

MULTI-DONOR TRUST FUND OFFICE

Efficiency | Transparency | Accountability

Quarterly Newsletter

July – September 2009, Issue 3



UNITED NATIONS
DEVELOPMENT GROUP



Key Figures

- US\$4.3 billion total portfolio
- US\$868 million total pledges
- US\$4.2 billion total gross commitments
- US\$3.7 billion total deposits
- US\$2.7 billion transferred to Participating Organizations
- 52 Donors/Partners
- 42 Participating Organizations
- Operating in 74 Countries

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MDTF Office Mission

To provide transparent and accountable fund management services to the United Nations system to enhance its coherence, effectiveness and efficiency.

Dear Reader

It has been a busy third quarter for the MDTF Office. On 30 September, our colleague Liselotte Woltmann, Deputy Executive Coordinator since January 2008, took a well deserved retirement after serving the UN (UNICEF, UNDG and UNDP MDTF Office) for 30 years both at Country Offices and headquarter. On 1 October, we welcomed Henriette Keijzers as the new Deputy Executive Coordinator. For the last 6 years, Henriette has been with UNCDF as interim head (2004-2005) and Deputy Executive Secretary - and earlier worked in five UNDP duty stations in Africa. She brings in considerable experience in promoting close collaboration among UN organizations and managing funds and joint programmes.

UN Organizations continue to establish additional MDTFs and JPs-and entrusting the MDTF Office with the fund administration functions- further demonstrating the utility of the MDTF mechanism to bring together the UN system to address country level and global challenges in a coordinated manner. The UN Collaborative Programme on Community-Based Adaptation to Climate Change in Developing Countries (UN-CBA) and the Expanded Delivering as

One (DaO) Funding Window for the Achievement of MDGs, that are covered in this issue of the Newsletter, became operational during this quarter.

The MDTF Office also invested considerable time on supporting various UNCTs that have requested its fund administration services and are formulating their respective DaO Funds. The DaO concept is being replicated by many UNCTs. In addition, the MDTF mechanism is increasingly being reviewed by governments for management of "national funds" that address global challenges such as Climate Change.

As this Newsletter, similar to our website, serves the purpose of sharing of information and emerging lessons on MDTF operations, the feature Newsletter article is from Uruguay, one of the eight One UN Pilots, on lessons from the Uruguay One UN Coherence Fund.

As the MDTF Office plans to launch its new integrated website and reporting system in November 2009 I invite you to visit our website at www.undp.org/mdtf to explore its features. As usual we welcome your feedback and contributions.

Bisrat Aklilu, Executive Coordinator,
MDTF Office, BOM, UNDP

New Multi-Donor Trust Funds

UN Collaborative Programme on Community-Based Adaptation to Climate Change in Developing Countries (UN-CBA)

In August 2009, UNESCO, UNV and UNDP established a Multi-Donor Trust Fund on Community-Based Adaptation to Climate

Change in Developing Countries (UN-CBA). Drawing on the strengths of the Participating Organizations, this MDTF aims to improve the adaptative capacity of communities and reduce vulnerability to the adverse effects of climate change. As neutral bodies, they will work as honest brokers to support country-led development

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programmes and to facilitate the informed involvement of national stakeholders, particularly local communities. They will also use their convening power to bring together experts and scientists, as necessary, to develop the global monitoring, assessment, and main-streaming mechanism. The UN-CBA will support the following areas:

- Vulnerability assessment and mapping
- Climate-related natural disaster reduction and adaptation
- Conflict resolution and prevention
- Creation of innovative financing mechanisms
- Promotion of volunteerism

More information on UN-CBA Programme Fund can be found on the MDTF Office website (www.undp.org/mdtf).

Expanded Delivering as One Funding Window

The Expanded Delivering as One Funding Window for Achievement of the Millennium Development Goals (EFW) was launched by the Chair of the UN Development Group (UNDG) and the Governments of Spain, Norway and the United Kingdom in September 2008 as a multi-donor funding mechanism that provides resources to support nationally-led and owned programming processes to help UN Country Teams to Deliver as One (DaO). The EFW is designed to a) respond to the need for additional, un-earmarked, more predictable funding; b) provide a channel for additional resources to fill funding gaps for UN country programmes; c) allow donors to support integrated UN Programmes in countries where they may not have a bilateral presence or country-level funding mechanisms; and d) reduce the transaction costs associated with the separate and multiple financing agreements.

