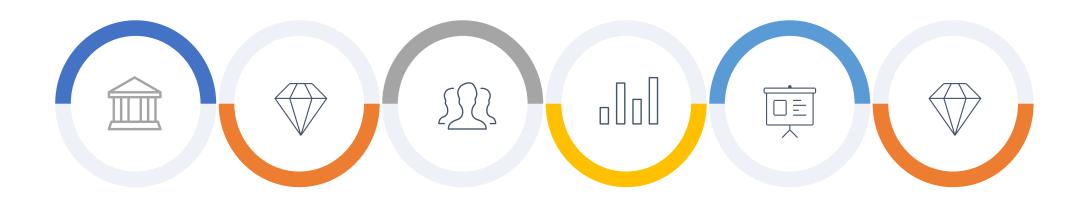


Key Principles of Engagement



Country-Owned, Strategic, issue-based programming & **integrated** solutions

Catalyzing diverse financing

Leveraging and innovative partnerships, private **sector** engagement

Focus on results, impacts, and knowledge

Risk-informed programming

Oversight & due diligence (in line with UNDP's accountability framework)

Government Request

Learning

- Pre-investment screening
- Partner risk assessment
- CO capacity assessment
- Quality assurance checklist

Ideation

Design

- Partner capacity assessments (PCAT, HACT, etc.)
- Stakeholder consultations & feasibility study
- Concept/PIF design
- Technical, safeguards, financial quality assurance

Approval

- Fund secretariat due diligence reviews
- iTAP/STAP assessments
- Legal negotiations for project agreements
- Submission to Board/Council

Implementation

Knowledge

- Start up, Inception, 1st disbursement
- Annual reporting
- Evaluations (midterm, terminal)
- Results & impacts monitoring/verification, QA
- Spot checks of IPs
- Policy advisory support/knowledge codification



Project Cycle

Workflows

Project Close

Terminal Evaluations





Roles of an Accredited Entity

- Maintain institutional capacities and systems for applying Fund policies, including ensuring executing entities apply the same policies (subsidiary agreements)
- Pipeline & portfolio management in line with and contributes to the AE's Strategic Plan and the Fund's Strategic Plan directions (ex. GCF EWP)
- Oversee the full project cycle from origination to closure
 - Development and submission of proposals that meet the requirements of the Fund
 - Implementation, monitoring and reporting of project activities (incl. financial reporting)
- Undertake annual self assessments and mid-term assessments to demonstrate continued compliance with the Fund policies (e.g. fiduciary, ESS, gender) and implement remedial measures where required.



Key Areas of Policy Application

Technical

- Technical rigor & quality
- Climate rationale
- Theory of Change
- Logic framework (results & impacts)
- Economic & financial analysis
- Implementation arrangements
- Partnerships

ESS & Gender

- ESS screening
- ESS management (ESMP, ESIA, etc.)
- Gender assessment & action plan

Finance & Procurement

- Capacity
 assessments &
 implementation
 arrangements
- Detailed budget plan and notes
- Co-financing commitments
- Procurement plan
- AE fee mgmt

Legal

- Corporate agreements (ex. AMA)
- Project agreements (ex. FAA)
- Legal due diligence
- Conditions monitoring

