



21 August 2015

Dear Mr. Santiago,

Subject: Panama “Forest Carbon Partnership Facility REDD+ Readiness” Project
ATLAS BU: PAN10, Project No: 00080097, Output No: 00089923

I am pleased to delegate to you as the UNDP Resident Representative the authority to sign the Project Document on behalf of UNDP for the above-mentioned project. The project, which amounts to a total of US\$ 4,104,000 (inclusive of GMS), is based on the Readiness Preparation Proposal (R-PP) approved in accordance with the established Forest Carbon Partnership Facility (FCPF) procedures (FCPF Participants Committee resolution attached as Annex 1).

I am also pleased to provide a summary of the next steps in the process and to outline, for your easy reference, the mandatory FCPF-specific project requirements. In particular, I draw your attention to the FCPF-specific requirements concerning environmental and social safeguards. As a Delivery Partner of the FCPF, UNDP is obliged to follow the [Common Approach to Environmental and Social Safeguards](#) (“common approach”). Among other things, the “common approach” obliges UNDP to have accountability measures in place – including a compliance review process to address breaches of UNDP’s commitments under the “common approach”. This requirement is in line with UNDP’s [Social and Environmental Standards](#) and associated [Stakeholder Response Mechanism and Compliance Review](#), which became effective for all new projects starting 1 January 2015. Therefore the Guidance Note provided in Annex 2 is to be applied for the abovementioned project.

The UNDP REDD+ Team will support the Country Office with the “common approach” and other FCPF requirements by providing a suite of specialized technical services as detailed in Annex 3.

Next steps and mandatory FCPF-specific requirements:

1. *Project Document signature:*

As the Resident Representative with the delegated authority for this project, we kindly request that you sign the above-mentioned project document on behalf of UNDP. We would also appreciate your obtaining the signature of the representative of the implementing Partner on the cover page (as well as signature by the representative of the Government of Panama, if necessary).

Mr. Martin Santiago
UNDP Resident Representative
UNDP Panama
Panama

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2. Annual Work Plans and Budget Revisions:

To facilitate a quick start to the project, once the project document is signed, please kindly ensure that the Atlas-generated *Annual Work Plan (AWP)* based on the *Total Budget and Annual Work Plan* in the attached project document, along with a copy of the signed cover page, is sent to Ms. Clea Paz Rivera, Regional Technical Advisor (RTA) in Panama.

Any proposed budget revisions should be discussed with and forwarded early to the UNDP RTA together with a clear explanation of the changes proposed as significant changes may require review and approval by the FCPF. In addition, please note that as a Delivery Partner of the FCPF, UNDP is not in a position to increase the project budget above the amount already approved by the FCPF Participants Committee. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

3. Fee:

As a Delivery Partner of the FCPF, UNDP earns a fee upon approval of each project which is to be used to cover specific project assurance and oversight costs incurred by UNDP. For the Country Office, these services are related to the provision of General Management Support (GMS) services. Please refer to the [Revised UNDP GMS Policy effective 1 Jan. 2015](#).

If the Implementing Partner requests UNDP to provide direct services specific to project inputs (i.e. Implementation Support Services (ISS)), then UNDP's costs must be recovered in full accordance with UNDP's cost recovery policy. The cost of translating evaluations and FCPF reports may be included in the project budget as a direct cost.

All FCPF-funded projects must be audited in accordance with UNDP Financial Regulations and Rules and Audit policies, and an appropriate separation between project oversight and direct project support is required in accordance with the UNDP Internal Control Framework.

4. FCPF-specific project management requirements:

- Where possible, the inception workshop should be held within 3 months of project signature. To avoid any confusion during project implementation, we also recommend that the support activities to be undertaken by the Country Office, as listed in Annex 3, be confirmed at the inception workshop.
- The FCPF may need to be informed of changes to the results framework of the project document. As such, should you wish to make any such changes to the project document and/or budget, please discuss this in advance with the UNDP RTA. Project extension requests will need prior approval of the UNDP REDD+ Principal Technical Advisor (PTA).
- It is strongly recommended that the Project Manager prepare detailed annual operational plans based on the AWP. For the first year of project implementation the detailed plan should be reviewed at the inception workshop and subsequent years by the Project Board.
- As a Delivery Partner, UNDP is required to prepare semi-annual and annual reports to the FCPF. They are to be reviewed, cleared and submitted through the UNDP REDD+ team.
- Attachment 3 of the "common approach" sets out the documents that must be disclosed. This includes: terms of reference for consultancies; mission and monitoring reports; mid-term progress report; and the R-PP Assessment Note.
- As the FCPF develops its monitoring framework it is necessary to undertake a **mid-term review and a terminal evaluation** with a corresponding management response. Both mid-term reviews and

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terminal evaluations must be translated into English or they will not be accepted by the FCPF. Terminal evaluations should also be included in the UNDP Country Office Evaluation Plan and should be posted to the UNDP Evaluation Resource Center when completed. The specific requirements are available from the RTA.

