by including outcome indicators and baselines. Nonetheless, the Secretariat plans to work with all approved programmes during 2008 to address their M&E frameworks and to develop a small number of common indicators relating to the MDGs, thematic windows, UN reform and the Paris Declaration.

III. JP re-design requirements and/or recommendations

The Secretariat recommends the following:

- the budget should be reduced in the amount of \$200.000 in line with the recommended allocations approved by the Steering Committee;



- the mechanisms for the participation of the local counterparts and the definition of the civil society partners and local authorities could be further elaborated;
- the narrative and the work plan should be further developed so that there are explicit linkages between activities under each one of the proposed strategies;
- give more details on geographic and sector concentration consequently specifying the targeted beneficiaries while incorporating baseline data in reference to this population;
- further articulate the engagement of beneficiaries in the implementation of the Joint Programme;
- provide reasonable assurances of the sustainability of some initiatives, particularly those related to the financial products linked to the remittances;
- improve the monitoring and evaluation framework by including outcome indicators and baselines.

IV. Management arrangements and delegation of authority

The Secretariat notes that the management arrangements established by the UNCT in Honduras are in compliance with the guidelines of the Fund. We appreciate the efforts made by the UNCT to advance the principles embedded in the Paris Declaration and clearly promote national ownership. This is illustrated in the following measures: (i) at the request of Government, the UNCT has agreed to government's leadership of Programme Management Committee, and (ii) the Joint Programme will benefit from the guidance of an advisory committee composed by expertise representing interested stakeholders.

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 (most particularly delivery issues), 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 in consultation with Participating Organizations 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.

As you will appreciate, one of the MDG-F's express goals is to strengthen the role of Resident Coordinators as leaders of Country Teams. 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.

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. Mr. Eladio Loizaga, Permanent Representative of Paraguay to the United Nations

Mr. Gabriel Ferrero y De Loma-Osorio, Deputy Director of Development Policy Planning and Evaluation, MFA Madrid

Ms. Sally Fegan-Wyles, Director, Development Group Office

MDG-F Secretariat

Joint Programme:	Paraguay “Youth, employment and migration”
Date:	April, 30 th 2008
1. Overall comments	<ul style="list-style-type: none"> • The JP fulfils the requirements of the Youth and Migration Thematic Window. The figures presented are impressive: 62% of the 2008 total population is less than 30 years old in Paraguay, and in 2007 some 60% of the youth did not assist to any educational institution. • The JP shows a notorious effort in order to coordinate and articulate the work of public and private sector actors. The proposal involves 5 UN agencies and at least 7 national public institutions besides some other organizations (the document mentions that after the Concept Note was pre approved the number of institutions involved was increased and dialogue was deepened) Many of these actors have participated in the design of the program and will participate in the implementation of activities. The involvement and commitment of these actors, specially the government authorities, is vital for the success of the program. In this sense, the JP is aligned with national public policies and priorities in these areas • It is important to mention that Paraguay has already had an election (April 20th 2008) and a new government has been elected. Therefore the confirmation of compromises by the new government will be important, since the perspectives of sustainability and impact crucially depend on the commitment of national authorities.
2. Elaboration of the Concept Note	<ul style="list-style-type: none"> • The final program is an extension of the intentions, goals and activities in the approved Concept Note. It provides a detailed description of activities and processes • The JP addresses the results of the Youth and Migration window. It has three major outcomes: <ul style="list-style-type: none"> ○ Capacity to improve poor and vulnerable youth income and employment ○ More favourable conditions for the productive use of remittances and access to information for potential migrants ○ To implement strategies oriented to the salaried domestic workers sector. • The first outcome focuses on the poor and vulnerable youth, reflecting a clear commitment towards equity. The second and third components seem to be important in a country where migration has a high female component specially via female domestic workers migration; these components are very innovative and at the same time the most challenging because there not many previous experiences from which to take lessons. A close monitoring scheme could be useful in this case • In this JP new actors have been involved, dialogue processes have been