An EFW Steering Committee provides overall leadership, strategic direction and decision-making, including the allocation of EFW resources. Governed by its Terms of Reference, the Steering Committee is directed by the Vice Chair of the UNDG, and is comprised of director-level officials from all UN organizations that are members of the UNDG Advisory Group. The Steering Committee is supported by a Secretariat, led by the Director of UN Development Operations Coordination Office (UN DOCO), that ensures the poli-

cies and strategies decided by the Steering Committee are implemented and is the first point of contact for UN Country Teams. The EFW Steering Committee has designated the MDTF Office to be the EFW Fund Manager with responsibilities for receipt and management of contributions from donors, and transfers of such funds to DaO Fund Administrative Agents in accordance with the approved EFW Steering Committee allocations.

As of October 2009, three donors have committed a total of \$252 million to the EFW - Spain (\$145m), United Kingdom (\$64m) and Norway (\$43m) - and the Steering Committee has allocated \$81m to 12 eligible Delivering as One Funds (see table). Additional information on the EFW, including processes and procedures, roles and responsibilities, eligibility, application and allocation processes is available through the MDTF Office website (www.undp.org/mdtf).

EFW Steering Committee Allocations as of 30 September 2009	
Delivering as One Funds	Allocations (US\$)
Albania One UN Coherence Fund	1,070,000
Bhutan UN Country Fund	677,000
Cape Verde Transition Fund	1,018,000
Kiribati One UN Fund	500,000
Malawi One UN Fund in Malawi	18,510,000
Mozambique One UN Fund	7,491,000
Pakistan One Fund	10,000,000
Papua New Guinea UN Country Fund	1,595,000
Rwanda One UN Fund	17,219,000
Tanzania One UN Fund	11,831,000
Uruguay One UN Coherence Fund	1,020,000
Viet Nam One Plan Fund I & II	10,531,000
Total	81,462,000



Other Updates

UN Action Against Sexual Violence in Conflict MDTF doubles

The Government of Finland's contribution of \$1.4 million to UN Action Against Sexual Violence in Conflict (UN Action) effectively doubles the fund's portfolio previously contributed by Sweden. The growth of the portfolio signifies increased donor interest in this important issue. Progress in resource-mobilization coincides with increased political attention to conflict-related sexual violence, evident in the unanimous adoption of Security Council resolution 1888 on 30 September 2009 at a session presided over by US Secretary of State Hillary Clinton. This new resolution strengthens the UN Action network by mandating dedicated leadership in the form of an SRSG on sexual violence in conflict. It advances UN Action's vision of preventing and addressing sexual violence as a core peace and security priority.

Upcoming Launch of New MDTF web-site

In November 2009, the MDTF Office will launch its new website. While the current web-site is the 'go-to-place' for data and information about MDTFs administered by the MDTF Office, the new site will be easier to use and greatly increase the availability of interactive tools and access to data and information of interest to all MDTF partners.

The new site will offer many new useful features to assist our partners, including:

- Search capability and easier navigation;
- Interactive tools such as maps interactive timelines, charts and figures on ongoing MDTF operations;
- Access to programme level information and documents;
- Ability for Participating Organizations to track transfers made to them including details relating to the funds, date and location for funds they are participating in;
- Ability for Donors track the deposits they have made to MDTFs;
- Ability to create customized viewing according to your user profile and needs.

The new website will provide partners with full transparency for the funds administered by the MDTF Office. To ensure this, the data on the site will be generated straight from our "open books" in the MDTF Office's business unit (MDTF1) using ATLAS, UNDP's corporate Fund System.

Staff of Participating Organizations working on specific programmes will be provided access to login to the work space where they will be able to perform a variety of functions online. Initially the functions available will include the submission of narrative progress reports; technical reports and other documents which might be relevant to share more broadly with relevant stakeholders. With time the platform will be further developed to provide even more functionality based on user feedback.

Remember to visit the MDTF Office website this November at www.undp/mdtf/!

MDTF Office supports capacity of Country Offices to perform delegated AA functions

- Malawi: The Expanded Funding Window for Delivering as One increased the Malawi One UN Fund tenfold from US\$2 million to over US\$20 million. In recognition of the increased Administrative Agent (AA) functions, the MDTF Office undertook a training mission to Malawi. UNDP Country Office staff was trained on the use of Atlas' MDTF1 General Ledger Business Unit, and the RC Office and UNCT were briefed on the role and functions of the AA. The mission pointed out the need to gather and codify good practices in optimizing MDTF1 for reporting.
- New York: An Induction Workshop for UN Coordination Officers was held in September that included a session on MDTFs and JPs in relation to enhanced UN coherence and effectiveness at the country level. A separate session focused on the DaO approach drawing on lessons from the 8 pilot countries including the establishment and administration of DaO funds.



