



20 May 2013

Dear Ms. Rieger,

Subject: Delegation of Authority letter for Full size project of Ukraine entitled: “Conservation and sustainable use of peatlands” - PIMS No. 5230 - ATLAS BU: UKR 10 ; Atlas numbers: Project ID:00073498; Output ID: 00086272; managed under UNDP-EC Contribution Agreement “Clima East: Supporting climate change mitigation and adaptation in Russia and Eastern Neighbourhood countries through pilot projects”, EC Agreement ref: ENPI/2012/303-093

I am pleased to delegate to you the authority to sign the above-mentioned project document. The project is a part of the UNDP-EC Agreement (ENPI/2012/303-093). The EC budget for Ukraine, which amounts to a total of *EURO 1,926,000 including GMS to UNDP*, has received its final approval in accordance with UNDP and the Commission of the European Communities (EC) procedures.

I am also pleased to provide a summary of the next steps in the process and to outline, for your easy reference, the mandatory project financial and results management requirements. Please note that Annex 2 clarifies these in further detail, and please also note that the EC has specific requirements which must be complied with. Relevant documents and guidance on EC requirements can be found in Annex 3.

Next steps and mandatory EU-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 Ukraine).
2. ***Annual Work Plans (AWPs) and transfer of income to 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 project document, is sent to Mr. Maxim Vergeichik, Regional Technical Advisor (RTA) in Bratislava.
3. ***Please also ensure that the correct Fund and Donor codes*** are used in the AWP Chart of Accounts:

| Fund Code | Donor Code |
|-----------|------------|
| 30079 | 10159 |

Ms. Ricarda Rieger
Resident Representative
UNDP Kiev, Ukraine

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Upon receipt and review of these documents, contributions received from the Donor will be transferred by UNDP/GEF to the project.

Any proposed budget revisions should be forwarded to the UNDP RTA together with a clear explanation of the changes proposed as any significant changes require review and approval. In addition, please note that it is not possible to increase the total project budget above the amount already approved by the EC. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

4. *Fee:* Total fee (GMS) over the lifetime of the above mentioned project for all units in UNDP will be EURO 126,000. The fee (GMS) is to be used to cover specific costs incurred by UNDP and will be paid based on satisfactory delivery and audit compliance. For the Country Office, these services are related to supporting project development and providing oversight once the project is running, as detailed in Annex 2.

For payment of GMS, the Country Office is requested to set up F&A in Atlas to reflect the following GMS distribution among UNDP Units:

- UNDP Country Office: 3% (Euro 54,000)
- UNDP/GEF: 2% (Euro 36,000)
- UNDP Central Services including global operations: 1.33% (Euro 23,940)
- UNDP [Bureau]: 0.67% (Euro 12,060)

Actual transfer of project funding and GMS will be in US\$ (determined by the UN exchange rate in recording the contribution incomes in Atlas).

Please note that the fee is intended to cover the General Management Service (GMS) indirect costs of project support, supervision and oversight detailed in Annex 2. Any direct costs incurred by the Country Office may only be incurred in full compliance with UNDP and EC requirements. In particular, please refer to Article 14 of the Annex II (General Conditions) of the Contribution Agreement and Article 3 of the FAFA.

5. *Specific project management requirements:*

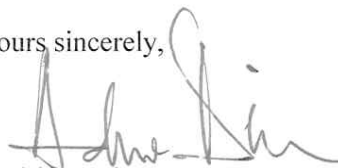
- The projects must be audited in accordance with UNDP Financial Regulations and Rules and Audit policies. UNDP/GEF reserves the right to reverse the GMS to CO and to suspend the project if this requirement is not met in a timely fashion.
- UNDP/GEF RCU in Bratislava must be informed of any changes to the project objectives, outcomes, indicators and budget lines of the project document that the country office might wish to implement. Such changes would need to be cleared by UNDP/GEF RCU in consultation with the EC before they can occur. As such, should you wish to make any changes to the results framework, or the budget, please discuss this with the UNDP RTA.
- M&E of the project must be carried out in accordance with the programming policies and procedures outlined by UNDP and agreed with the EC, specified in the Monitoring, Reporting and Evaluation section of the project document. Advice on the implementation of specific M&E requirements is available from the Regional Technical Advisor in Bratislava.
- Annex 2 includes a number of key UNDP management performance indicators that aim to improve the efficiency and effectiveness in the oversight and supervision services provided. Performance against these indicators will be monitored on an annual basis.
- In order to accord proper acknowledgement to the EC for providing funding, full compliance is needed with the Article 6 of the General Conditions regarding Visibility and Transparency. Full compliance is also required with UNDP's branding guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>.

