

**Memorandum of Understanding
between
United Nations Development Fund for Women
and
United Nations Development Program**

**ON THE IMPLEMENTATION OF THE CENTRAL AMERICAN PROJECT
“Agenda Economica de las Mujeres, Fase 2” (Phase 2 of the “Women’s Economic
Agenda – Creating Capacities for the Gender Analysis in the Regions Economies and
Conditions for Positioning a Women’s Agenda in the new Context of Trade
Liberalization and Regional Integration”)**

**WHEREAS, the United Nations Development Fund for Women and
The United Nations Development Program (hereinafter referred to collectively as the
“Participating UN Organizations”) have entered into a Joint Programme Relationship to
implement the, “Agenda Economica de las Mujeres – Fase 2” (hereinafter referred to as
the “Joint Programme”) as part of an existing development cooperation agreement with
UNIFEM and Government of Sweden, as more fully described in the detailed
Programme Document (hereinafter referred to as the “Programme Document”¹), a copy
of which is attached hereto as ANNEX A, and have agreed to establish a coordination
mechanism between UNIFEM and UNDP² to facilitate the effective and efficient
collaboration between the Participating UN Organizations and the host Governments for
the implementation of the Joint Programme;**

**WHEREAS, the Participating UN Organizations have agreed that they should adopt a
coordinated approach to collaboration with donors, within the scope of the Joint
Programme (which falls within the Programme Document and the related six country
Plans of Action) and that the donor receive reports on the Joint Programme through a
single channel;**

**WHEREAS, the Participating UN Organizations have appointed UNIFEM, (hereinafter
referred to as the “Administrative Agent” or the “AA”) (which is also a Participating UN
Organisation in connection with this Joint Programme)³ and UNIFEM has agreed to do
so in accordance with this MOU.**

**NOW, THEREFORE, the UNIFEM and the UNDP (hereinafter referred to collectively
as the Participating UN Organizations or “Parties”) hereby agree as follows:**

¹ The Joint Programme document contains at a minimum a common work plan, a budget, the coordination and management mechanism and signatures of all parties to the document.

² The composition of the Joint Programme Steering Committee or other body shall include all the signatories to the Joint Programme Document. The Steering Committee may also have other members in an observer capacity, such as donors and other stakeholders.

³ To the extent that under a particular Joint Programme the AA has responsibilities beyond those set forth in “a” through “e,” additional tasks can be added as a new “f.”

Article I Appointment of Administrative Agent; its Status, Duties and Fee

1. The Participating UN Organizations hereby appoint UNIFEM (hereinafter referred to as the "Administrative Agent" or the "AA") to serve as their Administrative Agent in connection with the Joint Programme, in accordance with the terms and conditions set out in this Memorandum of Understanding. The Administrative Agent accepts this appointment on the understanding that the Participating UN Organizations assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. This appointment shall continue until it terminates, or is terminated, in accordance with Article VII below.
2. On behalf of the Participating UN Organizations, the Administrative Agent shall:
 - (a) Receive contributions from donors that wish to provide financial support to the Joint Programme through the Administrative Agent;
 - (b) Administer such funds received, in accordance with this Memorandum of Understanding including the provisions relating to winding up the Joint Programme Account and related matters;
 - (c) Subject to availability of funds, transfer such funds to each of the Participating UN Organizations in accordance with the agreed coordination mechanism taking into account the budget set out in the Joint Programme Document, a copy of which is attached hereto as ANNEX A, as amended in writing from time to time by the parties;
 - (d) Compile financial reports produced by each of the Participating UN Organizations into a consolidated report, and distribute such financial reports together with consolidated programme reports produced by the Participating UN Organizations, as further described in the Joint Programme Document, to each donor that has contributed to the Joint Programme Account and to the Joint Programme Steering Committee;
 - (e) Provide final reporting, including notification that the Joint Programme has been operationally completed, in accordance with Article IV below⁴;
 - (f) Take responsibility for the overall coordination and technical guidance of the regional project activities and the consolidation of the substantive/technical and financial reports of the Joint Programme to be reported to the donor.

⁴ To the extent that under a particular Joint Programme the AA has responsibilities beyond those set forth in "a" through "e", additional tasks can be added as a new "f".

- (g) Serve as a key player with the Resident Coordinator in each country in order to strengthen advocacy initiatives for mainstreaming gender into national economic agendas.
- (h) Perform such other activities as the Participating UN Organizations and the Administrative Agent may agree in writing.

3. The Administrative Agent has entered into a letter of agreement, in the form attached hereto as ANNEX B (hereinafter referred to as a "Letter of Agreement"), with each donor that wishes to provide financial support to the Joint Programme through the Administrative Agent. The Administrative Agent shall not amend the terms of Annex B without prior written agreement of the Participating UN Organizations. The Administrative Agent shall provide the Participating UN Organizations with a copy of each Letter of Agreement it enters into.

4. None of the Participating UN Organizations shall be liable for the acts or omissions of the Administrative Agent or its personnel, or of persons performing services on its behalf, except in regard to any contributory acts or omissions of other Participating UN Organizations. With respect to such contributory acts or omissions of the Participating UN Organizations, the resulting liability shall be apportioned among them or any one of them to the extent of such contributory acts or omissions, or as may otherwise be agreed.

5. The Administrative Agent shall be entitled to allocate an administrative fee of 4%. The agreement signed between the Government of Sweden and UNIFEM states a contribution of US\$ 3,742,860 for four years for the support of Phase II of the project, 7% of which may be used for administrative costs. Given that the Administrative Agent responsibilities are more complex than the standard responsibilities for the success of the project, the AA and the Participating UN Organization have agreed on an exceptional basis on the 1% fee for the AA and that the remaining 6% will be equally shared between the AA and the Participating UN Organization (3% for each partner).

Article II

Financial matters

The Administrative Agent

1. The Administrative Agent shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds received pursuant to Letters of Agreements (hereinafter, the "Joint Programme Account"). The Joint Programme Account shall be administered by the Administrative Agent in accordance with the regulations, rules, directives and procedures applicable to it, including those relating to interest. The Joint Programme Account shall be subject

exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent.

2. The Administrative Agent will not absorb gains or losses on currency exchanges. Such amounts will increase or decrease the funds available for disbursements to Participating UN Organizations

3. The Administrative Agent shall make disbursements from the Joint Programme Account based on the agreed annual work plans, in line with the budget set forth in the Joint Programme Document, as amended from time to time by the parties and in follow-up to the decisions of the Steering Committee

4. Where the balance in the Joint Programme Account on the date of a scheduled disbursement is insufficient to make that disbursement, the Administrative Agent shall consult with the Joint Programme Steering Committee and make a disbursement, if any, in accordance with the Joint Programme Steering Committee's instructions.

The Participating UN Organizations

5. Each Participating UN Organization shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent from the Joint Programme Account. That separate ledger account shall be administered by each Participating UN Organization in accordance with its own regulations, rules, directives and procedures, including those relating to interest. That separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Participating UN Organization concerned.

6. Each Participating UN Organization shall use the funds made available to it by the Administrative Agent from the Joint Programme Account to carry out the activities for which it is responsible as set out in the Joint Programme Document, as well as for its indirect costs. The Participating UN Organizations shall commence and continue to conduct operations for the Joint Programme only upon receipt of disbursements as instructed by the Joint Programme Steering Committee. The Participating UN Organizations shall not make any commitments above the approved budget in Annex A, as amended from time to time by the Joint Programme Steering Committee.

Article III

Activities of the Participating UN Organizations

1. Each of the Participating UN Organizations shall carry out its activities contemplated in the Joint Programme Document in accordance with the regulations, rules, directives and procedures applicable to it. Accordingly, personnel shall be engaged and administered, equipment, supplies and services purchased, and contracts entered into in accordance with the provisions of such regulations, rules, directives and procedures. On the termination or expiration of this Agreement, the matter of ownership shall be

determined in accordance with the regulations, rules, directives and procedures applicable to such Participating UN Organizations, including, where applicable, its basic agreement with the Government of Nicaragua, Honduras, El Salvador, Panama, Costa Rica and Guatemala.

2. Any modifications to the activities set out in the Joint Programme Document, including as to their nature, content, sequencing or the duration thereof shall be subject to mutual agreement in writing between the relevant Participating UN Organization and the Joint Programme Steering Committee. The Participating UN Organization shall promptly notify the Administrative Agent through the Joint Programme Steering Committee, of any change in the budget as set out in the Joint Programme Document.

3. Where a Participating UN Organization wishes to carry out its Joint Programme activities through or in collaboration with a third party, it shall be responsible for discharging all commitments and obligations with such third parties, and no other Participating UN Organization, nor the Administrative Agent, shall be responsible for doing so.

4. In carrying out their Joint Programme activities, none of the Participating UN Organizations shall be considered as an agent of any of the others and, thus, the personnel of one shall not be considered as staff members, personnel or agents of any of the others. Without restricting the generality of the preceding sentence, none of the Participating UN Organizations shall be liable for the acts or omissions of the others or their personnel, or of persons performing services on their behalf.

5. Each Participating UN Organization shall advise the Administrative Agent in writing when all activities for which it is responsible under the Joint Programme have been completed.

Article IV Reporting

1. Each Participating UN Organization shall provide the Administrative Agent with the following statements and reports prepared in accordance with the accounting and reporting procedures applicable to the Participating UN Organization concerned, as set forth in the Joint Programme Document. The Participating UN Organizations will endeavor to harmonize their reporting formats to the extent possible:

(a) Substantive reports shall detail achievements, constraints and impacts with regards to the utilization of this contribution. The substantive reports for the period September 2006- September 2010 (one progress report per year) will be submitted to the Swedish International Development Cooperation Agency as of 31 December of each year and should be submitted during the three months following the end of the year.