- In order to accord proper acknowledgement to the FCPF for providing funding, the FCPF logo should be used in public documents and in outreach materials, including contractual arrangements between UNDP and the recipients of FCPF funds. Full compliance is also required with UNDP's branding guidelines.

In concluding, I would like to assure you of the UNDP REDD+ Team's and my personal commitment to the successful implementation of the project. The PTA and RTA are at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me.

Yours sincerely,



Nik Sekhran
Director, Chief of Profession, Sustainable Development
Bureau for Policy and Programme Support
UNDP

cc: Ms. Jessica Faieta, Assistant Secretary General and Bureau Director, RBLAC.
Mr. Fernando Hiraldo, UNDP Deputy Resident Representative.
Ms. Clea Paz Rivera, UNDP REDD+ Regional Technical Advisor, Panama.
Mr. Tim Clairs, UNDP REDD+ Principal Technical Advisor, Geneva, Switzerland.

Annex 1: FCPF Participants Committee Approval of the R-PP
Annex 2: Overview of UNDP's Proposed Dispute Resolution Process
Annex 3: UNDP Project Cycle Management Services for FCPF Projects

Annex 3: UNDP Project Cycle Management Services for FCPF Projects

Stage	Country Office ¹	UNDP REDD+ Team at regional (i.e. RTA) and global level
R-PP Preparation	<ul style="list-style-type: none"> • Identify REDD+ as part of country programme/CPAP and UNDAF/CCA. • Coordinate UNDP's inputs to the preparation of the R-PP, if requested by national counterpart • Support FCPF missions 	<ul style="list-style-type: none"> • Support the inclusion in the FCPF where appropriate. • Input on policy alignment between projects and programmes. • Provide information on substantive issues and FCPF funding opportunities. • Policy advisory services including identifying, accessing, combining and sequencing financing. • Verify potential eligibility of identified idea. • Reviews draft R-PP, as required • Identifies technical experts and consultants to support the preparation of the R-PP, as required
FCPF Participants Committee (PC) approval	<ul style="list-style-type: none"> • Support country delegation to the PC as requested • If possible, attend PC meeting as part of the UNDP delegation 	<ul style="list-style-type: none"> • Lead UNDP delegation to the PC • Participate in PC Contact Group to prepare resolution • Interact with the FCPF Management Team
Project Development (including <i>Initiation Plan</i> if applicable)	<ul style="list-style-type: none"> • Coordination, management and financial oversight of UNDP Initiation Plan • Discuss management arrangements 	<ul style="list-style-type: none"> • Assist in preparation of UNDP Initiation Plan • Technical support, backstopping and troubleshooting. • Support discussions on management arrangements
Appraisal of the Project Document (ProDoc) before Signature	<ul style="list-style-type: none"> • Apply relevant provisions of the POPP and UNDP appraisal requirements² • Determine the implementation modality • Ensure the HACT assessments are undertaken • Undertake UNDP Environmental and Social Review of project before the LPAC. Ensure the relevant documentation is signed by the RR of Chair of LPAC and attached as annex to the project document • Draft the Annual Work Plan (AWP) with the national counterpart • Organise and chairs the LPAC and prepares the minutes 	<ul style="list-style-type: none"> • Provide guidance, support and review on the application of the relevant provisions of the POPP and UNDP appraisal requirements, in the context of REDD+³ and the FCPF requirements • Provide substantive technical input to the finalization of the ProDoc • Provide REDD+ specific inputs to the UNDP Environmental and Social Review to ensure UNDP's obligations under the "common approach" are met • Technically review the draft ProDoc before the LPAC and provides written clearance on all technical matters of quality assurance • Review the AWP to ensure it is consistent with FCPF requirements and UNDP REDD+ standards • Assist the CO respond to any technical review comments • Prepare and post the FCPF required documents as set out in Attachment 3 of the "common approach", in particular the PID-equivalent and the R-PP Assessment Note

¹ As per UNDP POPP with additional FCPF requirements where relevant.

