

IV.- Criteria for the allocation of funds for the joint projects of the One UN Programme 2007/2010 “Building capacities for development”

Criteria for the allocation of resources of the joint projects to be developed with support from the “Uruguay One UN Coherence Fund” under the framework of the One UN Programme 2007/2010 in Uruguay:

1. The project should contribute to the achievement of at least one of the Millennium Development Goals in Uruguay, according to the established objectives for the country.
2. The project should be related with one of the “National Priorities” agreed between the Government and the United Nations System in Uruguay in the United Nations Development Assistance Framework (UNDAF) 2007/2010.
3. The project should contribute to the achievement of one of the four Direct Outcomes established in the UNDAF and in the One UN Programme.
4. The project should contribute to the achievement of one of the established outputs in the “Outputs and resource matrix” contained in the One UN Programme.
5. The project should have incorporated – from the perspective of rights – at least one of the three cross-cutting issues of the UNDAF: gender, human rights, and community development.
6. The project should also address one of the three cross-cutting strongholds of the Government, “strategies for development and democratic transformation of the State”, “decentralization and citizen participation”, and “overcoming poverty, inequalities and inequities.”
7. The project should also apply one of the three complementary “intervention modalities” established in the One UN Programme:
 - a. Support for the design, execution and evaluation of public policies,
 - b. Support for capacity building, and
 - c. Implementation of “pilot” experiences in the territory.

Criteria for disbursements

1. As established in paragraph 6.7 of the One UN Programme 2007-2010 *Building capacities for development* between the Government of Uruguay and the United Nations System in Uruguay, “the use of the Uruguay One UN Coherence fund will be determined by a Steering Committee composed by the Resident Coordinator, participating Agencies and the Government (through OPP). The committee will be co-chaired by the Resident Coordinator and the Director of the OPP.” The approval of joint projects, their consecutive “Annual Work Plans” and, in consequence, the allocation of funds from the Uruguay One UN Coherence Fund to the participating agencies for the development of activities prescribed in them, will be conducted by the Coherence Fund Steering Committee.
2. The initial disbursement from the “Uruguay One UN Coherence fund” to the Agencies that execute activities within a joint project (along with the “national associates in the implementation”) and the subsequent disbursements will be released at six-month intervals placing emphasis on the monitoring and spending of funds as well as the achievement of the joint programme’s outputs through the planned activities in the Annual Work Plan.

3. Subsequent disbursements, to the initial disbursement, will abide to an evaluation by the Coherence Fund Steering Committee on the level of advancement of the joint project. Such evaluation will be conducted employing the established programmatic and financial criteria.

- **Programmatic Criteria**

4. To receive the second disbursements, following requirements shall be met:

Programmatic levels for the Joint Project	Criteria
Outcomes and Outputs	Using a five-level ordinal scale (“very high”, “high”, “medium”, “low”, and “very low”), the Management Committee of each joint project (with the support from OPP and the RCO ¹) will evaluate the degree of advancement of the expected “outcomes” and “outputs” for the semester for which the disbursement was allocated in the “Annual Work Plan.” A minimum qualification of “high” shall be required, relating to the achievement of “outcomes” and “outputs” to receive the second disbursement.
Activities	Using a scale, similar to the one above, the Management Committee for the joint project, with the support from OPP and RCO, will review the achievement in the execution of activities. A minimum qualification of “high” shall be required to receive the second disbursement.

For subsequent disbursements, the Management Committee of each joint project shall approve a monitoring and evaluation system that specifies indicators for activities, outputs, and results that will be the basis to determine the degree of advancement in each joint project. Based on the degree of advancement, the Coherence Fund Steering Committee will determine the criteria for the respective disbursements.

