



Interoffice Memorandum

To: Mr. Jorge Chediek
UN Resident Coordinator
Peru

Date: 08 October 2008

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

Extension: 6005

Subject: Subject: MDGF-1901-Promotion of employment and MSEs for
youth and attention to the young labor migration

File: MDGF 1901

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme "Promotion of employment and MSEs for youth and attention to the young labor migration" is hereby approved with an allocation of **USD\$ 3,025,000** 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. We consider very useful and we appreciate the explanation of the modifications carried out in your JPD (pages 15 and 16).

External coherence

The Joint Programme fully meets the Fund's Strategic goals and is in line with the Terms of Reference of the Youth, Employment and Migration thematic window. The Programme is clearly linked to the MDG 8, target 16, and is anchored in the UNDAF as well as in the national priorities. We consider as positive that the JP is based on the individual agencies' previous experiences with the respective line ministries and we feel that maintaining an integral approach during the implementation will constitute a key challenge for this JP.

We also think that there is a fairly clear division of labor between the UN Participating Agencies. We welcome that consultation with beneficiaries is foreseen in some activities however, their participation could be strengthened by including them in the Programme Management Committee or other decision making instances. Similarly, the involvement of local authorities could be strengthened.



In regards to the National Steering Committee, although we consider very positive that this has been finally constituted and that Spanish representation is included, we strongly recommend that, apart from the endorsement of the line ministry, the participation of the relevant Governmental counterpart is ensured.

Internal coherence

The Joint Programme is clearly laid-out and meets the design standards of the Fund. Outcomes, outputs and activities are built and linked to each other in a logic manner. We appreciate that the Programme includes a good set of indicators and means of verification described in the monitoring and evaluation plan and that it is geographically focused.

The budget is within the indicative budget approved by the Steering Committee and is sufficiently well-justified. We would recommend however specifying the budget allocated for coordination.

Sustainability, Monitoring and Evaluation

The Monitoring and Evaluation framework has been substantially improved after the second review. However, indicators to measure the impact over the beneficiaries both at the outcome and output level could be improved. We also recommend identifying the budget allocated for Monitoring and Evaluation that should be approximately 4% of the JP budget (as stated in the note from the Secretariat to the UN RCs, 17 April 2008).

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 following changes are required to the Joint programme prior to its finalization and signature. The Secretariat recommends:

- **Beneficiaries and local authorities** are involved in the different stages of preparation and implementation of project activities. We would also encourage their participation as observers in the Programme Management Committee meetings or in other established decision making processes at the programme activity level.
- **National Steering Committee** ensures the participation of the relevant Governmental counterpart in its meetings.
- **Activities 2.2.3 and 2.3.3** are further explained
- Budget allocated for **coordination** is specified
- Budget allocated for **monitoring and evaluation** is specified (around 4% is recommended).



- **Indicators** to measure the impact over the beneficiaries both at the outcome and output level are improved.

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 (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. Jorge Voto-Bernales, Permanent Representative of Peru to the United Nations

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

Ms. Debbie Landey, United Nations Development Operations Coordinator Office (DOCO) MDG-F Secretariat