

Memorandum of Understanding

Between the
The Grand Duchy of Luxembourg
and
The Government of El Salvador
with
United Nations Development Programme

For the Project:
“Consolidación de la estrategia de atención a la pobreza en El Salvador”

This Memorandum of Understanding confirms recognition of the financial support provided by The Grand Duchy of Luxembourg to the United Nations Development Programme, on behalf of the participating UN Organizations, for the project “*Consolidación de la estrategia de atención a la pobreza en El Salvador*” implemented under the direction and coordination of the Technical Secretariat of the Presidency and implemented with the support of the participating UN Agencies.

All the aforementioned organizations confirm their partnership in working together to consolidate the poverty alleviation strategy as per the full project proposal, a summary of which is attached.

Signed on 23 March 2012 in San Salvador,

For the Grand Duchy of Luxembourg:

Mrs Marie-Josée Jacobs
Minister for Development Cooperation
and Humanitarian Affairs.

For the Government of El Salvador:

Mr. Jaime Miranda
Vice Minister of Development Cooperation

For the United Nations Development Programme:
(on behalf of the participating UN Organizations)

Dr. Alexander Segovia
~~Technical Secretary of the Presidency~~

Mr. Roberto Valent
UN Resident Coordinator and
UNDP Resident Representative

Project Summary

The program will contribute to the consolidation of the Universal Social Protection System and the strategic policies for poverty reduction, gender inequality and social inclusion in El Salvador, through interventions that will: i) strengthen the national capacities for the measurement of poverty and the capacities for the design, monitoring and evaluation of poverty reduction strategies (multidimensional poverty component); ii) strengthen the income generating strategies of Comunidades Solidarias (income generating component); iii) promote the adoption of risks management and climate change adaptation practices by communities and local governments (risk management and climate change adaptation component); iv) strengthen the national capacities for the identification of participants of the poverty reduction strategies and the promotion of a rights based approach (consolidation of Comunidades Solidarias component)

The multidimensional poverty component will: a) support the revision and strengthening of the statistics institutional framework related to the measurement of poverty and the evaluation of social programs, b) develop a methodology for measuring poverty in a multidimensional manner, c) produce a multidimensional poverty indicator at the municipal level.

The income generating component will include three activities: a) the design and adaptation of methodologies and tools for income generating in Comunidades Solidarias, b) capacity building in the methodologies, c) implementing the income generating model in Comunidades Solidarias

The risk management and climate change adaptation component will: a) promote and strengthen community level organizations for the reduction of risks and adaptation to climate change, b) implement demonstrative projects, managed by communities, for the reduction of risks and adaptation to climate change, c) build capacities in government institutions in order to adopt risk reduction and climate change adaptation practices

The consolidation of Comunidades Solidarias component will a) strengthen the Registro Único de Participantes (participants' registry), as a key element for the identification and adequate targeting of social programs, b) support the inclusion of a rights based approach through systems of information and capacity building, c) strengthen the Technical Secretariat of the Presidency and the knowledge management of Comunidades Solidarias in order to promote continuous improvements in the poverty alleviation strategies

The implementation of the project will rely on the coordination of the agencies of the United Nations System and their ability to add value based on their relative comparative advantage.

Proposed indicative budget (Euros)

Activity	Total (Euros)
Component 1: Multidimensional Poverty	
ACTIVITY 1. Strengthen the statistics institutional framework related to the measurement of poverty and the evaluation of social programs	316,679.90
ACTIVITY 2. Design of a methodology for the multidimensional measurement of poverty, with a participatory process	703,860.53
ACTIVITY 3. Development of a multidimensional poverty indicator for the 262 municipalities of El Salvador	194,777.33
Sub Total Euros	1215,317.76
Component 2: Income generating	
ACTIVITY 1. Design and adaptation of methodologies and tools for income generating in Comunidades Solidarias	233,644.86
ACTIVITY 2. Capacity building in the methodologies and tools	233,644.86
ACTIVITY 3. Implementing the intervention model in Comunidades Solidarias	824,999.99
Sub Total Euros	1292,289.72
Component 3: Risk management and climate change adaptation	
ACTIVITY 1: Promoting community level commissions for risk reduction and climate change adaptation	198,915.89
ACTIVITY 2: Implementation of demonstrative projects managed for the communities, for the reduction of risks and/or the adaptation to climate change	138,457.95
ACTIVITY 3: Capacity building in executing institutions of Comunidades Solidarias, in risk management and adaptation to climate change	93,457.94
Sub Total Euros	430,831.77
Component 4: Consolidation of Comunidades Solidarias	
ACTIVITY 1: Strengthening of the Registro Único de Participantes (participants 'registry) for the identification and targeting of social programs	379,883.18
ACTIVITY 2: Support the promotion of a rights based approach through information systems and capacity building	169,252.34
ACTIVITY 3: Strengthening the capacities of the Secretaría Técnica de la Presidencia and the knowledge management of Comunidades Solidarias	344,200.93
Sub Total Euros	893,336.45
Coordination Unit	373,831.78
Sub Total Euros	373,831.78
7% GMS	294,392.52
Totals Euros	€ 4500,000.00