Internal intermediate substantive progress reports shall detail achievements, constraints and impacts with regards to the utilization of this contribution. Those progress reports for the period September 2006- August 2010 (two reports per year, every six months, as stipulated in the project document) will be submitted through UNIFEM to the Regional Executive Committee as of 30 June and 31 December of each year and should be submitted during the three months following the end of each period.

(b) The final substantive report detailing achievements, constraints and impact with regard to the utilization of the contribution from the country office and the final financial report, certified by the Comptroller of UNDP, will be provided no later than 30 June of the year following the financial closing of the project. (see paragraph below).

(c) Financial reports certified by the UNDP Comptroller and signed by the Resident Representative shall reflect the amount received in relation to expenditure from the contribution. The first preliminary financial report for the period to will be submitted as of 31 December 2006. This report will be accompanied by the first substantive progress report (see paragraph above on substantive progress reporting).

(d) The financial report will be submitted no later than 30 June of the year following the financial closing of the project.

At the termination of the project, any unexpended or uncommitted part of the contribution will be returned to the UNIFEM, unless otherwise agreed in writing by the parties.

2. The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to in paragraph 1 (a) to (d) above submitted by each Participating UN Organization, and shall provide those consolidated reports to each donor that has contributed to the Joint Programme Account, in accordance with the timetable established in the Letter of Agreement.

3. The Administrative Agent shall also provide a financial report and a final certified financial statement to Donors and Participating UN Organizations, on its activities as Administrative Agent, to be provided no later than 30 June of the year following the financial closing of the Programme.

Article V Monitoring and Evaluation

Monitoring and evaluation of the Joint Programme shall be undertaken in accordance with the provisions contained in the Joint Programme Document, which are

consistent with the respective regulations, rules, and procedures of the participating UN organizations.

Article VI
Joint Communication

Each participating UN Organization shall take appropriate measures to publicize the joint programme and to give due credits to the other participating UN organizations. Information given to the press, to the beneficiaries, all related to publicity material, official notices, reports and publications, shall acknowledge the role of the host government, the donors, the participating UN organizations, the Administrative Agent, and any other relevant parties. In particular, UNIFEM will include and ensure due recognition of the role of each UNDP Country Office and national partners in all external communications relating to the joint programme.

Article VII
Expiration, modification and termination of the Agreement

1. This Memorandum of Understanding shall expire upon completion of the Joint Programme, subject to the continuance in force of paragraph 5 below for the purposes therein stated.
2. This Memorandum of Understanding may be modified only by written agreement between the Parties.
3. Any of the Participating UN Organizations may withdraw from this Memorandum of Understanding upon giving thirty (30) days' written notice to all other parties to this Memorandum of Understanding stating that it has given notice, in accordance with the Joint Programme Document, of its withdrawal from the Joint Programme, subject to the continuance in force of paragraph 5 below for the purpose therein stated.
4. The Administrative Agent's appointment may be terminated by the Administrative Agent (on the one hand) or by the mutual agreement of all Participating UN Organizations (on the other hand) on thirty (30) days' written notice to the other party, subject to the continuance in force of paragraph 5 below for the purpose therein stated. In the event of such termination, the Parties shall agree on measures to bring all activities to an orderly and prompt conclusion so as to minimize costs and expense.
5. Obligations assumed by the withdrawing or terminating Parties under this Memorandum of Understanding shall survive the expiration or termination of this Memorandum of Understanding or the termination of the Administrative Agent or withdrawal of a Participating UN Organization to the extent necessary to permit the orderly conclusion of the activities and the completion of final reports, the withdrawal of personnel, funds and property, the settlement of accounts between the Parties hereto and the settlement of contractual liabilities that are required in respect of any subcontractors,

consultants or suppliers. Any balance remaining in the Joint Programme Account or in the Individual Participating UN Organizations' separate ledger accounts shall be used for purposes agreed upon by the Steering Committee; only as previously authorized by the donor.

Article VIII
Notices

1. Any action required or permitted to be taken under this Agreement may be taken on behalf of the UNDP by Rebeca Grynspan, UNDP Regional Director of the Bureau for Latin America and the Caribbean, or his or her designated representative, and on behalf of the Administrative Agent by Teresa Rodriguez, UNIFEM Regional Director for Central America and Mexico, or his or her designated representative.
2. Any notice or request required or permitted to be given or made in this Agreement shall be in writing. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail, cable or telex to the party to which it is required to be given or made, at such party's address specified below or at such other address as the party shall have specified in writing to the party giving such notice or making such request.

Article IX
Entry into force

This Agreement shall enter into force upon signature thereof by the Parties and shall continue in full force and effect until it is expired or terminated.

[Article X]
[Settlement of disputes]

The Parties shall use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim arising out of, or in connection with this Memorandum of Understanding, or any breach thereof. Any such dispute, controversy, or claim which is not settled within sixty days from the date either party has notified the other party of the nature of the dispute, controversy or claim, and of the measures which should be taken to rectify it, shall be resolved through consultation between the executive heads of each of the participating UN organizations and of the Administrative Agent.

IN WITNESS WHEREOF, the undersigned, being duly authorized by the respective Parties, have signed the present Agreement in English in two copies.

For UNIFEM

Signature: Teresa Rodriguez

Teresa Rodriguez
UNIFEM Regional Director
Mexico, Central America, Cuba and Dominican Republic

For UNDP

Signature: Rebeca Grynspar
Rebeca Grynspar
Regional Director
Latin America and the Caribbean - UNDP

ANNEX A: Joint Programme Document

ANNEX B: Letter of Agreement with donor

ANNEX C: UNDP Gender Focal Point Responsibilities

ANNEX A:
Joint Programme Document

Executive Summary

The programme "Developing capacities for the gender analysis of the region's economies and conditions for positioning the women's agenda in the new stage of trade opening" or in short "Women's Economic Agenda" - Second Phase will promote gender equality and women's economic empowerment and rights through the inclusion of gender equality issues in the Central American economic agenda through the generation of knowledge, capacity-building and public policies that contribute to a decrease of gender inequality in the economy and the transformation of the economic order.

The first phase of this programme was executed and implemented by UNIFEM in collaboration with UNDP. Given the successful collaboration and in line with the move towards greater inter-agency collaboration and "one UN", UNDP and UNIFEM agreed to further strengthen their partnership by having UNDP carry out all national level activities envisaged for phase 2. It will operate in the Central American Isthmus region composed of: Panama, Costa Rica, Nicaragua, Honduras, El Salvador, and Guatemala, in a time period of four years; from September 2006 to September 2010.

Programme Title: Developing Capacities for the Gender Analysis of the Region's Economies and Conditions for Positioning the Women's Agenda in the New Stage of Trade Opening" (or "Women's Economic Agenda" - Second Phase)

Programme Duration
Phase 2 September 2006 to September 2010.

Fund Management Option(s):
Pass-through

Estimated budget:

US\$ 3,742,860.00

Allocated resources:

- Government _____
- Regular/Other Resources _____

- UN Org.... _____
- UN Org... _____
- Donor ... _____
- Donor ... _____

Unfunded budget: _____

Section 1: Background and Analysis

After years of internal conflict, the Peace Agreements signed at the end of the eighties in Central America initiated a process of economic stabilisation and regional integration. These agreements aimed at the consolidation of democracy, the strengthening of institutions and respect for Human Rights, as well as the promotion of a political system that ensured the full and harmonious development of the individual and society, economic and social justice and sustainable development of member countries. In this context, the region adopted different strategies of trade liberalization (unilateral, regional and multilateral as part of the WTO) and realized the need for a renewed institutional structure, reorganizing the structures created in the 1960s to establish the System of Central American Integration.

Between 2004 and 2005, UNIFEM developed the programme "Women's Economic Agenda", an initiative supported by the Swedish International Development Agency (SIDA) and implemented in partnership with the region's national women's machineries, women's organizations and academia. Under the framework of this programme, a gender analysis of the Central American economy was developed, as well as national economic profiles. This research analyzed the impact of economic processes and of the strategy of regional integration on the situation of men and women in the region, making it also possible to identify to what extent the expectations of the population as expressed in the various agreements signed by the Presidents during this period had been met.

The programme, throughout the various country and regional studies, concluded that even though some of the expectations derived from the process of democratization and integration in the region have been accomplished, there are still social, economic and political gaps both among and within countries, and gender gaps in particular remain as a pending challenge.

1. How has the distribution of macroeconomic development in Central America affected women?

The analysis – for the period from 1990 to 2005 - showed that countries have deepened their processes of trade liberalization and have achieved a macroeconomic balance. However, economic reforms, trade liberalization policies and moderate economic growth have not guaranteed an improvement in living conditions or diminished social and gender inequalities. It is clear that economic growth per se does not lead to a more equitable distribution of capacities and benefits. Growth has been highly volatile and has caused income inequality; the Gini coefficient has increased, and reached levels above .45 in all countries; Nicaragua .55, Honduras .55, El Salvador .53, Panama .56, Costa Rica .47, Guatemala .48 .

Women represent a little more than 50% of the regional population and their socio-demographic profile has drastically changed since 1970, showing a tendency towards the reduction of average fertility, a considerable increase in life expectancy, and an

education level equal to or above that of men. However fertility rates remain high among high risk women (teenagers and elderly women), there are high rates of maternal mortality, an increasing trend towards the migration of young women, and the emergence of social problems linked to sexual trafficking, drugs, prostitution, and femicides, that mainly affect girls, boys, and women. There are still high rates of illiteracy among women older than 50 compared to men, and widespread discrimination against women from indigenous populations, rural communities, or of African origin.

A rise in the number of women in the labour force occurred in close to 40% in of the countries in the region. This increase was characterized by a high labour segregation that placed women in informal sector economic activities, especially in services. In the political sphere, progress has been minimal, and if this trend continues the participation of women in legislative bodies will continue to rise slowly from 12 to 15% over the next few years.

