## Project Initiation Document

| | |
|---|---|
| Project Title: | Equitable Human Development in Latin America and the Caribbean |
| Expected RPD Outcome: | **OUTCOME 1 (SP 1)** Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded. |
| Expected RPD Output(s): | *Programme Outputs as stated in the RBLAC RPD*: <br> Output 1.1. Regional, sub-regional and national policies have the necessary analytical perspective and strategic planning tools to promote Human Development with special emphasis on the structural factors of inequality (Regional output) <br> Output 1.2. Options enabled and facilitated for inclusive and sustainable social protection (SP output 1.2) <br> Output 1.3 Solutions developed at national and sub-national levels for sustainable management of natural resources, biodiversity and ecosystem services |
| Executing Entity: | UNDP – Regional Bureau for Latin American and the Caribbean. |
| Implementing Agencies: | UNDP – Regional Bureau for Latin American and the Caribbean. |

### Brief Description

This initiative aims to provide continuity of currently ongoing activities throughout the transition process derived from UNDP's structural change, within the framework of the new LAC Regional Programme 2014-2017. At the end date of this document, a full-fledged project document will be developed in order to continue with this initiative. The overall purpose of the project 'Equitable Human Development in Latin America and the Caribbean' is to continue the production and dissemination of knowledge and policy tools aimed at fostering debate and policy alternatives for a more equitable human development in the region, previously developed within the 2008-2013 programmatic framework.

| | | | |
|---|---|---|---|
| Programme Period: | 2014-2015 | Total resources required | $185,000 |
| Atlas Award: | | Total allocated resources: | $185,000 |
| Atlas Project ID: | | • RBLAC TRAC Funds | $185,000 |
| | | • Other: | |
| Start date: | 1 October 2014 | o Donor | |
| End date: | 31 March 2015 | o Donor | |
| PAC Meeting Date | 23 September 2014 | Unfunded budget: | |
| | | In-kind Contributions | |

Agreed by UNDP: Susan McDade, Deputy Regional Director, RBLAC

*[signature]* McDade
30-9-2014.

## I.    PURPOSE

By most measures, both income and non-income based, Latin America and the Caribbean (LAC) continues to be the most unequal region in the world. Equity gaps start at birth, and continue throughout the life cycle –generating inequality of opportunity, exclusion, and discrimination from childhood to old age. Inequalities are inter-connected: they are not circumscribed to the labor market, the schooling system or mechanisms of political representation. They permeate societies in ways visible and invisible. The Human Development Index for LAC drops 24.5 percent when adjusted by inequality.

Income-based inequality can be tackled through deliberate social policies and dynamic labor markets. Sixteen of 17 countries in the region for which there is comparable data have shown a reduction in income-based inequality. In some countries, inequality has come down quite rapidly and the regional average reduction reached 1% per year. Inequality has come down mainly because of three factors: improvements in labor income of the poor and vulnerable, which accounts for between 40 and 60 percent of reduction; social transfers, which accounts for between 10 and 20 percent of inequality reductions, and the demographic dividend, which accounts for up to 10 percent of reductions.

Over the past 12 years, Latin America and the Caribbean moved 60 million people out of poverty (as defined by the $4/day poverty line) and close to 90 million moved into the regional middle classes (by the $10 to$50/day line). As progress on income-based poverty has accelerated, so has a demand to re-balance achievements in other dimensions of wellbeing –including calls for more inclusive social protection systems, higher-quality jobs, better time-use between men and women in the household, lower commuting time to the workplace, better citizen security on the streets, more environmentally sustainable cities, and citizen empowerment in the community, among others. The imbalance between income and non-income dimensions of wellbeing has catalyzed new social and political demands and conflict. The key lesson of this decade is that hard inequalities, exclusions and discrimination do not go away with more economic growth.

As the LAC Regional Program 2014-2017 (RP14-17) suggests, it is possible to anticipate that closing inequality gaps will be the key concern for middle income countries (33 of the 34 countries in the region) over the next 10 to 15 years. The hardest to reach poor and vulnerable groups are usually excluded from dynamic labor markets and existing social safety nets. They include working-age women and youth, indigenous peoples and afro-descendants and rural citizens throughout the region. Without specific and deliberate polices targeting their inclusion – confronting income and non-income based inequalities upfront—it will be very difficult to sustain the pace of social and economic achievement of the past decade; as economies slow-down from lower commodity prices and tighter monetary policies, it will be necessary to do more to stay the same. Economic growth is not a panacea, but as growth slows down, it is necessary to get better at translating the little growth existing to better services, more human development and more equality of opportunity.