⁵ For example, the Prodoc Review Checklist, Considerations for Quality Programming, the Implementing Partner Checklist and the Risk Log

⁶ This will include the application of UNDP's Proposal for Environmental and Social Compliance Review and Grievance Processes

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Stage	Country Office ¹	UNDP REDD+ Team at regional (i.e. RTA) and global level
Project Inception	<ul style="list-style-type: none"> • Lead the recruitment of the project staff (if support to NIM or DIM), with participation of the National Implementing Partner and the RTA • Assist the National Implementing Partner(s) in recruiting other project staff and consultants (as appropriate) • Brief the project staff and consultants on UNDP implementation arrangements • Participate in Inception Workshop • Revise the AWP with the national implementing partner, if necessary • Set up the Atlas budget 	<ul style="list-style-type: none"> • Participate in the recruitment of CTA and/or key project staff • Assist in sourcing potentially suitable international candidates and other experts • Participate in Inception Workshop • Advise the CO, PMU and consultants on technical and FCPF issues during the Inception Workshop • Comment on revisions of the AWP and provides written clearance on all technical matters of quality assurance • Prepare inputs into the Inception Report, including the baseline against which to measure the performance indicators
Project Implementation	<ul style="list-style-type: none"> • Apply relevant provisions of the POPP and UNDP Monitoring & Evaluation Handbook • General oversight and monitoring, including the provision of UNDP project assurance as set out in the POPP • Monitor progress of key activities as defined in AWP • Perform oversight functions through field visits and periodic audits • Liaise with UN Country Team counterparts to ensure the coordination of activities • Support the project's systems, IT infrastructure, branding, knowledge transfer • Prepare and revise the AWP with the national implementing partner • Prepare progress reports as required • Conduct budget revisions, verify expenditures, advance funds, issue combined delivery reports, and ensure no over-expenditure of budget • Ensure necessary audits • Provide other information on the status of implementation as may be requested by UNDP REDD+ team • Coordinate harmonized UNDP positions in advance of Project Board meetings and other key in-country meetings • Facilitate and support Project Board meetings as outlined in project document and agreed with RTA. • Initiate and supports missions of REDD+ team 	<ul style="list-style-type: none"> • Review AWP, in order to ensure FCPF requirements are met and provide written clearance on all technical matters of quality assurance • Provide technical support services to CO and National Implementing Partner • Prepare regular Mission Reports • Work with the FCPF Management Team and UN-REDD Programme to ensure the coordination of activities at the global and regional levels • Contribute lessons and experiences from other UNDP REDD+ related programming and from other REDD+ initiatives • Provide operational guidance on FCPF requirements • Prepare technical analysis, compilation of lessons, dissemination of technical findings for the FCPF • Review and clear any reports to be submitted by UNDP to the FCPF • Coordinate harmonized UNDP positions in advance of FCPF meetings • Contribute to management response to mid-term review • Follow-up on matters regarding the Transfer Agreement between UNDP and FCPF

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Stage	Country Office ¹	UNDP REDD+ Team at regional (i.e. RTA) and global level
<p><i>Specific Quality Assurance Measures During Implementation</i></p>	<ul style="list-style-type: none"> • Arrange mid-term review: prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports • Ensure translation of mid-term review into English • Prepare management response to mid-term review 	
	<ul style="list-style-type: none"> • Calls on REDD+ team's support (a) regularly; and (b) as per an agreed set of project milestones • Participate in quarterly discussions with REDD+ team to agree the quality assurance elements connected to technical assistance inputs • Undertakes the project management quality assurance as per the UNDP POPP • Responsible for updating the Risks and Issues Logs • Apply the Guidance Note on Dispute Resolution as necessary • Responsible for the fiduciary accountability of UNDP's FCPF funds 	<ul style="list-style-type: none"> • Participate in quarterly discussions with the CO to agree the quality assurance elements connected to technical assistance inputs and to assess risks • Undertake regular reviews of the Risk and Issues Logs and provide feedback to the CO regarding technical issues and social/environmental risks • Make recommendations to the CO for the management of technical issues and social/environmental risks • Provide guidance to the CO and national counterparts on the application of the "common approach" for social and environmental issues • Undertake regular missions, in consultation with CO to review the implementation risks and agree adaptive management actions with the CO and national counterparts
<p>Project Evaluation and Closure</p>	<ul style="list-style-type: none"> • Integrate project terminal evaluation into CO evaluation plan. Identify synergies with country outcome evaluations. • Arrange terminal evaluation: prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports. • Ensure translation of terminal evaluation into English. • Prepare management response to terminal evaluation and post both terminal evaluation report and management response in UNDP ERC. • Facilitate and participate in other UNDP and FCPF evaluations as necessary • Close the project in accordance with the relevant provisions of the POPP • Final reports as required by FCPF 	<ul style="list-style-type: none"> • Contribute technical input and quality assurance to monitoring, reporting and evaluations • Advise on how the evaluation should be undertaken in accordance with FCPF requirements and guidance • Participate in evaluation as appropriate • Contribute to the UNDP management response to the evaluation and/or audit, as needed