The paradigm of open regionalism identifies trade liberalization as the engine of economic development in the region. That is why the signing of free trade agreements, the pursuit of a competitiveness strategy based on the promotion of productive clusters and the dismantling of trade barriers was prioritized by the region's governments over the period in question.

The emphasis on changing the structure and composition of national budgets, the elimination of import barriers, the destination of direct foreign investment (IED) and other macroeconomic policies have been associated not only with stocks and financial flows or with goods and services, but have also directly affected the living conditions of both men and women as their time use patterns changed. It is therefore important to incorporate the gender perspective in the process of formulation, follow up, and evaluation of macroeconomic policies.

According to estimates for 2005, the Central American Isthmus has a Gross Domestic Product of 94,741 million US dollars and a total population of 39.6 million inhabitants. The regional product per inhabitant in 2005, according to preliminary data, amounted to US\$2,392 per year; yet these averages conceal a great disparity among the countries' average income levels. On the one hand, the product per inhabitant in Costa Rica and Panama is above US\$4,500 – among the highest in Latin America – while Nicaragua and Honduras are on the other end with figures around US\$1,000. Guatemala and El Salvador are in the middle, with figures of about US\$2,500.

The per capita GDP levels in dollars conceal the effects of key features of the regional economies. For countries like Guatemala, El Salvador, Honduras and Nicaragua, the family remittances from migrants abroad – most of them in the United States – are an important source of income for households.

Despite the efforts for greater growth in the region, growth has been highly volatile and has caused both inter and intra-national income inequality. The Gini coefficient (showing the level of inequality in the distribution of income), has increased in general terms, with

Costa Rica, El Salvador and Panama showing the most negative figures in this respect. This trend indicates that the attempts to combat poverty and social inequality (the goals of the Protocol of Tegucigalpa, ALIDES and the various Treaties signed by the governments over the last 20 years) have been left out of the regional agenda. The poverty map is being replaced by the map of clusters. Foreign Direct Investment and public investment policies have continued to concentrate on the Central and Pacific areas of the Isthmus, leaving out of the agenda territories and populations of the Caribbean where indigenous people and African descendants reside and where the greatest natural richness of the region is located. The extreme poverty (line of poverty at US\$1 earned per day) of indigenous peoples and African descendants, as a multiple of its incidence in the rest of the population, is 5.9 times in Panama, 2.8 times in Guatemala, 2.3 times in Nicaragua, 1.8 times in Honduras and 1.0 times in Costa Rica.

While in recent years Central American countries have achieved a more balanced fiscal deficit in relation to their GDP, the fiscal and tax structure of the countries is regressive. Changes in economic policies have increased the number of contributors, giving more weight to the valued added tax, which in relative terms places a higher burden on the poorest strata of the population since it is linked to consumption. This kind of policy is unlikely to have distributive effects.

The lack of horizontal and vertical equity in the tax structure is the result of a series of exemptions and exonerations in the sphere of financial incomes (insurances, interests, dividends and other financial and capital incomes), the absence of taxes aimed at incomes generated overseas, and exonerations to companies settled in free zones. In 1990 there were a few companies in the region enjoying of these special benefits, while in 2001 they amounted to about 1,100, with more than 354,000 employees, of which 70% were women, accounting for 26% of total employment in the manufacturing sector.

The goal of enhancing the countries' external opening has also been accomplished. In Costa Rica, Panama and El Salvador, the trade of goods and services with other countries represents more than 100% of domestic production. In these countries, the export of goods and the marketing of services abroad – tourism, business, port and transport services – have greatly contributed to the boost in domestic production. In the low-income economies of the area, like Nicaragua and Honduras, the level of external opening has rapidly increased over the last fifteen years as a result of the reform processes aimed at reducing trade barriers and promoting non-traditional export activities. Conversely, Guatemala has the lowest rate of opening: the trade of goods and services represents less than 40% of the country's total production. The effects of economic opening have had different implications for women and men, as presented below.

The greater economic participation of the Central American Isthmus has generated as a negative by-product a high dependence on other countries and trade deficits have increased in relation to GDP. The trade deficit (the value of exports minus imports of goods) amounted on average to 15.4% of the GDP in 2005. This deficit is primarily

funded by net incomes from services (tourism, for example) and transfers of funds (family remittances).

The imbalance between domestic spending and production demands high levels of external savings to finance local investment. In the cases of Costa Rica, Panama, Guatemala and El Salvador, the private flows of capital together with the incomes of official capital have been sufficient to fund the gap, in addition to leading to a substantial increase of net international monetary reserves that rose – for the entire region – from US\$7,243 million in 2001 to US\$10,745 million in 2005. In Nicaragua and Honduras (rated among the most indebted poor countries in the world), the major external gap has been covered over the last years thanks to flows of family remittances and external aid, (especially in the form of concession loans and donations). The flows of foreign private resources in these countries have been more moderate, but have gained importance over time.

Levels of poverty are still a permanent source of concern for the local population. Seventy percent of the rural population and 30% of the urban population live in poverty. Social inequality in the region is high, with the Gini coefficient reaching levels of more than 50 on average in the region. Nearly 90% of the population is aware of the presence of social inequality in the countries.

The index of feminized poverty among the population between 20 and 59 years old reaches values above 100. This index is associated with gender discrimination in terms of access to income. The percentage of women older than 15 without their own incomes is higher than that of men. Women's economic relevance is reflected in their contributions to national and household incomes, as well as the feminization of strategies to cope with poverty at the micro level. These strategies often involve undertaking new activities to secure the family income. Without the contribution of women many households that are not currently poor would be living in poverty.

Poverty in the region is strongly associated with precarious and informal employment. Three out of 10 people of Central America are employed in the formal sector, while seven are employed in the informal and traditional agricultural sectors. Sixty-three percent of the men living in poverty are employed in the agricultural sector and 70% of women in the informal sector. Forty-four percent of the working Central American population over the age of 12 lives in poverty (2000).

- ***The productive structure***

The economic evolution of the region over the last 15 years shows a reduction of the relative importance of agriculture, forestry, hunting, and fishing. This drop indicates that traditional export goods (especially coffee, sugar cane bananas, and meat) have shown little dynamism over the last few years. This trend is due to the decline of basic grains production in most countries (with the exception of Nicaragua). As a consequence of the trade opening policy, food security was affected by a reduced production of basic grains. Although imports have partially compensated for the food deficit, they have not

been enough to meet population needs. This situation makes it more difficult for the region to fulfil the first Millennium Goal (reduce extreme poverty and hunger).

The strategy of diversification and export promotion advocated by countries with a long-term perspective is relevant for the economic sustainability of the Central American region. Nonetheless, at the end of 2005 some countries in the region still depend on the marketing of traditional products. Those countries that have been able to increase the commercialization of non-traditional products continue to be strongly influenced by the prices and non-tariff restrictions of the buying markets.

The region's current international trade profile has been shaped to a great extent by the generalized System of Preferences (SGP) of the United States and the investment destined to the textile maquila. Trade in the region continues to be concentrated on a relatively small universe of products of little added value and thus remains volatile. Despite the fact that the trade has expanded over recent years, it is still highly conditioned by the ups and downs of the US economy.

The Manufacturing Gross Product (MGP) grew at an annual average rate slightly higher than that of the GDP. The rise of production in free export areas has been outstanding, and has had a great impact on employment rates (especially those of women). Investment in free areas has been encouraged by the opportunities offered by the Caribbean Basin Initiative (ICC), tariff and tax exemptions granted by governments, and the possibility of reducing regional labour costs in the face of the high rates of open unemployment and underemployment. The maquila industry shows differences depending on whether it focuses on "activities more immersed in knowledge", like the manufacturing of microprocessors, medical products and of medical engineering; or "activities that require a less qualified workforce" like clothing assembly.

Furthermore the destination goals of export diversification were not met during this period. The evolution of foreign trade in Central American countries reflects an increase level of exports, but shows a shift towards trade. US participation in the region's imports and exports increased to the detriment of trade with Europe. The free trade agreement with Mexico favoured an overall increase in regional trade however the gains were primarily focused on the significantly higher level of US exports to the Central American region.

For many people economic crises and lack of urban safety supplanted the political crises of the '80s. Over the past few years, this shift has led to increasingly large migration flows, and workforce exportation in the region. Some five-million women and men are estimated to have emigrated abroad in search of new horizons. The remittances of funds resulting from these migration flows are today a key income source for many households, communities, and economies of the countries of the region. The family remittances in five Central American countries amounted to US\$ 8.1 billion in 2005, and accounted for 10% of the region's GDP. However these benefits are many times accompanied by the break-up of the family structure, the loss of identity, and in

many cases increased exposure to risks and the violation of the most basic human rights of migrants living in a state of permanent anxiety in the countries of destination.

To sum up, the paradigm of open regionalism has led to the significant growth of three sectors of entry of the Central American Isthmus in the global economy: maquila, tourism and remittances. All three sectors have repercussions for the lives of women in the region.

It is worth pointing out that during this period the value of intraregional exports reached US\$ 3.5 billion in 2005. This trend is an anti-cyclical factor that has helped to compensate for the decline of US trade relations. The trade is less concentrated, giving way to the possibility of more balanced trade among the countries of the Central American Isthmus. Because of production characteristics, this balance may offer more employment opportunities and commerce among sectors where women are highly involved (ex: agribusiness).