Thus, this project will be devoted to continue RBLAC's production and dissemination of knowledge and policy tools aimed at fostering debate and policy alternatives for a more income- and non-income-related equitable human development in the region.

Resource mobilization will be a crucial component of this transitional document in order to generate a broader initiative that will include the production of a regional Human Development Report. The Report is expected to comprise specific elements for Latin America, Central America and the Caribbean. This broader initiative is also expected to include a series of key partnerships with entities such as the Spanish Agency for International Development Cooperation (AECID) and the European Union, among other.

## II.   EXPECTED OUTPUT

UNDP will leverage primarily its core resources and its technical and operational service infrastructure to undertake a set of activities aimed at the production and dissemination of knowledge and policy tools:
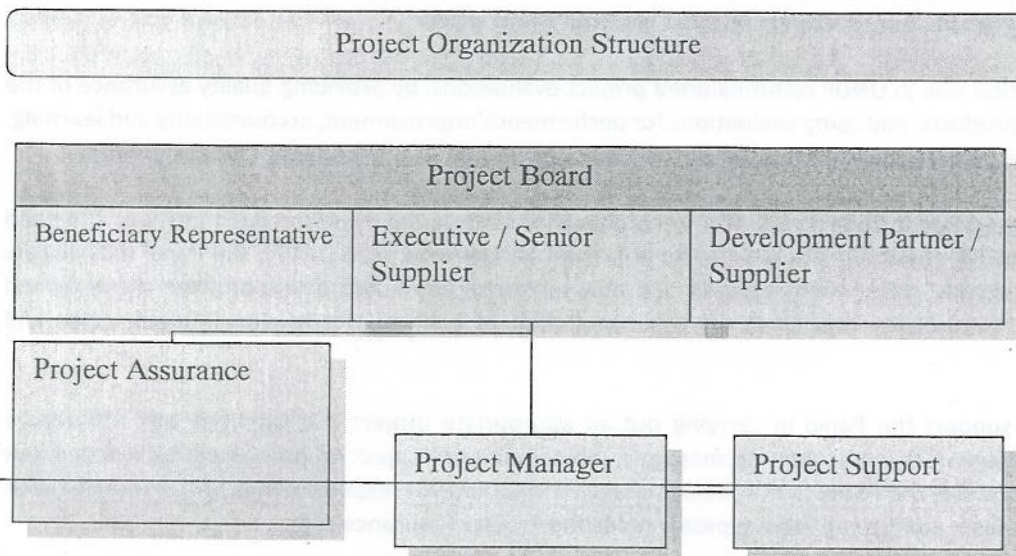
### Knowledge and policy Tools

In order to achieve Outcome 1 (SP 1), the 2014 -2017 Regional Programme for Latin America and the Caribbean points as indicative interventions to foster analysis, dialogue, systematize and share best practices and knowledge to:

a) Analytical instruments to promote fiscally sustainable universal social protection floors covering every stage of an individual's life-cycle and incorporate a gender and disadvantaged group perspective; this focus will move beyond previous work on conditional cash transfers and targeted poverty alleviation mechanisms;

b) Methodologies/instruments and install capacities to address the multidimensional aspects of poverty, including subjective well-being, time use and gender-sensitive measures of poverty and exclusion. Situation of people living in urban and peri-urban areas also will be considered.

c) Attention to policy and technical assistance demands on strategic planning for Middle Income Countries and SIDS closing the MDG cycle and transitioning to a Post-2015/SDG agenda in the region

d) Interactive electronic journal to disseminate knowledge and to promote debate on core sustainable development issues.

This initiative aims to provide continuity of currently on-going activities throughout the transition process derived from UNDP's structural change, within the framework of the new LAC Regional Programme 2014-2017. The overall purpose of the project 'Equitable Human Development in Latin America and the Caribbean' is to continue the production and dissemination of knowledge and policy tools aimed at fostering debate and policy alternatives for a more equitable human development in the region, previously developed within the 2008-2013 programmatic framework.

## III.   MANAGEMENT ARRANGEMENTS

Project Organization Structure



| Project Board | | |
|---|---|---|
| Beneficiary Representative | Executive / Senior Supplier | Development Partner / Supplier |
| Project Assurance | Project Manager | Project Support |

The current regional Poverty, Human Development and MDGs Practice Team will manage this continuity phase of the project. Successive phases of the project, including further resource mobilization actions, will be managed as part of the portfolio of projects within the Sustainable Development cluster. In this continuity phase, strategic direction will continue to be provided by the ad-hoc **Regional Program Thematic Advisory Panel for Poverty and MDGs (the Panel)** that has served in the same capacity since the previous 2008-2013 programmatic cycle. The Panel will be convened and chaired by the Regional Director with the support of the Team Leader.