5. The programmatic evaluation will be conducted in base of the “Project Monitoring Framework” included in Section 9 “Monitoring, evaluation and reporting”. The monitoring and evaluation framework shows the indicators and the goals to achieve for each of the expected “outcomes” and “outputs”. The framework may be adjusted or updated by the Management Committee of each joint project to ensure that it incorporates any potential changes made to the “outcomes”, “outputs”, or “activities”.
6. The OPP and RCO will propose management indicators for each of the joint projects, to be considered for approval by the Management Committee of each joint project, in order to generate a programmatic evaluation of each joint project. The management indicators will be used, consequently, along with the indicators detailed in the monitoring and evaluation framework.

¹ See: Paragraph 7.1, One UN Programme 2007-2010 *Building capacities for development* between the Government of Uruguay and the United Nations System in Uruguay.

7. The evaluation will seek to determine the level of advancement in the achievement of the “outcomes” and “outputs”. For the “activities”, the review will seek to determine if these have been executed according to the established chronogram and within the assigned budget. When the execution of the “activities” has deviated on any of these two aspects, as described in the joint project document, the Management Committee responsible for the joint project shall explain to the co-Chairs of the Coherence Fund Steering Committee the reasons that generated the deviation.

- **Financial Criteria**

8. For each of the joint projects, being financed through the Uruguay One UN Coherence Fund, the participating Agencies shall have spent and/or committed (exclusively understanding by “commitment” those funds associated with signed contracts) by the end of six months that followed the initial disbursement, at least 70% (seventy percent) of the transferred funds. The 70% will be calculated over the total funds received excluding the funds for “administrative cost recovery” (7%).²
9. If the 70% minimum threshold is met, the Agencies may request the second disbursement from the Administrative Agent and with approval from the Management Committee of the respective joint project. The disbursement will be transferred, in full, as long as there are available funds in the “Uruguay One UN Coherence Fund” by the date that the request is approved by the Coherence Fund Steering Committee co-chairs. When one or more disbursement requests are received that exceed the available funds in the Uruguay One UN Coherence Fund, the amount(s) to disburse will be proportionally approved according to the available funds.^{3 4}. When additional funds are deposited into the Uruguay One UN Coherence Fund and there continue to be disbursement requests that have not been fully awarded, the newly available funds will be distributed proportionally to all pending requests.
10. If the 70% minimum threshold is not met, the Agency (along with the “national associates in the implementation”) shall have one or, at a maximum, two “grace periods” to achieve the established level of spending or commitment according to the different hypotheses presented in the chart below.

² For example, for joint project G, UNFPA received the first disbursement amount of USD 200,400 on June 26, 2008 for programmatic use (excluding the 7% administrative cost recovery); to be able to solicit the second disbursement, it will have to have spent or committed a minimum of USD 140,280 by December 26, 2008 (70% of the first disbursement that was given for programmatic use). UNIFEM, who is also an executing Agency in the joint project G, received the first disbursement amount of USD 143,800 on July 8, 2008 for programmatic use (excluding the 7% administrative cost recovery); to be able to solicit the second disbursement, it will have to have spent or committed a minimum of USD 100,660 by January 8, 2009 (70% of the first disbursement that was given for programmatic use).

³ For example, if at the time a disbursement(s) is(are) requested the Administrative Agent estimates that the available funds in the “Uruguay One UN Coherence Fund” represent 0.5 (50%) of the total amounts requested, then each Agency will receive 50% of the requested funds.

⁴ During the period of execution of the One UN Programme and the UNDAF, 2007-2010, there will be a reserve of US\$ 100,000.00 in the “Uruguay One UN Coherence Fund” to address unforeseen circumstances that may require a special allocation of funds to a project in order to guarantee its execution. The allocation of these funds will be determined by the Coherence Fund Steering Committee. If these reserve funds have not been utilized by July 30, 2010, they will be executed during the last semester of the One UN Programme and the UNDAF. Except as stated in the previous sentence, this reserve will not be included in the available resources of the “One UN Coherence Fund” when approving disbursement requests by the Agencies.

Under no circumstances will the grace periods exceed more than 11 months, counting from the date of initial disbursement, to reach the 70% threshold of spending or commitment.