In short, the economic policy change with its effects on the productive system of the Isthmus has not been accompanied by a transformation of the social structures (especially of those related to social exclusion). Only recently has the international agenda included the study of the non-economic factors determining poverty and underdevelopment. This inclusion acknowledges that there are institutional and social barriers that prevent the eradication of poverty, especially the prolonged discrimination against women and ethnic and racial groups. Race and ethnicity are identified as one of the determining factors that confine people to exclusion (BM, 2000). The region's history of exclusion and racial discrimination, far from promoting the distribution of economic growth opportunities, has tended to concentrate opportunities in enclaves with very few links to the rest of the economic activities. It can therefore be concluded that the poverty measurement methods currently being used are insufficient. These methods only provide national averages; these averages do not provide specific information on the indigenous, black, rural and female side of poverty.

The imbalance of growth and development in the countries of the Central American Isthmus shows that the intraregional gap constitutes one of the main threats to regional integration. Only 20% of the Central American population lives in countries with a high degree of human development (Panama and Costa Rica), and most live in the four countries categorized as having a medium income (Nicaragua, Honduras, El Salvador, and Guatemala).

On the other hand, ending political violence without generating social changes and economic opportunities does not guarantee the safety of the population. New forms of violence are different to those of a war situation. The conditions of economic precariousness worsen the state of insecurity. Therefore, the nature of the present development in urban and rural areas has not been conducive to human security. Extreme poverty is expanding in rural areas, where little less than half of the region's population lives, with little access to public services, in the cities the pressure for rapid urbanization, the precariousness of public services, the ongoing poverty situation, and

the very few opportunities for social and economic integration prevail. Foreign Direct Investment in the region has aggravated the situation due to the precarious conditions of human settlements placed close to production centres, and in some cases, caused rates of social (including family) and criminal violence to rise to unprecedented levels, as expressed in the growing rate of femicides in the region.

- ***Effects on women's employment***

During the period being analyzed, the economies of the Central American Isthmus showed a limited capacity to generate formal and quality employments. Therefore, the process of informal employment has continued to expand. The informal sector continues to be a major source of employment and income particularly for women. The World Bank estimates that the informal sector accounts for nearly 50% of the GDP on average in the Central American region. According to available data, 57% of small businesses are led by entrepreneurial women, 66% in El Salvador, and 60% in Guatemala, Honduras and Nicaragua. These businesses mainly employ women (Trejos, OIT, 2005). There is therefore a need to discontinue categorizing this sector as "vulnerable" and "poor." Rather it should be seen as having potential for economic growth and governance of groups and value chains.

Although the female workforce has significantly expanded, official statistics show that men represent 73% of the workforce, while women make up only 33%. According to official statistics, 66% of women are economically active (this figure includes "housewives"). Though there is no official data regarding women's economic contribution resulting from reproduction, in some countries like Nicaragua estimates based on household surveys report that such reproduction and domestic work makes up 30% of the GDP and is mostly carried out by women.

2. Women's participation in clusters

An element worth pointing out in an analysis of the economy from a gender perspective is the lack of disaggregated information by sex as applied to the economic classification of the GDP and exports. Some case studies developed in the framework of the Project "The Economic Agenda of Women" First Phase, approach the value chain from a gender perspective. These studies include the contribution of women (instead of failing to take their input into consideration) and identify the bias that prevails at different levels. It is possible to verify that the workforce association with informal employment prevails and there is very little information about the thousands of Central American women working in the new export centres under modalities of employment not currently considered "formal."

- ***The intensification and extension of the working day***

It seems the changes occurring in the gender and age profiles of the workforce observed in the region over the last 15 years are not the result of explicit policies in

favour of gender equity and the equality of opportunities for the younger generations, but instead are the result of an abrupt process of export offer restructuring. For example, the case studies carried out in Panama and (especially) Costa Rica show that although these countries have structured their entry patterns into the global economy having as a competitive factor the qualified and semi qualified work, derived from long and sustained processes of social investment, they have also been characterized by the intensification of the workforce use. The case studies developed in Guatemala and Nicaragua on agribusiness and maquila, and those in Panama addressing Call Centres and Tourism stressed the issue of female work intensification and its collateral effects on the physical and emotional health of the population working in those sectors.

The new model of labour relations introduced by international corporations, attracted by the incentives given by the States and which has been institutionalized in the Free Area Systems, has in turn generalized and institutionalized the mechanisms of the workforce intensification as well as the pressure for the extension of the working day.

The maquila as the paradigm of the new model of export specialization in the region has led to the fragmentation of the integral system that has prevailed among employment, salaries, and workforce qualification to give way instead to flexibility in the use of the workforce. The case study on the health of women workers in the maquila in Central America carried out by CALDH (2004), reveals that at the core of demands and conflicts is the issue of intensification and extension of the working day as well as payment. This might indicate that in order to attain competitiveness, companies transfer part of their costs to workers through minimum salaries, intensification and extension of the working day, labour conditions that in many cases undermine human dignity given the detection of violence and mistreatment, and above all, by having no respect for labour and human rights.

An additional element worth pointing out is the tendency towards the geographic relocation of the maquila. This situation has led to internal migration flows, and caused an early disruption of family ties. This separation from roots and abrupt urbanization under extremely precarious conditions (living in overcrowding) leads to further poverty and vulnerability for the maquila working population.

- ***Trade opening modifies the profile and functioning of the productive structure***

Trade opening not only changed the pattern of international entry but also the profile and composition of the productive structure at the level of each country in the region. As a result of diversification new productive export sectors have emerged that are now coexisting with the traditional productive sectors:

- i. In the Industrial Sector: Textile and electronic maquila.
- ii. In the Agricultural Sector: production of non-traditional products (fruits, tubers, vegetables, flowers, foliage, shrimp breeding, tuna fish).
- iii. In the Service Sector: Call Centres, Tourism, outsourcing.

The use of the flexible production model to respond to a differentiated and fluctuating demand caused important changes in the organization of production. At the employment structure level, changes have also been relevant, not only in relation to their gender and age composition, but also work organization and salaries since the exportable emerging sectors (Bodson, 1995) began to operate under the new framework of labour deregulation.

Unfortunately these changes have not been analyzed much. National Accounts continue operating with the classic taxonomy of primary, secondary, and tertiary sectors and do not thus far report about the contributions given by the different social groups. This prevents from adequately focus being given to actions and resources that might contribute to empowering the capacities of women and men involved in the country's economic sector.

- ***Drastic changes in the female workforce that are not been registered or measured***

Textile and agribusiness clusters

Emergence of a new "salaried formal" workforce:

- Marked feminization and youth
- Absence of professional career and labour skills
- Unfinished primary and secondary education levels
- Abruptly urbanized, mestiza, and concentrated along the central strip of the Pacific where the maquila and export companies are located and relocated
- It works together with an older female workforce, with less education but more skills in working activities of the sector-area, hired by subcontracting, self-employment, small and medium scale enterprises of the private sector (pyme), or family assistant, with great participation of child employment and no social security protection.

Chains of dairies, shrimpers and tubers

- With the participation of small women producers, partners of cooperatives.
- Feminization of links with certain added value, agribusiness.
- Women have little participation in commerce and when they do they concentrate on the local and internal market, but very little on exports.

Chains of tourism and call centre services

- A more balanced participation between men and women is observed.
- Salaried work prevails.
- The working population has a higher educational level and is predominantly young.

- The use of English is an essential factor for employment in this sector and in this respect the English-speaking Caribbean population is in a favourable situation.

Migration of the Garifuna population from Honduras and Nicaragua

- They are population groups that give dynamism and guarantee the urban economy of Bluefields (Nicaragua) and the Garifuna communities of Honduras.
- This population migrates for long periods of time, and because of the low-income employment conditions they often resort to prostitution to obtain higher incomes.
- A new route of entry of the HIV/AIDS with serious effects for the communities involved and a high cost for women.

This new route of women's work entry has given way to an intensive use of the female workforce and since public policies are not addressing this issue, the belief that female work is synonymous with non-qualified work and inferior work and thus not subject to regulation has been legitimized.

3. Greater flexibility in the labour market

Despite the frequent use in the official discourse of the concept of making the labour market more flexible, in practice it is not possible to observe a consensus in its definition. The most theoretically cited definition used as reference is that given by Ralph Dahrendorf, which is included in a report by the OECD in 1986, which says Flexibility is «... the capacity of individuals in economic life and especially in the work market to give up their habits and adapt to new circumstances». The capacity of adaptation depends on the one hand on personal aptitudes and, on the other, on the environment.

The documentary review carried out in the framework of The Economic Agenda of Women, First Phase, allowed for identification of various conceptual approaches on flexibility in Latin America, which has given way to the development of different methodologies. These methodologies aim not only to overcome the limitations in the concept of labour flexibility but also the gender neutrality that ignores the link between relations of production and gender. Therefore these practices have gender, sector, class, ethnic group, and age implications.

From the gender perspective, it is necessary to continue reflecting about the way to make the labour world more flexible. For that purpose it is important to acknowledge that: i) the process of flexibility is not "neutral", either in terms of socioeconomic conditions, sectors, or gender; ii) what is at stake - after the different definitions and positions - are the existing concepts about economic, social, and cultural order; all of which will have an important influence on the design and implementation of public policies.

In this way, it is possible to come to the conclusion that the new employment modalities in the region are giving rise to a combination of new and old forms of work organization

where highly technical and dynamic processes are combined (many of these work forms are linked to foreign direct investment), with practices related to subsistence. And we say this because the practice of labour market flexibility has led to an increase of casual, temporary, home, and subcontracting employment i.e. to jobs that are often precarious and unsafe. In other words, this labour market dynamic has given rise to an atypical employment characterized by uncertainty. These jobs often involve flexible contracts and the extension of working days for productivity reasons. This system exposes the population to the deterioration of employment quality, and does not comply with national work related regulations and legislation.

