



**Interoffice Memorandum**

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

Date: 14 November 2008

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

Extension: 6005

Subject: Paraguay-MDGF-1910: "Strengthening the ability to define and apply water and sanitation"

File: MDGF - 1910

**I. Approval Status**

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme "Strengthening the ability to define and apply water and sanitation policies" is hereby approved with an allocation of USD\$3,642,000 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. 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 implementation.

The Joint Programme submitted has been substantially improved and we appreciate that, after having incorporated most of the recommendations made by the Convenor for the first and second rounds, the programme is now based on a comprehensive analysis of the situation of water and sanitation in Paraguay with well justified interventions. We feel that the baseline information could be improved by including more details on the living conditions of the population so that impact in terms of the quality of life of the targeted beneficiaries can be measured.

**Relevance and external coherence**

We see that the Programme has the potential to contribute to the achievement of the MDGs, 4, 5 and 7, and that it has a strong pro-poor focus. We consider as positive that an effort has been made to incorporate an intercultural approach as well as a gender sensitive perspective that could benefit from including concrete mechanisms and gender indicators.

The programme should also describe in more detail the mechanisms to involve the national authorities and to foster the dialogue between the central and the local governments. This also applies to the indigenous communities that, although being recognized as extremely important actors in every stage of the joint programme, very few evidences are provided on the consultations carried out.



The programme involves a cross-section of UN Country team members and counterparts however, it would be advisable to further explain the complementarities between the interventions proposed and those that are already in place. We see that it is also important to further explain whether the programme coordinator mentioned under the management and coordination section is the same as the one mentioned under the M&E section and, if this was not the case, justify their respective roles.

#### **Internal Coherence**

The logic between outcomes, outputs and activities is appropriate and the geographical focus of the interventions is well justified. The methodologies suggested are sustainable and have been adapted to the cultural models.

We are concerned that a National Steering Committee has not been formed and therefore has not endorsed the Joint Programme design. We recommend that the minutes of the Steering Committee are sent to the Secretariat prior to the signature of the final version of the Joint Programme.

The budget is within the indicative budget approved by the Steering Committee and is sufficiently well-justified.

#### **Sustainability, monitoring and evaluation**

As stated before, we feel that the involvement of the government and civil society could be improved to ensure the national ownership of the proposal. We also see that the possibility of further engaging the government by getting the government co-financing seed capital investments could be explored. The technologies that will be used are appropriate in terms of sustainability and the cultural viability has been taken into account.

The M&E plan is weak and under budgeted. We recommend that at least a 4% of the Joint Programme budget is allocated for M&E. The indicators are very much focused on activities; it would be advisable to include impact indicators to measure the impact in terms of human development and quality of life of the beneficiaries.

Nevertheless, 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 thematic windows, UN reform, Paris Declaration and the Millennium 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 the following:

- **Baseline information** should be completed by including more details on the living conditions of the population so that impact in terms of the quality of life of the targeted beneficiaries can be measured;



- **Concrete gender responsive measures and indicators** could improve the gender mainstreaming aspect. You may find useful for this purpose the Gender Guidance that is available in our website;
- The Programme should describe in more detail the mechanisms to involve **indigenous communities, national authorities** and to foster the **dialogue** between the central and the local governments;
- The **complementarities between the interventions** proposed and those that are already in place should be better described;
- It is clarified whether the **programme coordinator** mentioned under the management and coordination section is the same as the one mentioned under the M&E section and, if this was not the case, justify their respective roles;
- The **minutes of the Steering Committee** reflecting the discussion and endorsement of the programme by all the members of the Steering Committee must be sent to the Secretariat prior to the signature of the final version of the Joint Programme;
- The **M&E plan** should be strengthened and appropriate resources should be allocated. **Impact indicators** to measure the impact in terms of human development and quality of life of the beneficiaries should be included.

#### **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 Steering Committee.

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 expenditures against the previous advances under the programme 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 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.



This memorandum also provides you with the authority over the three year duration of the programme to (a) transfer up to \$500,000 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, based on your annual disbursement projections confirmed at the time of your first funds-advance request. The MDTF Office should 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. Rebecca Gynspan, 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. Juan López-Dóriga, Director General for Planning and Evaluation, MFAC Madrid  
Ms. Debbie Landey, Director, United Nations Development Operations Coordinator Office (DOCO)  
MDG-F Secretariat