



Interoffice Memorandum

To: Mr. Lance Clark
UN Resident Coordinator
Serbia

Date: 18 November 2008

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

Extension: 6005

Subject: Serbia/Youth, Employment and Migration: "Support to National Efforts for the Promotion of Youth Employment and Management of Migration"

File: MDGF 1929

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme Support to National Efforts for the Promotion of Youth Employment and Management of Migration in Serbia is hereby approved with an allocation of USD\$6,143,000 million 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 prior to signature of the Joint Programme document. 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.

We consider that this Joint Programme aims at increasing youth employment in Serbia and reducing the negative impact of return and irregular migration. This will be achieved through a three-pronged strategy that i) mainstreams youth employment and migration policy objectives into national development strategies; ii) strengthens the capacity of national institutions to develop integrated labor market and social services; and iii) implements a package of social and employment programmes. The disadvantaged youth in 35 municipalities of 3 districts (ie South Backa, Belgrade and Pcinjki) will be targeted. It has the potential for innovation and replicability.

The MDG-F Secretariat has reviewed the draft Joint Programme presented and considers it a faithful extension of the approved concept note. We recognize that an acceptable effort has been made to address the recommendations of the Technical Sub-Committee.

Relevance and external coherence

We believe that the Joint Programme meets a number of the Fund's strategic goals. It can be expected to contribute to the attainment of MDGs, more specifically MDG8. It is framed within the UNDAF targets and expected results, contributing to achieve UNDAF outcomes 3.1 and 3.7 aiming at ensuring that sustainable



development plans effectively respond to the needs of people and that the network of employment services is improved along with the promotion of employment policies. The National context is clearly outlined, and outputs take into account existing policies and legal frameworks.

A National Steering Committee has been formed, including Government and Spanish representation and endorses the programme design.

The programme relies on available UN services and expertise in order to deliver effectively a multi-sectoral approach to development. Results and accountabilities for participating agencies are clearly defined. The submitted Joint Programme has an excellent problem analysis, draws on lessons learnt and builds specific strategies taking them into account. It is not clear, though, how it complements ongoing initiative led by other partners on the ground.

We welcome the fact that co-financing up to \$1,900,000 is expected from the Serbian government at the municipal level.

Internal Coherence

The articulation between problems identified and intervention strategies proposed is sound leading to a logical relation of activities, outputs and outcomes. The gender analysis and sex disaggregated data is appropriate with specific follow up interventions. The beneficiaries could be better identified and the participation of civil society, in particular youth and Roma in the design and implementation of the training programmes could be further improved.

The results framework is comprehensive and clear, however, *activity 3.2.2a on employment oriented training programmes* and *activity 3.2.3. on work placement programmes* need to be more detailed to justify the resources allocated to them ie \$975,250 and \$711,600 respectively.

The proposed management and implementation arrangements are well defined, possibly, it should be pointed out that it would be more appropriate that the joint programme manager reports to the Programme Management Committee (PMC) and not just the Resident Coordinator, as currently indicated in the draft, in order to ensure maximum ownership of the project by the Serbian Government.

Sustainability

The Joint Programme proposes sustainable interventions by supporting the identified national priorities and plans, and encouraging the participation of national relevant institutions, beneficiaries, civil society and private sector during the implementation of the project.

Monitoring and evaluation

The Monitoring and Evaluation frameworks are acceptable but they need to include some additional outcome, qualitative, impact and MDG indicators. In addition, 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

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

- **Complementarity with other development partner's interventions** needs to be described in the document.
- **Activity 3.2.2a on employment oriented training programmes and activity 3.2.3. on work placement programmes** provide necessary details, and are in fact broken down to justify the resources allocated to them ie \$975,250 and \$711,600 respectively.
- **Additional indicators** are developed to capture progress at the outcome, impact and MDG levels, and **targets** are identified in the results framework.

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. Kori Udovicki, Assistant Administrator and Director Bureau for Europe and the Commonwealth of Independent States, UNDP, New York
H.E. Mr. D. Juan Antonio Yáñez-Barnuevo, Permanent Representative of Spain to the United Nations
H.E. Mr. Pavle Jevremović, Permanent Representative of the Republic of Serbia 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