



11 November 2005

Dear Mr. Pimienta,

This refers to your allegation dated 12 October 2005 made against the United Nations Development Programme in the Dominican Republic for non-payment of work performed by your organization on behalf of a government project. In your complaint you allege that UNDP was responsible for paying a bill of USD \$8,600 for consulting services for a project that was executed by a government office, the Institute Dominicano de las Telecomunicaciones, or INDOTEL.

Our understanding of the facts are detailed in the following paragraphs. The government of the Dominican Republic through INDOTEL, decided to prepare a national strategy for information technology towards the end of 2003. This was a project that was supported by the World Bank and UNDP. UNDP contributed USD \$65,000 and the project document was signed between UNDP and INDOTEL on 19 of April 2004, and the project was completed on 31 December 2004.

INDOTEL worked with many civil society organizations, including your organization, Fundacion Redes y Desarrollo, FUNDREDES, which was paid \$26,000 in November of 2004 for work performed under this project. We understand that you presented an additional claim for USD \$8,600 in a letter dated 25 May 2005 that was addressed to both UNDP and INDOTEL. In its letter dated 28 June 2005, INDOTEL responded that it had paid FUNDREDES for all the work for which it was obligated, and INDOTEL refused to recognize this liability for the amount of \$8,600. Since INDOTEL was the executing agency for this project, INDOTEL made decisions about which vendors to pay and for how much.

This fact that INDOTEL had to first authorize any payment and then request that UNDP make a payment was acknowledged by you in an email dated 17 August 2004 that was addressed to an official of UNDP. In this email you stated that there was never a contract with UNDP but with INDOTEL, and that it was INDOTEL who had to make a written request to UNDP to request a payment to FUNDREDES. We carefully reviewed all the documentation that was provided by you as well as the country office, and we could not find any contract or other written obligation between the United Nations Development Programme and FUNDREDES. Furthermore, we found no evidence that INDOTEL ever asked UNDP to pay FUNDREDES for the this claim of \$8,600.



We sincerely regret that there has been a contractual misunderstanding between FUNDREDES and INDOTEL, and that in this dispute UNDP has been accused of failing to honor its contractual obligations. We sincerely hope that you may be able to resolve this issue directly with INDOTEL.

With regard to other allegations that you raise in your emails that UNDP is not fulfilling its responsibility to support a multi-stakeholder partnership between civil society and government in the telecommunications sector, we find no evidence to support that allegation. What we did note, however, was that in a letter dated 28 June 2005 from INDOTEL to FUNDREDES, INDOTEL rated its experience in working with UNDP as highly satisfactory.

Since we find that there is no evidence to support your claim that UNDP is obligated to pay Funredes USD \$8,600, we consider this matter as closed.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'Antoine Khoury', written over a horizontal line.

Antoine Khoury

Officer-in-Charge

Mr. **Daneil Pimienta**
FUNREDES
PO Box 2972
Santo Domingo, República Dominicana