	<p>implemented and outputs and activities sequences have been detailed. Key indicators have been included</p> <ul style="list-style-type: none"> • The convener raised 4 comments and suggestions that have been addressed by the JP. <ul style="list-style-type: none"> ○ <i>More information on the current economic situation, the social impact of migration and the commitment of the country.</i> The JP has included more information on the economic situation; it is clear the role of migration and the country's commitment (although this commitment will have to be reaffirmed by the new government). Regarding the economic situation, there seems to be a period of growth in the country after several years of recession. This growth period, although concentrated on agricultural exports sectors, could be used by the country in order to generate dynamism in other sectors of the Paraguayan economy. ○ <i>More articulation among the three components and in component three, emphasis on youth is suggested.</i> The JP has improved the articulation among components and there is effectively a better emphasis on young women in the third component given the importance of this occupation for them ○ <i>Detailed indicators in order to monitor impact and a clearer role for national and local authorities in the design, implementation and evaluation of the JP.</i> The document includes specific indicators for each outcome and defines a specific role for national authorities in the design, implementation and evaluation of the JP. In a later stage of the program, baseline information for those indicators will be needed so that the monitor process can identify the change ("additionality") introduced by the program. ○ <i>Reassign budget among components.</i> In this case, some activities have been transferred to outcome three.
<p>3. Relevanc e and external coherence</p>	
<p>3.1 <i>Global agenda</i></p>	<ul style="list-style-type: none"> • If all major outcomes and outputs are achieved (institutional strengthening, youth training, productive use of remittances for youth enterprise incubators, increase social security for domestic workers, etc) it would be reasonably to expect that this JP will contribute to the improvement of key MDG indicators, both those related to the labour market and those related to living conditions • The outcomes and outputs are directly linked to the improvement of the living conditions of vulnerable and disadvantaged groups The JP emphasizes the work with specific vulnerable groups: poor and vulnerable youth and young female domestic workers. Also, in outcome two which is related to migration, emphasis is also given to young women that precisely migrate in order to work as domestic workers in other countries facing serious risks in this process.
<p>3.2 <i>National policy and</i></p>	<ul style="list-style-type: none"> • The program encourages national ownership since it has involved national authorities in the design and implementation and there are

<p><i>institutional context</i></p>	<p>compromises of these authorities with the proposed results. Again, these compromises will have to be updated with the new government</p> <ul style="list-style-type: none"> • The JP is also aligned with national priorities and plans, such as the National Strategy of Fighting Poverty (Estrategia Nacional de Lucha contra la Pobreza) • The document articulates the relationship between the Joint Programme and relevant public policies or development programs in Paraguay. It builds from several other experiences such as the project Building public policies for the youth (“construyendo politicas publicas de juventud”), the previous work by the Yes Network, and the Thematic Group on Gender conformed by several UN agencies. • The proposed oversight and/or coordination mechanism has two levels: a) a directive committee and b) a management committee (comite de gestion). UN agencies and public institutions involved, participate at each level. This can reinforce institutional coordination
<p><i>3.3 Partnerships</i></p>	<ul style="list-style-type: none"> • The Joint Programme includes activities towards the identification of ongoing initiatives in the same or related thematic areas. (activity 1.2.1) In order to avoid duplication with other efforts the programme proposes (activities 1.2.4 and 1.2.6) the support to the design and implementation of a public office in charge of coordination of youth policies. This will probably be a type of national youth institution (NYI). This can be interesting since in the past, most NYIs in the Latin America region have not focused on labor related issues in spite of the fact that labor issues are in most cases the most important concern for the youth • The participation of national authorities is appropriate, since the majority of efforts are at the national level. No clear role for local authorities. Probably, they would be helpful in some more specific activities, for example, when the identification of specific beneficiaries is needed
<p><i>3.4 UN Reform</i></p>	<ul style="list-style-type: none"> • Five agencies of the SNU are participating in this JP (ILO, UNDP, UNICEF, UNIFEM and UNFPA). The general coordination will be in charge of the ILO. The document proposes some mechanisms for the management of the Fund that seem to reflect a unified vision by participating UN agencies • The distribution of tasks reflects the comparative advantages of the respective participating agencies and their experience This type of articulated intervention will probably amplify the impact of UN assistance in the country
<p><i>4. Internal coherence Programme design and delivery</i></p>	<ul style="list-style-type: none"> • At the implementation level, OUTCOME 1 will support institutional strengthening and it will use good practice for the implementation of the entrepreneurship component. OUTCOMES 2 and 3 are innovative, in the sense that there are not many projects of this type, emphasizing and linking female domestic work, the use of remittances and youth • The activities and outputs if successfully implemented will lead to the stated outcomes. They seem realistic. For the success of the JP, it is crucial the support of the government. Key outputs, such as the change

