



**Interoffice Memorandum**

To: Mr. José Manuel Hermida  
UN Resident Coordinator  
Ecuador

Date: 13 January 2009

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

Extension: 6005

Subject: MDGF-1936-Ecuador: "Youth, Employment, Migration – Reducing Inequalities in Ecuador"

File: MDGF-1936

**I. Approval Status**

On behalf of the MDG-F Steering Committee I am pleased to inform you that your Joint Programme "Youth, Employment, Migration–Reducing Inequalities in Ecuador" is hereby approved with an allocation of USD\$5,667,000 for three years. This figure includes 7% (including coordination costs) 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. Once these adjustments have been reflected in the document, you may proceed with signature of the Joint Programme document. The UN Resident Coordinator and all Participating UN Organizations should each sign the Joint Programme document in addition to the Government (including primary national counterparts). We would encourage you to ensure some visibility for this event and for the launch of implementation.

The Joint Programme submitted has been substantially improved and we appreciate that, after having incorporated most of the recommendations made by the Convenor for the first and second rounds, the programme is now based on a comprehensive analysis of the economical situation and that it includes mechanisms to ensure the stakeholders participation and the sustainability of the interventions.

**External coherence**

We feel that the Programme has the potential to contribute to the achievement of the MDGs, more specifically to MDG 8 target 16. We see as very positive the fact that the programme is integrated within the UNDAF and the relevant national legal frameworks. An effort has been made to incorporate an intercultural approach as well as a gender sensitive perspective although the overall strategy could benefit from including concrete mechanisms and gender indicators. Also, the programme includes references to lessons learned and successful ongoing interventions supported by the UN system although more details could be provided in regards to trafficking and sexual exploitation.

We appreciate that the programme has a very strong national ownership and that it involves a wide number of national counterparts such as the National Secretariat for Migration (where the management Unit will be placed), the Coordination Ministry for Social Development and the Ministry of Labor and



Employment. We also value the fact that the programme foresees the establishment of several local management committees.

#### **Internal coherence**

The logic between outcomes, outputs and activities is appropriate and the geographical focus of the interventions is well justified. We see that the methodologies suggested are mainly focused on capacity building of the relevant counterparts.

The budget is within the indicative budget approved by the Steering Committee and is sufficiently well-justified

#### **Sustainability, Monitoring and Evaluation**

We consider as positive the fact that the programme will complement existing public initiatives such as those supported by the national Financial Corporation and the national system for microfinance with which territorial agreements will be established as well as with other programmes such as "Socio joven" supported by the Coordination Ministry for Social Development.

The M&E plan is very ambitious although the budget seems insufficient (we recommend at least 3 to 4% of the total budget). Qualitative indicators should be included to measure the impact of the programme in terms of capacity building and improvement of the quality of the labor insertion. The means of verification suggested could be simplified in order to make the plan more realistic. Note that the midterm evaluation will be financed by the Secretariat. Nevertheless, 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 thematic windows, UN reform, Paris Declaration and the Millennium Declaration.

### **III. JP re-design requirements and/or recommendations**

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

- Gender indicators should be identified.
- More references to lessons learned and successful ongoing interventions could be provided in regards to trafficking and sexual exploitation.
- On the **M&E plan**:
  - The budget seems insufficient for such an ambitious plan (we recommend at least 3 to 4% of the total budget) with the understanding that the midterm evaluation will be covered by the Secretariat.
  - Qualitative indicators should be included to measure the impact of the programme in terms of capacity building and improvement of the quality of the labor insertion.
  - The means of verification suggested could be simplified in order to make the plan more realistic.



#### **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. Rebeca Grynspan, Assistant Administrator and Director Bureau for Latin America and the Caribbean, UNDP, New York  
H. E. Mr. D. Juan Antonio Yáñez-Barnuevo, Permanent Representative of Spain to the United Nations  
H. E. Mr. Rodrigo Riofrío, Permanent Representative of Ecuador to the United Nations  
Mr. Gabriel Ferrero y De Loma-Osorio, Deputy Director of Development Planning & Evaluation, MFA Madrid  
Ms. Debbie Landey, Director, United Nations Development Operations Coordinator Office (DOCO) MDG-F Secretariat