- ***The emergence of "labour standards" in Trade Agreements changes the work field***

The social movements boosted by workers' organizations and the conditions imposed by developed countries with which countries have signed free trade agreements have given rise to the appearance and incorporation of "labour standards." These standards are being included in preferential Agreements, unilateral trade policies and, Free Trade Agreements that involve Central America. This has drastically changed the labour area and specifically "labour flexibility". The labour provisions established and/or agreed upon are duly sanctioned (rewards and punishments). This trait that ensures the new institutional-regulatory framework has a decisive role, due to the fact that if these accords are properly observed it will allow access to markets and the preferential benefits.

The White Book prepared in the framework of the CAFTA negotiations identifies the main working problems in the region, and stresses the situation of women related to the formal and informal labour market. These accords highlight the need to ensure protection against work discrimination. The White Book also points out the need to protect women's working rights, especially in countries of maquila centres and free zones, and stresses the need for running pregnancy tests, and recognizing a severe institutional weakness in law enforcement. Therefore in order to overcome discrimination and ensure the protection of labour rights the White Book proposes the creation of offices within the work ministries. The main challenge for women regarding labour legislation is the need to be considered as individuals that have attained their own personal development. This view is necessary if the labour code is to go beyond the view of women defined by their biological condition and allow for their participation in the labour market. This definition is an important step towards empowerment and integral autonomy.

4. Background

UNIFEM developed the project Women's Economic Agenda as result of a joint process of reflection with governmental institutions and civil society organizations that led to the conclusion that globalization and the limited involvement of women in international trade

and economic issues were among the main obstacles in the struggle for women's economic empowerment and autonomy.

The Government of Sweden supported the first phase of the Project, which was carried out by UNIFEM in partnership with the UNDP. In this second phase UNDP and UNIFEM will be partners through a Joint Program. Specifically, UNDP will be responsible for the project activities at the national level as envisaged in this proposal. The development goal of phase one was to contribute to the inclusion of gender equality in the Central American economic agenda as a way of promoting equal opportunities and rights of women and men. The specific objective of the project was to support the strengthening of capacities for the gender analysis of the region's economies and for the identification of a women's agenda and the key components of a strategy to influence public policies in the processes of trade liberalization and regional integration. During the preparatory period (2003) and subsequent years (2004, 2005 and first half of 2006) the Project achieved the expected results, which included:

Results	Indicators
1. Knowledge generated and transferred to the main actors of the region about the economic process in the Central American Isthmus and its implications for gender equality.	Mapping of capacities on gender and economics in regional entities. Methodology for the gender analysis of value chains discussed by national teams. Gender profile of the Central American economy presented to key actors at the regional level. Publication of the popular version of the gender profile of the Central American economy.
Spaces developed for discussion, analysis and agreement among the different actors (civil society, business people, government agencies, universities) linked to the issues.	Agreement between the COMMCA, the Forum of Women from Political Parties, and the Forum of Women for Central American Integration to identify a Women's Economic Agenda .

The appraisal regarding the results that were originally expected and those obtained by the end of the project is determined by the political context. The level of understanding and acceptance of gender issues differs among the countries, although at the beginning of the project the issue was unknown by key actors. The Project has encouraged a debate at national and regional level on macro-economics and economic development in three aspects: i. Innovativeness: though it was included in the Beijing Plan of Action (September 1995), the involvement of women in macroeconomic issues was not a concern for governments or civil society organizations, ii. Support for policy dialogue between different actors and women's machineries, iii. Methodological contribution so government and non-government institutions incorporate it into their work.

The process initiated by the Council of Women's Ministries in Central America (COMMCA) in 2002 was supported by the Project over the past two years, enabling a connection between women's machineries and women's economic agenda. In 2005 the Central American Integration System (SICA) decided to include the COMMCA within its structure, opening the opportunity to highlight women's work at the regional level so that their interests and proposals could be included at the highest policy level during future negotiations on regional integration.

The main products developed in its First Phase include the following:

- The book *"Perfil de Género de la Economía del Istmo Centroamericano 1990-2002"* (Gender Profile of the Economy of the Central American Isthmus, 1990-2002): endorsed by the Advisory Committee established during Phase 1 of the project and made up of experts on gender and/or economics¹, the Ministers of women's machineries, organizations of civil society and academia participating in the Project. This profile provides the baseline on the situation of women in the macroeconomic and productive fields in the Central American Isthmus. It will be followed up over the next years to detect and reflect any changes in women's situation
- The Profile was presented in all countries and analyzed with: political parties, business women, female 'maquila' workers, universities, civil society organizations, officials from the Treasury, Central Banks, etc. The events reached around 6,000 people. Currently, a user-friendly version will be disseminated and used as educational material for women in communities and organizations in the six countries of the project.
- Country specific studies: National gender profiles of the economies of participating countries were developed and a series of in-depth sub-sector studies in some cases using the value chain analysis methodology from a gender perspective. Examples of topics covered by the studies include flexibility in the Nicaraguan labour market; entry and exit of women from the labour market and socioeconomic factors for incorporating women into the informal sector of Costa Rica; assessment of urban, rural and community domestic work; transformation of domestic work into productive work and the role of education in that change; new approaches or concepts from women's perspective in Panama; and free trade agreements and gender in Honduras. The regional institutions and decision making at SICA were also mapped to guide the COMMCA and other actors in advocating for gender. These studies made it possible to identify issues in order to structure a working agenda on economics and gender at the macro, meso and

¹ Rebeca Grynspan, Assistant Administrator and Regional Director, Regional Bureau for Latin America and the Caribbean; Teresa Rodríguez, Regional Director of UNIFEM Mexico, Ana Sojo, Head of the Social Development Unit of ECLAC Subregional Office in Mexico, María Eugenia Luna, Head of Consultants of INEGI, Mexico; Victor Galvez, Director of FLACSO, Guatemala; Rosalba Todaro, Director of the Centre of Studies in Chile; Janina Fernandez, Regional Coordinator of ILO Gender Programme.

micro levels. This agenda must be strengthened and the organizations involved must begin a phase of political influence. This will be implemented in the Second Phase of the Joint Programme, after the priorities are defined in a regional planning workshop in which key actors involved participate.

- Support given to COMMCA in the strategic planning and definition of an action plan for the next four years.
- Support COMMCA in establishing partnerships with statistical offices in order to become part of the National Strategy of Statistical Development in Central America.
- Development of methodologies for the inclusion of the gender perspective in strategic topics, such as: public budgets, value chain analyses, horizontal and cluster-like business networks, and flexibility in the labour market. In the Second Phase these methodologies will be disseminated and their use agreed upon by the various government entities in charge of promoting clusters. Women's organizations and mixed membership organizations linked to productive areas will also be trained in order to apply these methodologies within the framework of public policies promoted by the participating countries.
- Coordinated efforts with FLACSO Costa Rica to carry out the Regional Meeting of Women Leaders Thinking about Central America (Costa Rica, April 25-27, 2006). From the strategies agreed upon in that meeting the Joint Programme in its Second Phase will resume and give continuity to some views expressed by women leaders in coordination with FLACSO and the other organizations participating in the Meeting.
- A space for dialogue and reflection has been created in each of the countries, composed of governmental institutions (women's machineries and others), academia and civil society organizations. This has laid the foundations for a process of capacity-building at the national level with a view to sustain the processes aimed at women's empowerment and autonomy.
- Educational and training programmes on Gender and Economics have been supported in order to start creating the conditions for building technical and professional capacities that will encourage the development of critical thinking and of proposals to incorporate women's needs in national and regional economic policies. These efforts are incipient and the various programmes have yet to be coordinated and integrated.

5. Justification

The Joint Programme 'Women's Economic Agenda - Second Phase' is in line with UNDP's core goal of Achieving the MDGs and reducing human poverty and the

recognition that gender mainstreaming is integral to the development process, as outlined in the Multi Year Funding Framework. It is also in line with the priorities identified by the RBLAC in the Regional Cooperation Framework².

The Joint Programme builds on the collaboration with UNIFEM in phase 1, during which UNIFEM's positioning of and leadership on the subject of the gender impact of trade liberalization and regional integration processes was recognized in the region and by the UN system as such. The Joint Programme also seeks to continue to foster the strategy that both UNDP and UNIFEM have been promoting in creating solid foundations for the empowerment of women in the Central American Isthmus.

The strategy for the First Phase of the Programme was to strengthen the work done in this field, and this logic will be applied in the second phase. One of the main pillars of this phase will be the development of synergies with initiatives under way, and with institutions and organizations already involved in order to learn from their experiences, but above all, to institutionalize the practice of coordination and joint programming.

The Second Phase will emphasise social communication and dissemination of products and methodologies in order to increase its influence, contribute to women's economic rights and support processes of institutionalization so that women's needs and interests become a focus of public policy.

The development objective of the second Phase is to foster the development of knowledge, capacities and public policies that contribute to the reduction of gender inequalities in the economy and to the transformation of the economic order with a view to promoting Central American women's economic autonomy and the full enjoyment of their rights.

The strategies for Phase 2 focus on:

Taking into consideration the key elements of women's current situation in Central America and the challenges that exist at the national and regional level, phase two of the Joint Programme 'Women's Economic Agenda' will rely on the following strategies:

Knowledge-building and dissemination, by contributing to the development of critical thinking and proposals that come from women in order to promote a growth model that is inclusive and takes into account the needs of groups that have been traditionally marginalized; and by developing a communication strategy and making widespread use of key social commentators and opinion makers to ensure a wider audience becomes aware of the economic agenda of women.

Advocacy, by supporting the use of knowledge generated in phase one and two by women's organizations and gender equality advocates in general so that they have a

² The RBLAC Regional Cooperation Framework 2008-2011 is currently under discussion

position and voice that is based on evidence and is up to par with the exigencies of regional negotiation fora.

Brokering and networking, by continuing its support for increased dialogue and interaction among government, civil society and academia, and bringing in other national and regional actors that can influence the SICA so that women's economic agenda is owned by a broader range of key stakeholders given that a change in attitudes and behaviours of those responsible for public policies is required.