	<p>in regulation or the increase of social security for domestic workers, can only be implemented by the government with the support and advice of the JP. Other components such as the support to incubators or the training activities are less dependable of the intervention of the government and will probably be implemented through pilot projects in order to gain lessons for future amplified work of the government</p> <ul style="list-style-type: none"> • The sequence of the JP is included in the outcomes table. This includes information disaggregating by year of implementation (Y1, Y2 and Y3). It would be recommendable to also include information related to the evolution of the impact indicators by year of implementation • Costs seem reasonable, given the outputs and selected impact indicators. Again, it would be useful to have baseline information for these indicators and eventually, goals for some of them • The programme has identified some risks: a) eventually some reforms or policies might not be implemented by the government, b) there is a risk of working in an area with not enough social and political visibility, c) young people could be passive and not active, d) the information is disperse and incomplete and this could affect the planning and implementation process. The JP includes strategies for all these risks. Of all these risks, the most important is the first one. As we said before, there has been a change of government in Paraguay, and it would be important that the new government reaffirms their compromises. • The cooperation instruments are appropriate to achieve the expected outcomes. Some methodologies – such as training or incubators – can be developed using international best practice. In other cases – the productive use of remittances or domestic workers - the program will have to generate its own lessons • It is implicit in the document that the Joint Programme provides a crosscutting approach to governance and human rights and gender and youth.
5. Sustainability, Monitoring and Evaluation	
5.1 Sustainability	<ul style="list-style-type: none"> • Many beneficiaries, especially national authorities have been involved in the program design and they will have a clear role in the implementation of activities. The most challenging part is the participation of young people involved in the program, such as the vulnerable youth or domestic workers, some of them migrating to other countries. The JP sees this issue as a risk which is related to the “lack of consciousness and a passive” attitude of young people, and they have considered some strategies in order to attenuate this risk • It is notorious that the program will make an important effort linked to the establishment and strengthening of national policy priorities • Although co-financing has not been mentioned, it is clear that some

	goals / indicators included could only be attained with the financing from government (social security for example)
5.2 <i>Monitoring and evaluation</i>	<ul style="list-style-type: none"> • The monitoring framework includes indicators, means of verification, responsibilities and risks/assumptions. • This framework could be improved including more baseline information regarding national capacities and specially, information regarding the baseline situation of the key impact indicators (such as baseline information on monthly income derived from entrepreneurship activities, % of domestic workers with social security, etc). This will allow the monitor process to concentrate on the “additionality” in those indicators that are related to the JP • This framework would also be improved by differentiating the indicators at different stages of the proposed JP.
5.3 <i>Indicator setting</i>	<ul style="list-style-type: none"> • The identified impact indicators are relevant to the larger outcomes of the program, feasible to measure, and in line with the outcomes targeted by the thematic window. • The JP contain a series of data and indicators of a general and specific nature for the sector of the “window” • Again, it would help to have information on these indicators at the baseline and eventually to establish goals in some key impact indicators (how much will the % of the Domestic workers included in the social security change in a period of time, for example).
6. Additional Observations	No additional observations.
7. Recommendations to the UNCT for modifications to the JP design	No additional recommendations.