Uruguay: A Great Opportunity for Change

Uruguay is one of the eight pilot countries of the UN Reform and the only high middle income country with the highest levels of human development in Latin America. According to the Human Development Report 2007/2008, Uruguay ranks 46th among the 70 countries classified as having “high” human development. However, a complex process of social change along with a severe economic and financial crisis in 2002, put the once “small model country” in trouble.



In recent years, unheard of levels of poverty (half of the children born in Uruguay come from poor or extremely poor households), demographic stagnation and emigration have

put the country before an abyss of unexpected challenges, making the social and economic foundations of Uruguayan society vulnerable.

However, social investment efforts in Uruguay are supported by the country’s solid institutional framework, and its existing capacities form a fertile ground for innovation. Relatively small efforts can therefore still make a significant contribution in Uruguay.

Catalyzing innovative interventions

The Uruguay One UN Programme’s eleven joint programmes, funded through the One UN Coherence Fund, provide a unique opportunity for the Government of Uruguay and the UN System to team up and address many of the challenges facing the country. One of the best examples of this is the joint programme on “Development of tools for environmental monitoring”, where UNEP and UNESCO have worked closely with numerous Government offices to support environmental protection through the development of monitoring instruments that incorporate socio-economic, environmental and territorial indicators. To reach these goals, many organizations – public, private and civil society based – were called upon to share their own diverse indicators. The project allowed the unification of scattered information, which resulted in a true road map for decision and policy-making in all areas, environmental, productive and social. The information, which will be made publically available, will be updated regularly and will be included in the cartographic base, also initiated by the project.

Another revealing example is the Project “Support of the modernization processes of public management”. As part of its activities, numerous Citizens’ Centers have been established in strategic locations. Their aim is to improve access to people of scarce resources or living in unpopulated areas, a wide range of services and public information, helping them to fulfill their rights. As in most other cases in the country, a relatively small external investment has enabled the Government, with the support of the UN, to address considerable challenges.



The benefits of collaboration

The eleven joint programmes of the One UN Programme have shown that appropriate strategic actions can generate major changes, and considerable results can be achieved with relatively few resources.



Many of the problems faced by middle income countries are caused by the inabilities and inadequacies of the State as an institution. Civil and social fragmentation and lack of innovation are two of the daily aspects to be overcome.

A challenge with added values

Recent efforts made in Uruguay to address some of the country's key social and economic shortcomings, particularly through the "One UN Programme", have resulted in a wealth of lessons learned and knowledge that can be drawn upon, both locally and globally. Some of these include:

- a) Global lessons. Locked in their own contradictions, middle income countries require supplementary assistance that will enable them to reach a higher level of development. Results of intervention in Uruguay, can apply to a vast range of middle income countries.
- b) Innovation lab. Uruguay is a real-life laboratory for possible actions towards development, where the country's characteristics and dimensions allow the implementation of experimental or avant-garde programmes, which, after being appropriately evaluated and adjusted can become the foundation for future cooperation models.

- c) One UN. Being a pilot opens a pathway for developing new scenarios for cooperation and programming. "Delivering as One" makes possible the joint presence of all expertise of the entire UN System. From the perspective of the UN this means a common voice in discussions with the Government and the knowledge of diverse agencies working together to canalize resources appropriately through the One UN Coherence Fund.
- d) Public coherence. Similarly, as seen from the Government, the joint programming and the harmonization efforts made possible through the "One UN Programme" has also enabled the Government to become more coherent. A "One UN" also implies a "One Government", with shared objectives, inter-institutional discussions and agreements, plural consultations, as well as coordination of activities, mandates and efforts.
- e) Social potential. Uruguay's history of solid institutions and democratic values turn it into a reference of policies. Furthermore, because it is located at the heart of an increasingly interconnected Southern Cone, it is reasonable to think that the accomplishments made in Uruguay could have an impact in many countries in the region.
- f) Goals are possible to reach. The "One UN Programme" in Uruguay has proven that results are within reach. Failure to continue this effort might not only hamper the ability to reach the goals of the specific projects, but also seriously jeopardize the possibility of the country reaching wider development and human rights standards.