Capacity-building, by working in partnership with universities to develop a regional curriculum on gender and economics; and by providing continued support to the COMMCA at the regional level and to national women's mechanisms, statistical offices and women's organizations to develop and/or use knowledge and data on gender and economics to influence and inform trade negotiations and public policies in general.

The development of phase two of the Joint Programme 'Women's Economic Agenda' began with an internal reflection in each country in order to analyze the progress made in the First Phase of the Programme, as well as the obstacles, strengths and opportunities, and to identify the priority areas of work. This input was shared in a regional workshop where the Second Phase was drafted, with expected results, goals and strategies.

At the end of the first phase of the Women's Economic Agenda national teams identified the main obstacles that need to be overcome in the Second Phase, namely:

- Lack of human resources capable of handling economic and gender issues as well as poor coordination among the different actors.
- Reduced participation of public sectors and civil society organizations in economics and gender.
- Difficulties in the countries' political and institutional sectors and at the regional level that slow down progress and consensuses.
- Insufficient statistics disaggregated by sex on key issues
- Need to focus resources in the development of women's capacities so that they can influence decision-making.
- Need to expand the dissemination of knowledge, analysis and proposals developed within the framework of the Women's Economic Agenda.

Likewise, national teams also identified the following opportunities:

- Economic re-activation and sustainable economic growth through policies of promotion of competitiveness linked to strategies of poverty reduction in the Central American Isthmus constitute an opportunity to incorporate interests and needs of women who are already participating in productive circuits but remain unnoticed.

- Due to its innovative nature the Women's Economic Agenda has raised interest in the women's machineries and other offices of governments of the six countries.
- Universities and civil society organizations have seen in the Programme a source of information and analysis, which is the basis for the development of proposals to strengthen civil society, and especially women, in the SICA Consulting Committee.
- The possible effects of China on the international market, as well as the trade agreements with the EU set the urgent need to develop a holistic position that will enable the region to compete at the international level. Women can greatly contribute in this respect.
- The logic of joined efforts, which has been put into practice by The Women's Economic Agenda, can enhance the harmonization and alignment of the UN country programming in each country.

Section 2: Management and Coordination Arrangements

UNIFEM will be the Administrative Agent and UNDP Country Offices will serve as the participating UN Organization. UNIFEM Regional Office for Mexico, Central America, Cuba and the Dominican Republic will work as the Administrative Agent (see Memorandum of Understanding) and will delegate the Programme's technical coordination at the regional and country level to UNDP-Nicaragua. UNDP-Nicaragua office will report periodically (specified in 3) to UNIFEM about the progress of the Joint Programme on the substantive and administrative aspects that are delegated to it.

UNIFEM will the key role at the regional level, while UNDP will have a key role at the national level in the six countries of Central America. UNDP Nicaragua will coordinate technically the regional program and will report periodically to UNIFEM about the progress on the Joint Program on the substantive and administrative aspects.

The UNDP country offices in the participating countries are responsible for the execution and implementation of the Joint Programme in their countries. National Coordinators in each country, preferably economists with gender expertise, will be appointed and supervised by UNDP Country Office Program Officers (Gender Focal Points)³.

The fund management will be done through a pass through mechanism to each component (country) for a more expedited implementation of the action plan and in

³ Refer to the Memorandum of Understanding for the responsibilities of UNDP Gender Focal Points.

accordance with what was budgeted and approved by the Regional Executive Committee. UNIFEM will transfer resources of the national components to UNDP country offices. The Joint Programme funds administered by the UNDP will be used in accordance with the objectives of the Joint Programme document and observing the UNDP leading principles: transparency, competitiveness, efficiency, and economy.

The UNDP Gender Focal Point in each country will follow up the implementation of the Joint Programme and will provide administrative and technical support for the National Coordinator. The **National Coordinator** will be hired after a selection process in accordance with UNDP procedures (ensuring transparency, impartiality and technical quality). Also the people acting as the Gender Focal Points by the UNDP offices in Honduras, El Salvador, Panama, Costa Rica, Guatemala, and Nicaragua will be responsible for guaranteeing collaboration with the Resident Coordinators of the United Nations System in each country in order for gender strategies to be promoted within interagency work.

For the implementation of the Joint Programme, the Regional Coordination will need to establish:

A close coordination with the UN Resident Coordinator System in each country in order to ensure close coordination and synergies with their respective gender strategies to be promoted in the economic field within the framework of interagency work;

A close coordination with UNIFEM supported initiatives in the region; as well as alliances, coordination and agreements with national institutions, organizations and cooperation agencies that may contribute to the development of technical support, statistical information, and training, among others. The following are especially important:

- National statistical offices.
- Ministries of Finance/Treasury
- Public organizations responsible for the promotion of non-traditional exports and the support to small production.
- Centres of export promotion.
- Institutes or centres of education and training.
- National or regional centres developing research on gender and economics.
- National or regional universities.
- Trade organizations and associations of men and women entrepreneurs at the national, local and regional level.
- Networks of women on economics and labour rights.

1. Operational structure:

Regional Executive Committee - The Regional Executive Committee will be composed of the Director of UNIFEM for Mexico, Central America, Cuba and the

Dominican Republic, the Joint Programme's Regional Coordinator⁴, Technical Advisors on topics or issues prioritized by the Joint Programme at the regional level, the Pro Tempore President of COMMCA, UNDP's Regional Director for Latin America and the Caribbean or its representative, and a delegate of SICA's Consulting Committee. The Regional Executive Committee will be the highest level decision-making body for the Joint Programme and based on half-yearly assessments will develop guidelines for the implementation of the Joint Programme and will work as the Steering Committee for the purposes of the Joint Programming. The Regional Coordination will convene the committee.

This committee will have the technical support of the **Advisory Committee** created in Phase 1 that will meet every two years at the beginning, halfway, and end of the Women's Economic Agenda Joint Programme. Said Committee will have as its main functions the following: approve the main guidelines of the work to be developed by the Women's Economic Agenda; reflect on the documents and research done within the framework of the Joint Programme; provide feedback to the Joint Programme's leadership about the strategic topics that should be included in Women's Economic Agenda and support politically the incorporation of the strategic issues that are derived from the Joint Programme in the regional entities and forums where decisions are made. UNDP's Regional Director or her representative will form part of this Advisory Committee along with Teresa Rodríguez, Regional Director of UNIFEM Mexico, Ana Sojo, Head of the Social Development Unit of ECLAC Subregional Office in Mexico, Maria Eugenia Luna, Head of Consultants of INEGI, Mexico; Victor Galvez, Director of FLACSO, Guatemala; Rosalba Todaro, Director of the Centre of Studies in Chile; Janina Fernandez, Regional Coordinator of ILO Gender Programme.

The National Coordinators will be responsible for spearheading the development of the specific issues for regional advocacy, and their task will be itinerant to ensure the use of a uniform methodology in all the countries; they will develop the terms of reference on the issue assigned and will follow up the implementation, and assessment of results, goals, and indicators.

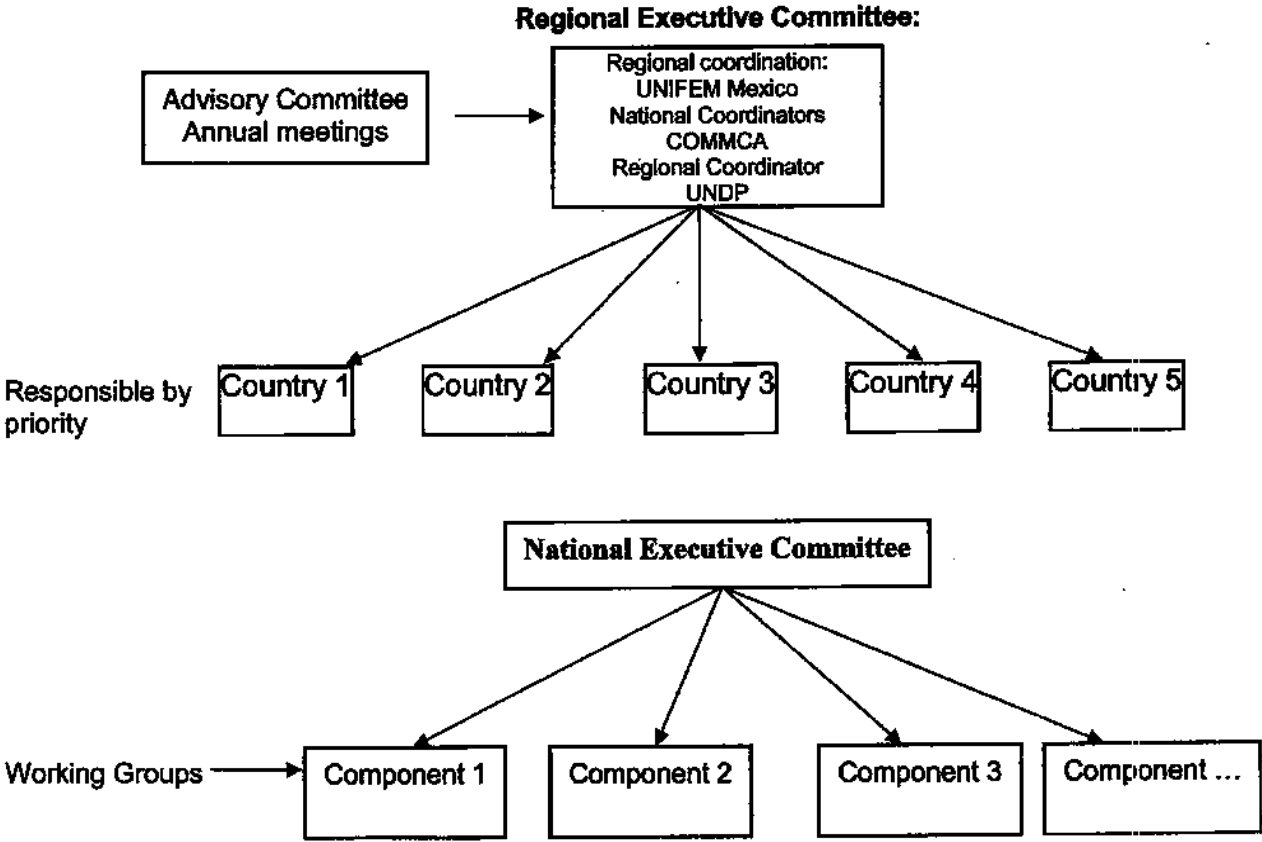
National Executive Committee - A National Executive Committee of the Joint Programme will be set up in each country that will hold monthly meetings during the first stage of the Joint Programme and later on will meet less frequently. It will be composed of a manager with technical and administrative functions for the Joint Programme in the country; the person responsible for each component; a representative of civil society; a representative of academia; and a representative from the Government (women's machinery or other office). This entity will take the decisions at country level. This Executive Committee will count with the technical support of a consulting committee with representatives from appropriate national organizations and cooperation agencies; it will hold meetings every three months, and agreements will be signed between the Joint Programme and the corresponding organizations. In each national women's machinery a Focal Point has been appointed to strengthen the collaboration with the

⁴ The Program Regional Coordinator is financed jointly by both UNDP and UNIFEM.