11. If the 70% minimum threshold of spending or commitment is not met by the end of the semester following the initial disbursement, the Resident Coordinator and the Agency that received the funds shall explore, with the approval of the Management Committee of the joint project in question, the possibility of gathering support from the other Agency(ies) to ensure the achievement of the required level of spending or commitment within the allowed “grace periods”.
12. If the 70% minimum threshold according to the different hypotheses presented in the chart below, then the Agency that received the funds will be requested to return to the Uruguay One UN Coherence Fund, through the Administrative Agent, the funds corresponding to the initial disbursement which have not been committed to date. Those funds will be reallocated by the Coherence Fund Steering Committee⁵, aiming at completing the activities that have been under-executed while maintaining the internal coherence of the joint project to which they belong. If it is agreed that those funds should not be used for funding the under-executed activities, the funds will then be redistributed to the other joint projects being financed through the Uruguay One UN Coherence Fund or other programmatic activities of the “One UN Programme 2007-2010 *Building capacities for development*”.
13. The Agencies that are in the situation described in the paragraph above will be requested as well to reimburse the corresponding funds received for administrative cost recovery (7%), according to the following rule: funds received for administrative cost recovery multiplied by the proportion of the unspent or un-committed funds over the total amount of funds received by the Agency for the development of activities (“Total activities without administrative cost recovery”).⁶
14. If an Agency and its “national associates in the implementation” are able to spend or commit, during the first or second “grace periods”, a minimum of 70% of the funds assigned, then it will be able to request the total second disbursement, applying the conditions established in paragraph 9 above.
15. Grace periods shall only apply to the initial disbursement. From the second disbursement onwards, no “grace periods” will be approved; this means that to be able to request the third and following disbursements a minimum of 70% of the previous disbursement must be spent or committed. Furthermore and except for the disbursement being spent, for an agency to be able to request the third and subsequent disbursements, it will need to have spent the totality of the funds transferred in all other prior disbursements.⁷

⁵ Paragraph 6.9 of the “One UN Programme: *Building capacities for development*” states: “The RC is responsible for the strategic leadership and the ultimate allocation decisions of the One UN Coherence Fund.”

⁶ If an agency received US\$ 100,000 to execute activities in a semester and US\$ 7,000 for administrative cost recovery, and at the end of the “grace period” has been able to spend or commit less than 50% of the funds received to develop the activities, it will then be requested to return US\$ 50,000 of the funds received for spending and USD 3.500 of the funds received to recover “management fees”.

⁷ This means that for an agency to be able to request the third disbursement, it has to fulfill the following two conditions: 1) have spent and/or committed at least 70% of the resources of the second disbursement by the end of a period of six months after disbursement; and 2) have spent, by the end of that same period, 100% of the resources corresponding to the initial disbursement (that is to say, the remnants of up to 30% of such disbursement). For an Agency to be able to request the fourth disbursement it will have to have spent and/or committed at least 70% of the third disbursement within the semester after the

16. Beginning on the second disbursement, the 70% minimum threshold of spending and/or commitment will be calculated over the total resources made available for the joint project (that is over the sum of the amounts received by the Agencies for executing activities during the corresponding semester with the “national associates in the implementation” [Ministries, State organisms, Departmental Governments, etc.]) and not over the disbursement made to each Agency within the joint project. This way, a stimulus would be created for all participants to make commitments in the joint project – Agencies and State organisms – and with its execution as a whole; discouraging the focus of only working on the Activities assigned to each participant. Subsequently, a greater internal coherence is sought for the development of the joint projects.

date of reception and have spent within that period 100% of the second disbursement. Finally, in order to request the fifth disbursement –only corresponding to some joint projects financed by the “Uruguay One UN Coherence Fund” – it will have to have spent and/or committed 70% of the fourth disbursement and have spent within that same period 100% of the third.

Conditions to request the 2nd disbursement for the Joint Projects financed through the “Uruguay One UN Coherence Fund”