For more information on the Uruguay One UN Coherence Fund, visit the MDTF Office website (www.undp.org/mdtf).



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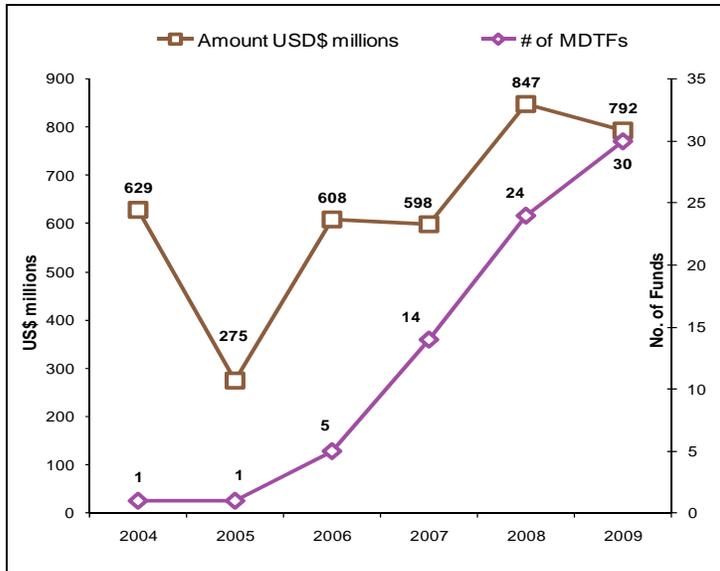


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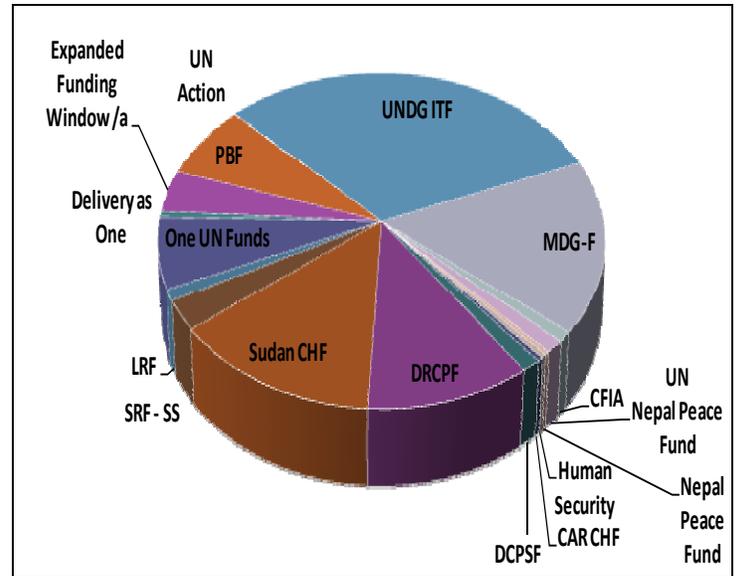


MDTF Office Portfolio at a Glance

Annual Donor Contributions, as of 30 Sept 09



Portfolio by Fund, as of 30 Sept 2009



MDTF Office Portfolio by Fund and Year

- UNDG Iraq Trust Fund
- Sudan Common Humanitarian Fund
- Peacebuilding Fund
- Lebanon Recovery Fund
- Democratic Republic of the Congo Pooled Fund
- Viet Nam One Plan Fund-I
- Uruguay One UN Coherence Fund
- UNDP/Spain MDG Achievement Fund
- United Nations Peace Fund for Nepal
- United Nations Central Fund for Influenza Action
- Tanzania One UN Fund
- Rwanda One UN Fund
- Darfur Community Peace and Stability Fund
- Albania One UN Coherence Fund
- Viet Nam One Plan Fund-II
- UN-REDD Programme
- United Nations Trust Fund for Human Security (JPs)
- United Nations Action Fund
- Sudan Recovery Fund -Southern Sudan
- Pakistan One Fund
- Mozambique One UN Fund
- Delivering as One Ma lawi One UN Fund
- Central African Republic Emergency Recovery Fund/CHF
- Cape Verde Transition Fund
- UN Bhutan Country Fund
- Kiribati One UN Fund
- Papua New Guinea UN Country Fund
- Sierra Leone MDTF
- Community Based Adaptation Fund
- Expanded Funding Window Fund
- YEAR