Government and to promote and support the institutionalisation of the programme objectives identified for the mechanisms in each country.

For implementation of the Joint Programme each country will operate with Working Groups based on the priority component of each country, and the execution of the Joint Programme will be made through subcontracts after a selection process, giving priority to the participation of organizations that are associated with The Women's Economic Agenda with a view to supporting the development of already installed capacities and ensure sustainability and ownership. Once the Joint Programme is in operation, the terms of reference the work plan, and the mechanisms for monitoring of results and indicators will be defined.

Flow chart proposed by the Joint Programme Women's Economic Agenda Phase II



In each country, the executive structure will vary in accordance with the work areas that have been prioritized.

2. Monitoring, Evaluation and Assessment:

Each country Programme Manager (UNDP) will link with the national institutions with responsibilities assigned and will report to the Regional Programme Coordinator. The Programme Manager in each country, in coordination with the UNDP Gender Focal Point, will send a six-monthly report to the Regional Coordinator informing about Joint Programme implementation both substantive and administrative-wise, elaborating on progress against the log frame and work plan and the use of funds. The Regional Coordinator will monitor both substantive and financial progress in each country every six months according to the budget initially approved.

For monitoring and information purposes, the organization of an annual tripartite meeting in Nicaragua is likely (UNIFEM, SIDA and sectors of the Joint Programme, Government, the civil society and universities), where the Joint Programme's progress, obstacles and the plan of action will be reviewed, and recommendations will be made. These meetings will be held every year by the month of February at the latest.

At the end of the first two years a mid-term evaluation will be carried out to assess the level and extent of the results predicted at the beginning of the Joint Programme, as well as its impact on appropriation at the national and regional level. This evaluation will be used to reorient the Joint Programme's activities if necessary and adjust them for implementation of the final phase.

3. Presentation of reports:

The Joint Programme will be examined by the Regional Executive Committee (or Steering Committee). This Committee will meet annually to guarantee the fulfilment of the objectives and strategic guidelines of the Joint Programme and its components. At the request of the parts, the Committee will be able to hold special meetings.

The Regional Coordinator of the Joint Programme, with the support of the Programme Managers in each country, will present the Annual Work Plan to the Regional Executive Committee. This Plan will be the basis for the monitoring and administrative and financial assessment of the regional Joint Programme and components (country).

The Regional Coordinator will have to submit the following reports to UNIFEM's Regional Office for Mexico, Central America, Cuba and the D.R., and the Regional Executive Committee, for its later presentation to SIDA:

Additionally, all reporting procedures previously agreed upon by UNIFEM and the donor will be adhered to.

These substantive reports shall detail achievements, constraints and impacts with regards to the utilization of this contribution. The substantive reports as stated above for the period September 2006-August 2010, will be submitted through UNIFEM Mexico to the Regional Executive Committee for its follow-up and consideration, and subsequent delivery to the corresponding SIDA authority. The UNDP-Nicaragua, in coordination with UNIFEM Regional Office, will be responsible for the organization of external medium-term and final evaluations of the Joint Programme.

4. Audit:

UNIFEM Regional Office will ensure that internal and external auditing procedures as provided for in the financial regulations, rules and directives of UN will be carried out at the midpoint of the Joint Programme as well as after it is completed in July 2010.

5. Accounting Arrangements:

The original agreement signed between the Government of Sweden and UNIFEM states a contribution of US\$ 3,742.860 for four years for the support of the Phase II of the project, 7% of which may be used for administrative costs. Within this joint program UNDP and UNIFEM have agreed on an exceptional basis on the 1% fee for the AA (UNIFEM) and the remaining 6% will be equally shared between UNIFEM and UNDP (3% for each partners).

Given that the Administrative Agent responsibilities are more complex than the standard responsibilities for the success of the project, an additional 3% has been agreed upon by the participating UN organizations. Rather than the Participating UN organization preparing the reports for the AA to provide to the Donor and the Joint Programme Steering Committee, the AA will take the responsibilities for the overall coordination and technical guidance on the *regional project activities* and the *consolidation of the substantive/technical and financial reports of the program to be reported to the donor*. Furthermore, UNIFEM will serve as key player with the Resident Coordinator in each country in order to strengthen advocacy initiatives for mainstreaming gender into national economic agendas for MDG attainment.

When pertinent, UNDP will charge ISS as per the UNDP Cost Recovery Policy.

With regard to future resource mobilization linked to this Joint Programme, the Steering Committee shall be convened to make the necessary decisions, taking into account the source(s) of the funding.

Section 3: Common Work plan and Budget

Diagnosis of National Mechanisms. Institutional analysis to identify the conditions that may allow for the creation of units specialized in the Economic Agenda of Women	X			Regional Coordination COMMCA	National and regional Programme teams
Design and settlement of strategies for each country, including the agreements with NWMs		X		National Technical Coordinators Mechanisms of Women	National and regional Programme teams
Follow up the implementation of the strategies proposed in each country (continuous activity)			X	Regional Coordination COMMCA National Technical Coordinators	Idem

Evaluation of strengths per country and sector	X			Regional Coordination and National Executive Committees	National and regional Programme teams
Elaboration of the proposal and sign the agreement with the different organizations of civil society		X		Regional Coordination	Idem
Workshop with different stakeholders to define possible links and joint activities including International Cooperation Agencies		X		Regional Coordination	Co-financed
Monitoring to identify other related projects	Throughout the Programme			Regional Coordination	UNIFEM Mexico
Regional workshop of COMMCA to present the AGEM to SICA		X		Regional Coordination	20000

Analysis of the regional economic integration process (annual study) – continued activity		X	X	Regional Coordination	COMMCA	30000
Workshops for the presentation and discussion of the annual situation report				Regional Coordination	COMMCA	15000
Establishment of Work Team that will develop the research and proposals		X		Regional Coordination		National & regional Programme teams
Research design and execution			X	Work Team		Idem
Regional Workshop for the discussion and validation of research results and proposals	End of each year			Work Team		15000
Publication and dissemination of the research results and proposals	Continued activity			Regional Coordination		10000
Regional Colloquium for the presentation of research results and proposals to SICA circles and authorities	Q4 each year			Regional Coordination	COMMCA	24000
Evaluation	After every 2 years			Regional Coordination		36000
Compilation of experiences and successful practices	Parallel activity to research and studies			Regional Coordination	COMMCA Technical Coordinators and National Executive Committees	40000
Symposium of experiences and successful practices	One event every 2 years			Higher Education Institutions		15000
				Regional Coordination		15000

Installation of an Expert Team and design of Work Plan (with the negotiation and participation of specialized organizations)		X		Regional Coordination		Co-financing
Elaboration of proposals for indicators			X	Expert Team		
Regional Workshop (discussion, proposals, and agreements)	Month 12			Regional Coordination		40000
Establishment of a work team to design and implement the Regional Observatory Project. Design a General Work Programme for the Regional Observatory	Year 2 onwards			Regional Coordination		
Proposal for sustainability of the Regional Observatory	Year 2 onwards			Work Team		Team in charge of statistics
Presentation of the first Annual Report of the Regional Observatory on gender equality and economics in Central America	At the end of each year once the Observatory has been established			Regional Coordination of Work Team		Idem
				Work Team		15000

Definition of the Training Plan, including subjects, methodology, participants, times, and requirements of teaching staff and evaluation			X	Work Team Regional Coordination Higher Education Institutions COMMCA	Idem
Execution of 2 annual training events at the regional level				Work Team	Regional and National teams

Contract specialized enterprise or expert professionals		X		Regional Coordination	Regional Team of the Programme
Design of a strategy-campaign of information, dissemination and positioning of the Economic Agenda of Women, giving priority to regional economic spheres and the national media			X	Specialized enterprise or expert professionals	10000
Regional Workshop for presentation and discussion of strategy proposal for Approval	Year 2/Q1			Regional Coordination	10000
Institutional agreements for the implementation of a communication strategy	Year 2/Q1			Regional Coordination	Regional team of the Programme
Workshops on raising awareness of gender equality (one workshop per country, for 15 communicators each) and training on the Economic Agenda of Women (one per country)	Year 2 onwards			Regional Coordination National Technical Coordinators	Linked to the following activity
Evaluation of the process with social communicators	Year 4			National Coordinators Regional Coordination National Executive Committees	40000 Regional team of the Programme
Designation of the one responsible for preparing the information needed to update the UNIFEM webpage	Continued activity throughout project duration			UNIFEM Sub-regional Coordination Regional	Regional team of the Programme