The project will be directly executed by UNDP and implemented by the Project Team, which includes members of the team in New York, Panama and Country Offices. In addition to the team based in the region, the project will count on its network of consultants to attain its objectives. Country offices with which this initiative has been working since the previous 2008-2013 cycle will continue to be involved in ongoing activities both as beneficiaries and consultative entities of the project; among these, are: Barbados, Bolivia, Costa Rica, Ecuador, Honduras, Jamaica, Mexico and Peru.

Annual work plans will be prepared by the Team Leader with support from the corresponding Policy Adviser, Programme Specialist and/or Programme Associate, and will be approved by the Panel, which will: i) provide advice on how to best address ongoing regional priorities within the relevant thematic area; ii) discuss the project implementation outcomes and outputs, and provide feedback and technical advice on the activities and projects carried out by the Team, and iii) review the Team work plan for the following cycle.

The Panel will be consisting of:

- Two recognized regional experts (from research institutes, policy institutes, academia, think tanks or civil society);
- Two government officials (one from the UNDP Executive Board, ensuring sub-regional geographical coverage);
- Two UNDP Resident Representatives, ensuring sub-regional coverage;
- The Practice Unit Directors of BPPS, or their equivalent, and
- The Gender Unit Leader from Panama Regional Hub.

Meetings will be held every year with the location of the meeting to be determined by the Regional Director, which will be no longer than one working day. The Panel will be responsible for making management decisions when guidance is required by the Team Leader, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. The Panel will adopt decisions on development results guidelines, best value for money, fairness, integrity, transparency and effective international competition in agreement. In case a consensus cannot be reached within the Panel the final decision shall rest with the Team Leader.

The Panel will play a critical role in UNDP commissioned project evaluations, by providing quality assurance of the evaluation process and products, and using evaluations for performance improvement, accountability and learning. Project reviews by this group are made by request of the Team Leader and at the following decision points.

The Panel will be consulted by the Team Leader for decisions when his tolerances (normally in terms of time and budget) have been exceeded (flexibility). Based on the approved annual work plan (AWP), the Panel may review and approve project quarterly plans when required and may authorize any major deviation from these agreed quarterly plans. It is the authority that signs off the completion of each quarterly plan (budget, roles and responsibilities, etc.)

Project Assurance will support the Panel in carrying out an appropriate project management and will ensure appropriate project management milestones are managed and completed. Project Assurance will be independent of the Team Leader; therefore, the Panel cannot delegate any of its assurance responsibilities to the Team Leader. A Programme Specialist from a different Team typically holds the Project Assurance role.

The Team Leader has the authority to run the project on a day-to-day basis on behalf of RBLAC within the constraints laid down by the Panel. The Team leader is responsible for day-to-day management and decision-

making for the project. The Team Leader's prime responsibility is to ensure that the project produces the results (outputs) specified in the project document. RBLAC appoints the Team Leader. Prior to the approval of the project, the Project Developer role is the UNDP staff member responsible for project management functions during formulation until the Team Leader is in place.

The Project Support role provides project administration, management and technical support to the Team Leader as required by the needs of the individual project or Team Leader. It is necessary to keep Project Support and Project Assurance roles separate in order to maintain the independence of the latter.

A **Regional Practice Advisory Board** (the Board) will oversee the work and management of the Regional Programme and of the Panama Regional Centre (PRC) with a primary focus on the quality and efficiency of the PRC services and functions and support to Cos and other clients as well as the overall performance of the Regional Programme.

The Board is comprised by the RBLAC Director (Chair), the Directors (or their designated representatives) of BPPS, BOM (or equivalents), and one Resident Representative from each of the four LAC sub-regions. The Board's primary tasks include: monitor the quality and the efficiency of the PRC support to the clients and provide advice on how quality and efficiency of the services should be enhanced; assist the PRC with resource mobilization; and provide guidance and assist with the promotion of knowledge management within Country Offices.

## IV.     MONITORING FRAMEWORK AND EVALUATION

In accordance with the programming policies and procedures outlined in the UNDP User Guide, the project will be monitored through the following:

Within the annual cycle

> ➤ On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.

> ➤ An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.

> ➤ Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.

> ➤ Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Board through Project Assurance, using the standard report format available in the Executive Snapshot.

> ➤ A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project

> ➤ A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

> ➤ **Annual Review Report**. An Annual Review Report shall be prepared by the Project Manager and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.

