



Interoffice Memorandum

To: Mr. José Eguren
UN Resident Coordinator
Panama

Date: 25 February 2009

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

Extension: 6005

Subject: "Strengthening equity in access to safe drinking water and sanitation by empowering citizens and excluded indigenous groups in rural areas"

File: MDGF-1920

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme "Strengthening equity in access to safe drinking water and sanitation by empowering citizens and excluded indigenous groups in rural areas" is hereby approved with an allocation of USD\$4,500,000 for three years. This figure includes 7% (including coordination costs) 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 changes are required to the design of your Joint Programme and 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 after having incorporated the recommendations made by the Convenor for the first and second rounds and the Secretariat recommendations sent on 31st October. We appreciate that these issues have been reflected in the current Joint Programme document and adequately.

External coherence

We see that the Joint Programme fully meets the Fund's Strategic goals and is in line with the Terms of Reference of the Democratic Economic Governance Thematic Window. The Programme is anchored in the UNDAF as well as in the main national policies, strategies such as the Development National Plan: *Strategic vision of the economic and development towards the 2009*. The programme reflects strong national ownership, and complements and coordinates with other ongoing initiatives supported by other development partners.

The Programme has clearly identified the beneficiaries and proposes clear mechanism to engage counterparts at the national and local levels. It is worth mentioning that it incorporates lessons learned from previous projects implemented in the proposed intervention area by UNICEF, IFAD and PAHO/WHO, to the design of the strategic actions



The Programme involves a cross-section of UN organizations with well articulated division of roles and responsibilities that evidence complementarity among the proposed UN interventions. An effort has been put to improve the participation of local governments by eventually including them into the Programme Management Committee. Given the downstream nature of the project we highly encourage the participation of local authorities in the implementation, monitoring and evaluation.

Internal coherence

We see the Joint Programme is clearly laid-out and meets the design standards of the Fund. The problems identified and strategies proposed, outcomes, outputs and activities are built and linked to each other in a logic manner. The gender approach is fully integrated in the JP.

We note the budget is within the indicative budget approved by the Steering Committee.

We appreciate and take note of correct equilibrium between the capacity building component and the infrastructures construction component. We find especially interesting the participation of local communities in the construction as a way of improvement of ownership and capacity building.

Sustainability, Monitoring and Evaluation

The Joint Programme proposes sustainable interventions by supporting the identified national and local priorities and plans, and encouraging the participation of national and local relevant institutions, beneficiaries, civil society and private sector during the implementation of the project. A well defined knowledge transfer system, together with the institutional strengthening of the water management responsible institutions, it is also expected to positively contribute to the sustainability of the JP.

III. JP recommendations

The Secretariat recommends the following:

The Secretariat would appreciate that, instead of having various separated budgets, you incorporate a consolidated budget overview that includes all the costs related to programme operation, the Coordination Unit, monitoring and evaluation and indirect costs.

We value the comprehensive nature of the indicators framework, although we are of the view it is a fairly complex M&E system that it's been proposed and we would recommend you carefully analyze the technical implications to support it.

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, UNDP, New York
H.E. Mr. D. Juan Antonio Yáñez-Barnuevo, Permanent Representative of Spain to the United Nations
H.E. Mr. Ricardo Alberto Arias, Permanent Representative of Panama to the United Nations
Mr. Juan López-Doriga, Director-General of Development Planning & Evaluation, MFAC Madrid
Ms. Debbie Landey, Director, United Nations Development Operations Coordinator Office (DOCO) MDG-F Secretariat