Ongoing updates of the Specialized Section on the UNIFEM webpage	Continued activity throughout project duration	UNIFEM Sub-regional Coordination	Regional	Idem
Wide call at the national level to women's organizations with projects or initiatives related to the Economic Agenda of Women in order to coordinate national areas and name their representatives at the respective National Executive Committees	Q1 onwards	Technical Coordinators and National Executive Committees	Regional Programme team	
Annual meeting of the Women's Organizations Network (2 meetings during the period)	Q4 onwards	Regional Coordination	80000	
Participation in the workshop-seminars on political influence, jointly with COMMCA members	Once per year according to the activity programme of COMMCA, SICA	Regional Coordination COMMCA	20000	

Wide call to similar research, teaching, or extension programmes in order to incorporate them into national areas and name their representatives to the respective National Executive Committees	X	Technical Coordinators and National Executive Committees	Regional team of the Programme	
Installation of the Work Team in charge of the design and implementation of the Regional Network	X	Regional Coordination	Idem	
Design of a Regional Network and approval of Regional Network proposal	X	Work Team		
Regional Network implementation	Q1/Year 2 onwards	Work Team	80000	
Approval of the Regional Curriculum	Q1/Year 3	Regional Coordination		
Establishment of an agreement with implementing institution	Year 4	Regional Coordination		

Establishment of a scholarship fund	Year 3	Regional Team
Implementation of the Regional Curriculum	Year 4	Implementing institution

Budget⁵

Award: 00044792							
ADMIN COST %	1 % + 3 % UNIFEM						
	3 % UNDP						
Item	Project Number	Account	Total Projects	1	2	3	4
		71600		12,500.00	25,000.00	20,000.00	20,000.00
		74500		4,000.00	8,000.00	4,000.00	2,000.00
		73100		6,000.00	12,000.00	12,000.00	12,000.00
		sub-total	158,000.00	22,500.00	45,000.00	36,000.00	34,000.00
		75100	11,060.00	1,575.00	3,150.00	2,520.00	2,380.00
	1% + 3 %	75100FEM	6,320.00	900.00	1,800.00	1,440.00	1,360.00
	3%	75100UNDP	4,740.00	675.00	1,350.00	1,080.00	1,020.00
		Total	169,060.00	24,075.00	48,150.00	38,520.00	36,380.00
		REGEXP 61300	120,000.00	15,000.00	30,000.00	30,000.00	30,000.00
		REGEXP 71300	48,000.00	6,000.00	12,000.00	12,000.00	12,000.00
		REGEXP 71200	120,000.00	15,000.00	30,000.00	30,000.00	30,000.00
		TECHSPPT 71300	10,000.00	5,000.00	5,000.00	0.00	0.00
		COMM 71300	12,000.00	3,000.00	6,000.00	3,000.00	0.00
		COMM 71200	24,000.00	6,000.00	12,000.00	6,000.00	0.00
		COMM 72100	40,000.00	10,000.00	20,000.00	10,000.00	0.00
		COMM 71600	10,000.00	2,500.00	5,000.00	2,500.00	0.00
		MGMTMEX 71300	40,000.00	5,000.00	10,000.00	10,000.00	10,000.00
		MGMTMEX 72100	15,000.00	1,250.00	2,500.00	5,000.00	5,000.00
		MGMTMEX 71600	10,000.00	2,500.00	5,000.00	2,500.00	0.00
		MGMTMEX 74500	20,000.00	2,500.00	5,000.00	5,000.00	5,000.00
		MGMTMEX 72800	5,000.00	1,250.00	2,500.00	1,250.00	0.00
		SPPTUNIVSC 74300	180,000.00	30,000.00	60,000.00	45,000.00	30,000.00
		STATISTICS 71200	15,000.00	3,750.00	7,500.00	3,750.00	0.00
		STATISTICS 71300	21,000.00	5,250.00	10,500.00	5,250.00	0.00
		STATISTICS 72100	20,000.00	5,000.00	10,000.00	5,000.00	0.00
		STATISTICS 71600	30,000.00	7,500.00	15,000.00	7,500.00	0.00
		STATISTICS 74500	8,000.00	2,000.00	4,000.00	2,000.00	0.00
		PROJEVAL 74100	24,000.00	0.00	0.00	12,000.00	0.00
		sub-total	772,000.00	128,500.00	252,000.00	197,750.00	122,000.00
		75100	54,040.00	8,995.00	17,640.00	13,842.50	8,540.00
	1% + 3 %	75100FEM	30,880.00	5,140.00	10,080.00	7,910.00	4,880.00
	3%	75100UNDP	23,160.00	3,855.00	7,560.00	5,932.50	3,660.00
		Total	826,040.00	137,495.00	269,640.00	211,592.50	130,540.00

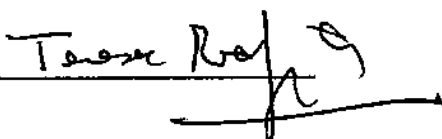
⁵ UNDP country offices will charge ISS when pertinent—as per the UNDP Cost Recovery Policy.

		74500	628,000.00	82,500.00	165,000.00	150,000.00	148,000.00
		75100	43,960.00	5,775.00	11,550.00	10,500.00	10,360.00
	1% + 3 %	75100FEM	25,120.00	3,300.00	6,600.00	6,000.00	5,920.00
	3%	75100UNDP	18,840.00	2,475.00	4,950.00	4,500.00	4,440.00
		Total	671,960.00	88,275.00	176,550.00	160,500.00	158,360.00
		74500	450,000.00	62,500.00	125,000.00	100,000.00	100,000.00
		75100	31,500.00	4,375.00	8,750.00	7,000.00	7,000.00
	1% + 3 %	75100FEM	18,000.00	2,500.00	5,000.00	4,000.00	4,000.00
	3%	75100UNDP	13,500.00	1,875.00	3,750.00	3,000.00	3,000.00
		Total	481,500.00	66,875.00	133,750.00	107,000.00	107,000.00
		74500	390,000.00	52,500.00	105,000.00	90,000.00	90,000.00
		75100	27,300.00	3,875.00	7,350.00	6,300.00	6,300.00
	1% + 3 %	75100FEM	15,600.00	2,100.00	4,200.00	3,600.00	3,600.00
	3%	75100UNDP	11,700.00	1,575.00	3,150.00	2,700.00	2,700.00
		Total	417,300.00	56,175.00	112,350.00	96,300.00	96,300.00
		74500	390,000.00	44,000.00	108,080.00	102,000.00	99,000.00
		75100	27,300.00	3,080.00	7,560.00	7,140.00	6,440.00
	1% + 3 %	75100FEM	15,600.00	1,760.00	4,320.00	4,080.00	3,680.00
	3%	75100UNDP	11,700.00	1,320.00	3,240.00	3,060.00	2,760.00
		Total	417,300.00	47,080.00	115,560.00	109,140.00	98,440.00
		74500	355,000.00	50,000.00	100,000.00	80,000.00	75,000.00
		75100	24,850.00	3,500.00	7,000.00	5,600.00	5,250.00
	1% + 3 %	75100FEM	14,200.00	2,000.00	4,000.00	3,200.00	3,000.00
	3%	75100UNDP	10,650.00	1,500.00	3,000.00	2,400.00	2,250.00
		Total	379,850.00	53,500.00	107,000.00	85,600.00	80,250.00
		74500	355,000.00	50,000.00	100,000.00	80,000.00	75,000.00
		75100	24,850.00	3,500.00	7,000.00	5,600.00	5,250.00
	1% + 3 %	75100FEM	14,200.00	2,000.00	4,000.00	3,200.00	3,000.00
	3%	75100UNDP	10,650.00	1,500.00	3,000.00	2,400.00	2,250.00
		Total	379,850.00	53,500.00	107,000.00	85,600.00	80,250.00
		subtotal	2,568,000.00	341,500.00	703,000.00	602,000.00	580,000.00
		75100	179,760.00	23,905.00	49,210.00	42,140.00	40,600.00
	1% + 3 %	75100FEM	102,720.00	13,860.00	28,120.00	24,000.00	23,200.00
	3%	75100UNDP	77,040.00	5,854.29	12,051.43	10,320.00	9,942.86
		Total	2,747,760.00	365,405.00	752,210.00	644,140.00	620,600.00
Resumen							
			158,000.00	22,500.00	45,000.00	38,000.00	34,000.00
			772,000.00	128,500.00	252,000.00	197,700.00	122,000.00

			628,000.00	82,500.00	165,000.00	150,000.00	148,000.00
			450,000.00	62,500.00	125,000.00	100,000.00	100,000.00
			390,000.00	52,500.00	105,000.00	90,000.00	90,000.00
			390,000.00	44,000.00	108,000.00	102,000.00	92,000.00
			355,000.00	50,000.00	100,000.00	80,000.00	75,000.00
			355,000.00	50,000.00	100,000.00	80,000.00	75,000.00
			3,498,000.00	492,500.00	1,000,000.00	835,750.00	736,000.00
	ADMIN COST TOTAL						
			244,860.00	34,475.00	70,000.00	58,502.50	51,520.00
	1% + 3 %	75100FEM	139,920.00	19,700.00	40,000.00	33,430.00	29,440.00
	3%	75100UNDP	104,940.00	14,775.00	30,000.00	25,072.50	22,080.00
Project Budget	TOTAL		3,742,860.00	526,975.00	1,070,000.00	894,252.50	787,520.00

Section 4: Signatures of national counterparts and participating UN organizations

For UNIFEM
Teresa Rodríguez
UNIFEM Regional Director
Mexico, Central America, Cuba and Dominican Republic

Signature: 

For UNDP
Rebeca Grynspan
Regional Director
Name: _____

Signature: 