> ➤ **Annual Project Review**. Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the

Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

## V.     LEGAL CONTEXT

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the "Project Document" instrument referred to in: (i) the respective signed SBAAs for the specific countries; or (ii) in the Supplemental Provisions attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof

This project will be executed by UNDP in accordance to its Financial Regulations and Rules. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

The responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. The Implementing Partner shall: (a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; (b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

## VI. ANNUAL WORK PLAN

Year: 2014-2015

| EXPECTED OUTPUTS And baseline, indicators including annual targets | PLANNED ACTIVITIES List activity results and associated actions | TIMEFRAME | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | | Funding Source | Budget Description | Amount |

| EXPECTED OUTPUTS And baseline, indicators including annual targets | PLANNED ACTIVITIES List activity results and associated actions | Q1 | Q2 | Q3 | Q4 | Q1 | RESPONSIBLE PARTY | Funding Source | Budget Description | Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| **Output 1** Social policy in the region comprises more inclusive, sustainable and productive strategies. **Baseline:** LAC continues to be the most unequal region in the world with regressive or neutral post-tax/benefit systems. **Indicators:** - Number of countries improving their Gini Index | **1. A policy toolkit for Human Development equity** • Development and dissemination of poverty and inequality determinants analysis, post-tax/benefit equity analysis and social reform simulations methodology and analysis for at least 3 countries | | | | X | X | Poverty, Human Development and MDG Cluster | RBLAC TRAC Spain-UNDP Trust Fund | Staff Time Local Consultants Workshops and Conferences Miscellaneous | USD 98,000 |

| EXPECTED OUTPUTS And baseline, indicators including annual targets | PLANNED ACTIVITIES List activity results and associated actions | TIMEFRAME | | | | | RESPONSIBLE PARTY | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | | Funding Source | Budget Description | Amount |
| and their post-tax/benefit progressiveness from measurement available in 2012.<br><br>- Number of countries institutionalizing more inclusive social protection systems.<br><br>Targets:<br><br>- 3 countries participating in initiatives aimed at improving their Gini Index and their post-tax/benefit progressiveness.<br><br>- 3 countries participating in initiatives improve inclusiveness in their social protection systems.<br><br>Related CP outcome: OUTCOME 1 (SP 1) Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded. | 2. A communication and advocacy tool to promote social inclusiveness in the region.<br><br>• Development and operationalization of a communication strategy for Revista Humanum in 2014-2015.<br><br>• Development and operationalization of a communication strategy for Agenda Post-2015/SDG section within Revista Humanum in 2014-2015. | | | | X | X | Poverty, Human Development and MDG Cluster | RBLAC TRAC<br><br>Spain-UNDP Trust Fund | Staff Time Local Consultants Audio-visual Miscellaneous | USD 87,000 |
| TOTAL | | | | | | | | | | USD 185,000 |

8

## VII. ANNEXES – RISK ANALYSIS

Project Title: Equitable Human Development in Latin America and the Caribbean

Award ID:          Date: 12 September 2014

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Management response | Owner | Submitted, updated by | Last Update | Status |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Sustained financial resources for the complete period are not guaranteed. | August 2014 | Financial | Incomplete products and incidence P = 3 Enter impact on a scale from 1 (low) to 5 (high) I = 3 | Fundraising activities to be performed during the first year to ensure resources for the second year on. | Cluster leader | Programme Specialist | Dec. 2013 | Recently identified |
| 2 | High-level policy incidence depends on critical junctures. | August 2014 | Strategic Political | Incidence and thus impact may be delayed until critical juncture takes place P =4 I =4 | Continuous follow-up of political and policy cycle in order to foresee the best moment. | Cluster leader | Programme Specialist | Dec.2013 | Recently identified |

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Management response | Owner | Submitted, updated by | Last Update | Status |
|---|---|---|---|---|---|---|---|---|---|
| 3 | Limited dissemination due to negative results from analysis for some countries. | August 2014 | Political | Dissemination of impact may be not public for request of confidentiality of analysis results by counterpart P = 2 I = 2 | Confidentiality will be absolutely honored but space to partially disclose public-interest information will be priority in negotiation with counterparts. | Cluster leader | Programme Specialist | Dec.2013 | Recently identified |
| 4 | Consistent inter-cluster collaboration may fail because of institutional inertia. | August 2014 | Organizational | May delay institutional transformation required by the new SP. P= 3 I = 4 | Continuous dialogue and clear goals in terms of establishing a formal mechanism for interaction. | Cluster leader | Programme Specialist | Dec.2013 | Recently identified |