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- After closure of the project, for a period of at least 5 years, the Country Office is required to keep financial information as specified in detail in Article 16 of Annex II (General Conditions) and make them available to the competent bodies of EU.

In concluding, I would like to assure you of UNDP/GEF's and my personal commitment to a successful implementation of the project. The Regional Technical Advisors 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,



Adriana Dinu

UNDP-GEF Officer-in-Charge and
Deputy Executive Coordinator

cc: Ms. Cihan Sultanoglu, Assistant Administrator and Bureau Director, RBEC
Mr. Maxim Vergeichik, UNDP/GEF Regional Technical Advisor, Bratislava, Slovakia
Mr. Sergei Volkov, UNDP-GEF Focal Point, Country Office Kiev, Ukraine

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Annexes

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|----------------|---------------------------|
| Annex 1 | National Project Document |
| Annex 2 | Project Support Services |
| Annex 3 | Relevant EC documents |

Annex 1 National Project Document

The document is attached as a separate attachment.

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Annex 2: Project Support Services

| Stage | Country Office ¹ | UNDP Headquarters and RTAs) |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Identification, Sourcing/Screening of Ideas, and Due Diligence | Identify project ideas as part of country programme/CPAP and UNDAF/CCA. | <ul style="list-style-type: none"> • Technical input to CCA/UNDAFs and CPAPs where appropriate. • Input on policy alignment between projects and programmes. • Provide information on substantive issues and specialized funding opportunities (SOFs). • Policy advisory services including identifying, accessing, combining and sequencing financing. • Verify potential eligibility of identified idea. |
| | Assist proponent to formulate project idea / prepare project idea paper (e.g. GEF PIF/PPG, EC concept paper). | <p><i>Technical support:</i></p> <ul style="list-style-type: none"> • Research and development. • Provide up-front guidance. • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Training and capacity building for Country Offices. |
| | <p><i>Appraisal:</i></p> <ul style="list-style-type: none"> • Review and appraise project idea. • Undertake capacity assessments of implementing partner as per UNDP POPP. • Environmental screening of project as and when included in UNDP POPP. • Monitor project cycle milestones. | <ul style="list-style-type: none"> • Provide detailed screening against technical, financial, social and risk criteria. • Determine likely eligibility against identified SOF. |
| | <p><i>Partners:</i></p> <ul style="list-style-type: none"> • Assist proponent to identify and negotiate with relevant partners, cofinanciers, etc | <ul style="list-style-type: none"> • Assist in identifying technical partners. • Validate partner technical abilities. |
| | <p><i>Obtain clearances:</i></p> <ul style="list-style-type: none"> • Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc. | <ul style="list-style-type: none"> • Obtain SOF clearances. |
| Project Development | <p><i>Initiation Plan:</i></p> <ul style="list-style-type: none"> • Management and financial oversight of Initiation Plan • Discuss management arrangements | <ul style="list-style-type: none"> • Technical support, backstopping and troubleshooting. • Support discussions on management arrangements • Facilitate issuance of DOA |

