

To: Bruno Pouezat
Resident Coordinator
Morocco

Date: 15 December 2010

From: Sophie de Caen
Director, MDG-F Secretariat

Subject: No-cost extension request
"Le Patrimoine Culturel et les Industries Créatives"
Culture and Development Thematic Window

I. Approval Status

The MDG-F Secretariat has carefully reviewed your request for a 12 month no-cost extension and the release of third year funds for the Joint Programme "Le Patrimoine Culturel et les Industries Créatives". However, we regret to inform you that your request has been declined at this time. The decision was based on the following:

- We consider joint programmes as a joint initiative with one programme and one budget under the leadership of the UN Resident Coordinator. We do not view the joint programme as the sum of activities but rather strategic interventions that are going to contribute to the expected outcomes. This we believe it is not the case at the moment in the programme.
- The progress to date, as indicated by the MDG-F Secretariat mission report of December 2010, is "très inégal relatif aux quatre effets et les régions d'intervention. Le programme a démarré sa troisième année d'exécution mais l'état financière du programme pour les fonds des premières et deuxièmes années est de 46% exécuté et 77% engagé". These figures as of the end of October 2010 exclude the activities led by UNFPA.
- In the documentation submitted there is an indication of reducing the areas of intervention from 4 to 3. However there is little information on how the programme is going to work at the regional level given the challenges faced by the joint programme over the last two years. We are also worried on the impact of relocation of budgetary resources from those *revenue generating activities (AGRs)* to meet the costs of extending the joint programme for an additional twelve months.
- The release of the third tranche of funding is triggered by achievements and substantive progress at the results level and reaching the commitment rate of 70% of the received funding. Your argumentation is not agreed by the MDGF Secretariat which finds that the joint programme has not reached this financial target.
- The MDG-F Secretariat understands the need to provide for some flexibility and hence the procedure available to the joint programme team to transfer funds from one UN agency to another in order to meet unexpected challenges. As indicated in the transmit approval memorandum from the Secretariat to the UN Resident Coordinator in Morocco dated 21 April 2008:

"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.”

- Whilst the submitted request and supporting documentation is fruit of extensive work of the joint programme team, we are of the view that there is limited analysis on the status of the programme vis-a-vis the expected outcomes, the strategy of intervention at the national and regional levels based on the programme's 2 years experience, and how the joint programme is going to meet the expected outcomes in the remaining period.

II. Considerations

Considering these circumstances, the MDG-F Secretariat recommends to the team to:

- review the programme strategy, in particular the targeted areas of intervention, taking account of capacity on the ground to deliver, and of any remaining resources;
- re-discuss the role of UNFPA and other participating agencies in the remaining period of the joint programme. This is not just about dividing activities among UN agencies but it is about achieving the expected outcomes of the programme in a joint manner taking advantage of each partner's expertise and added value;
- continue implementation until the programme an overall 70% commitment to request the third tranche;
- transfer funds from one UN agency to another to accelerate the pace of implementation;
- if by the time you prepare the 3rd tranche request, you believe a no-cost extension is still required, we would appreciate that your application is based on a sound analysis of the status of the programme and the proposed strategies to move forward and reach the expected results as per original joint programme. When preparing the detailed work plan covering the suggested extension and ensure that activities to close the joint programme and handover plan are clearly identified [ie. final evaluation conducted, final programme report, exit plan and handover of responsibilities to national partners, etc.].

Should no further extension be granted the programme's end date remains 7 October 2012. At this end date, the programme should be operationally closed, so that no new financial commitments are made, only outstanding payments. Any unspent funds within the agreed timeframe 7 October 2012 will have to be reimbursed to the MDG-F.

Please be reminded that the Joint Programme is responsible for conducting its final evaluation prior to the closure of the programme and sharing the final report with the MDG-F Secretariat. Further information on the closure of programmes will be available on the revised "MDG-F Joint Implementation Guidelines" which will be soon uploaded on the MDG-F website (www.mdgf.org).

With best wishes,

CC:

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