



INTEROFFICE MEMORANDUM

TO: Ms. Rebeca Grynspan
Associate Administrator

FROM: Tegegnework Gettu *Tegegnework Gettu*
Assistant Administrator and Regional Director for Africa

DATE: 20 September 2012

Subject: *Request for the participation of UNDP Burkina Faso in a Pooled Fund for the National Multi-Functional Platform Programme for the Fight Against Poverty*

Please find attached a request from the Burkina Faso Country Office for participation in a Pooled Fund for the National Multi-Functional Platform Programme for the Fight Against Poverty for your approval.

1. Background information

The proposed Pooled Fund comes within the context of the second phase of the National Multi-Functional Platform programme for the Fight Against Poverty and covers the period 2010-2015. The first phase of this programme covered the period from 2004 to 2009 and was funded by Luxembourg, the Bill and Melinda Gates Foundation and UNDP. As a result of this first phase, 558 platforms were built in nine regions of the country, with important impacts in increasing the income of rural women, creating jobs for women and youth, and the electrification of villages.

In view of these conclusive results with the support of UNDP and the Luxembourg Cooperation, the Government of Burkina Faso has elaborated the second phase of the programme and established a common basket funding mechanism for all contributors. The second phase of the programme is intended to consolidate and extend access to basic, decentralized and affordable energy services through the Multi-Functional Platform. The programme has four components:

- Development of rural entrepreneurship linked to energy services of the Multi-Functional Platform;
- Improvement of the supply conditions of basic essential services through the provision of energy services to communities;

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- Development of sustainable technology alternatives and improvement of the technical performance of the Multi-Functional Platform;
- Institutional development through capacity building.

The programme will be funded by the Government of Burkina Faso, Luxembourg and UNDP through a Pooled Fund. Other contributions are expected from donors. UNDP's contribution is \$100,000 per year and will be funded from TRAC Regular Resources in line with the direct budget support guidelines. In addition, 2,250,000 Euros have been mobilized from Luxembourg and will be transferred to UNDP on an annual basis.

This programme will benefit 2.5 million people, who represent 23% of the rural population. 1,750 functional units will be installed.

2. Justification for UNDP participation in the Pooled Fund

The National Multi-Functional Platform Programme for the Fight Against Poverty is contributing to empower lives and building further resilience in Burkina Faso. The establishment of the Pooled Fund is being requested by the Government and is part of efforts under the Paris Declaration on Aid Effectiveness, as it will ensure the coordination, alignment and harmonization of support from partners through the implementation of a programme approved within the framework of the country's Accelerated Growth and Sustainable Development Strategy (AGSDS) and the Medium-Term Expenditure Framework.

UNDP's participation in the Pooled Fund offers the opportunity to UNDP to play a key role in advocacy on development issues, capacity building, partnership development, resource mobilization, and knowledge sharing. In this context, UNDP will provide renewed, innovative and flexible services in order to maximize the sustainability of development results expected from the Multi-Functional Platform, through the following services:

- Capacity building of the Ministry of Economy and Finance (MEF) in the management of the Pooled Fund, including the operationalization of the manual of procedures;
- Capacity building in the integration of women entrepreneurship in added-value chains of the agri-food sector;
- Facilitating the green transition of Multi-Functional Platforms through the use of Jatropha or solar energy;
- Integrating the Multi-Functional Platform in the decentralization process, strengthening the participation of the private sector, promoting public-private partnership in the management of Multi-Functional Platforms, promoting decentralized cooperation and basic services;



- Strengthening of the monitoring and evaluation mechanism and ensuring its integration into the AGSDS's M&E framework.

Overall, the second phase of the Multi-Functional Platform Programme aims at promoting entrepreneurship and inclusive markets, an area for which UNDP has a comparative advantage particularly in sensitization, coordination of partners, mediation and advocacy. In addition, UNDP is expected to play a brokering role in facilitating private sector commitment and partnership, which is required for the success of programme implementation.

With the support of the Regional Service Centre (RSC/Dakar), the country office will define the scope and range of capacity development services that UNDP will provide to the MEF.

3. **Implementation arrangements**

The Programme will be implemented under the National Implementing Modality (NIM), with the Ministry of Economy and Finances (MEF) as the implementing partner. The management mechanism of the programme consists of:

- *Steering Committee*: A decision-making body chaired by the Secretary General of the MEF and composed of representatives of the programme's main stakeholders and partners;
- *Funding Committee*: A technical body of the Steering Committee, which will review, control, support and facilitate programme activities. It will meet quarterly and is composed of representatives of state structures in charge of the programme and the Technical and Financial Partners (TFP).

A financial management capacity assessment of the MEF (Harmonized Approach to Cash Transfer HACT micro-assessment) was undertaken in 2009 and was found to be satisfactory. Prior to this request, two previous Direct Budget Support (DBS) projects were also considered to be appropriately managed by the MEF. The MEF will be included, along with other implementing partners, in the upcoming Harmonized Approach to Cash Transfer (HACT) micro – assessment process. It was also found to have effectively and efficiently managed the PTFM basket fund based on the 2010 IMF Public Expenditure and Financial Accountability (PEFA) review.



4. Recommendations

Upon receipt of the Country Office's request, RBA consulted with Bureau Of Management (BOM) & Capacity Development Group (CDG) and Operations Support Group (OSG). Based on the set of criteria highlighted in the Executive Board paper for DBS, BOM has confirmed that the request is in compliance with the requirements (see attached email from Darshak Shah).

The full documentation on the request for Pooled Fund is attached for ease of reference.

Based on the above, your approval for the participation of UNDP Burkina Faso in this Pooled Fund is being requested.

Approved by Rebecca Grynspan Date 28th Sept, 2012
Rebecca Grynspan
Associate Administrator