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

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| Stage | Country Office ¹ | UNDP Headquarters and RTAs) |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p><i>Project Document:</i></p> <ul style="list-style-type: none"> • Support project development, assist proponent to identify and negotiate with relevant partners, cofinanciers, etc. • Review, appraise, finalize Project Document. • Negotiate and obtain clearances and signatures – Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc. • Respond to information requests, arrange revisions etc. • Prepare operational and financial reports on development stage as needed. | <p><i>Technical support:</i></p> <ul style="list-style-type: none"> • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Negotiate and obtain clearances by SOF • Respond to information requests, arrange revisions etc. • Quality assurance and due diligence. • Facilitate issuance of DOA |
| Project Oversight | <i>Management Oversight and support</i> | <i>Technical and SOF Oversight and support</i> |
| | <p><i>Project Launch/Inception Workshop</i></p> <ul style="list-style-type: none"> • Preparation and coordination. | <ul style="list-style-type: none"> • Technical support in preparing TOR and verifying expertise for technical positions. • Verification of technical validity / match with SOF expectations of inception report. • Participate in Inception Workshop |
| | <p><i>Management arrangements:</i></p> <ul style="list-style-type: none"> • Facilitate consolidation of the Project Management Unit, where relevant. • Facilitate and support Project Board meetings as outlined in project document and agreed with UNDP RTA. • Provide project assurance role if specified in project document. | <ul style="list-style-type: none"> • Technical input and support to TOR development. Troubleshooting support. • Support in sourcing of potentially suitable candidates and subsequent review of CVs/recruitment process. |
| | <p><i>Annual WorkPlan:</i></p> <ul style="list-style-type: none"> • Issuance of AWP. • Monitor implementation of the annual work plan and timetable. | <ul style="list-style-type: none"> • Advisory services as required • Review AWP, and clear for ASL where relevant. |
| | <p><i>Financial management:</i></p> <ul style="list-style-type: none"> • Conduct budget revisions, verify expenditures, advance funds, issue combined delivery reports, ensure no over-expenditure of budget. • Ensure necessary audits. | <ul style="list-style-type: none"> • Allocation of ASLs, based on cleared AWP • Return of unspent funds to donor • Monitor projects to ensure activities funded by donor comply with agreements/ProDocs • Oversight and monitoring to ensure financial transparency and clear reporting to the donor |

| Stage | Country Office ¹ | UNDP Headquarters and RTAs) |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p><i>Results Management:</i></p> <ul style="list-style-type: none"> • Alignment: link project output to CPAP Outcome in project tree in Atlas, link CPAP outcome in project tree to UNDP Strategic Plan Environment and sustainable Development Key Result Area as outlined in project document during UNDP work planning in ERBM. • Gender: In ATLAS, rate each output on a scale of 0-3 for gender relevance. • Monitoring and reporting: Monitor project results, track result framework indicators, and co-financing where relevant. Monitor risks in Atlas and prepare annual APR/PIR report where required by donor and/or UNDP/GEF. • Annual site visits – at least one site visit per year, report to be circulated no later than 2 weeks after visit completion. | <ul style="list-style-type: none"> • Advisory services as required. • Quality assurance. • Project visits – at least one technical support visit per year. |
| | <p><i>Evaluation:</i></p> <ul style="list-style-type: none"> • Integrate project evaluations into CO evaluation plan. Identify synergies with country outcome evaluations. • Arrange mid-term, final, and other evaluations: prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports. • Participate as necessary in other evaluations. • Ensure tracking of committed and actual co financing as part of mid-term and final evaluations. • Prepare management response to project evaluations and post in UNDP ERC. | <ul style="list-style-type: none"> • Technical support and analysis. • Quality assurance. • Compilation of lessons and consolidation of learning. • Dissemination of technical findings. • Participate as necessary in other SOF evaluations. |
| | <p><i>Project Closure:</i></p> <ul style="list-style-type: none"> • Final budget revision and financial closure (within 12 months after operational completion). • Final reports as required by donor (EU) and/or UNDP. | <ul style="list-style-type: none"> • Advisory services as required. • Technical input. • Quality assurance. |

Annex 3 Relevant EC documents

The documents are attached as a separate attachment.