



Interoffice Memorandum

To: Mr. Yuri Afanasiev
Resident Representative
UNDP Croatia

Date: 10 March 2009

From: Mr. Bruce Jenks
Assistant Administrator and Director, Partnerships Bureau
UNDP- New York

Extension: 6005

Subject: "Closing the Chapter: social Inclusion and Conflict Transformation
in War Affected Areas of Croatia" File: MDGF-1975

I. Approval Status

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme Closing the Chapter: social Inclusion and Conflict Transformation in War Affected Areas of Croatia is approved with an allocation of USD\$3,000,000 million over two 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

No substantive changes are required **to the design** of your Joint Programme and you may proceed with signature of the Joint Programme document. In addition to the Government, the UNDP Resident Representative 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 activities. For our records we would highly appreciate receiving a copy of the signed minutes of the National Steering Committee meetings.

We note the the Joint Programme aims at tackling the endemic social, economic and political exclusion of returnees, minorities, veterans and economically-disempowered women whose marginalization most jeopardizes peaceful coexistence and sustainable return, and risks cementing the emergence of Two Croatias. At the national level, the Programme, under the leadership of the Vice Prime Minister, will coordinate all activities related to the recovery of war affected areas and post conflict reconciliation. It will also support the integration of peace building activities into existing national development mechanisms. Concurrently, a supporting rule of law component will support adequate access to law and justice for those groups whose current exclusion most risks a deepening of tensions. National level work will directly support existing community-based mechanisms for sustainable reintegration of targeted populations through safer community plans, violence prevention in schools and issue-based conflict resolution. This mechanism will, in turn, facilitate the economic recovery of socially excluded and at-risk groups in Areas of Special State Concern.

The MDG-F Secretariat has reviewed the draft Joint Programme for the second time 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 and of the Secretariat.

Relevance and external coherence

While Croatia does not have an UNDAF, the Joint Programme is firmly integrated within the regional development and linked to the development priorities of Croatia. In the framework of the Paris



Declaration, it is aligned with principles of national ownership and builds on existing national and local development plans and direction. The Joint Programme is built upon an evidence based analysis of the situation that includes detailed national disaggregated data and information on key strategic partners in the government, civil society and the private sector. The document also provides relevant and comprehensive socio-economic data in the targeted areas of intervention. The JP document identifies broad partnerships with the Government of Croatia and its local authorities, private sector as well as civil society and professional associations. While the beneficiaries have been adequately identified, we do request that far greater detail will be provided following the Inception meeting.

The Joint Programme appears to be highly strategic responding to clearly identified sector priorities and the neediest in selected geographic areas of the country affected by the incidence of poverty and high rates of youth unemployment, criminality and are often socially excluded. The programme will also address the issues related to women in this area linked to leadership, gender-based violence etc. It draws on the experience and comparative advantage of the UN and participating Agencies' expertise.

Internal Coherence

The programme is well designed and the internal coherence is sound. The National Steering Committee fully endorses the proposal.

Sustainability

The inclusion of, and co-financing by, local authorities in all aspects of current and future project implementation promotes local ownership and sustainability. At the national level, the empowerment of the Vice Prime Minister's office will also contribute towards the sustainability of initiatives at this level.

Monitoring and evaluation

The Monitoring and Evaluation framework is solid with relevant indicators at the MDG, outcome and impact levels. In addition, The Secretariat plans to work with all approved programmes in the coming months 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

N/A

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. Mrs. Mirjana Mladineo, Permanent Representative of the Republic of Croatia 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