Risk Management

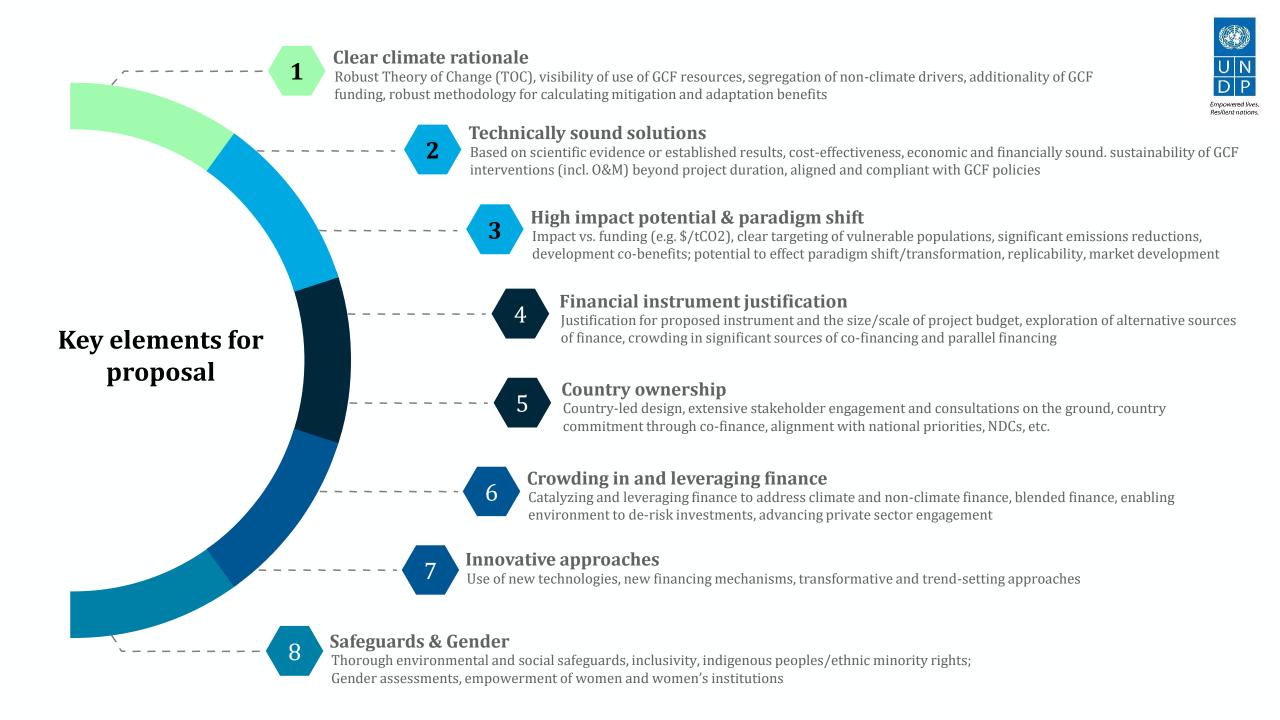
- Risk assessment & mitigation measures
- Risk monitoring and escalation



Project Management System

Covering all steps of the project cycle







Case Studies: UNDP-GCF Indonesia

Building the climate resilient of small holder farmers in Nusa Tenggara Timur



Theme: **Adaptation**

Duration: 6 years

Budget: USD 48.8m

(GCF 29.6m, Co-F 19.2m)

AE: UNDP

Beneficiaries: **210,055 direct** (3.9% of provincial population),

1,524,600 indirect (27% of provincial population)

Status: Funding Proposal under development (to be

submitted to GCF soon)

EE: Coordinating Ministry of Economic Affairs (CMEA),

Government of Indonesia

The objective of this project is to strengthen the resilience agricultural production and livelihood security of these smallholder farmers in Nusa Tenggara Timur by combining public and private sector investments towards climate smart agriculture, improving access to markets and finance and enhancing institutional capacity. The project will directly benefit and transform the lives of approximately 200,000 people in NTT (or about 3.9% of the provincial population) whose lives are dependent on agriculture through the following three outputs:

- 1. Building the enabling environment and institutional frameworks for long-term climate resilient agricultural management and planning;
- 2. Strengthening climate resilient agricultural livelihoods of smallholder farmers through scaling and adopting innovative climate resilient crop production practices; an
- 3. Improving farmers' access to finance and markets for sustainable climate resilient agricultural production



Theory of Change

Impact: Paradigm shift IF public and private investments towards climate resilient agricultural production are better aligned and coordinated and farmers receive effective financial and technical assistance.

THEN the long-term climate resilience of agricultural production and livelihood security will be enhanced,

BECAUSE smallholder farmers in NTT province have access to knowledge and skills to implement CRA, affordable credit and markets to sustain viable agricultural production.

Outcome and Co-benefits

Outcome 1: Institutional systems aligned to promote and sustain CRA

Co-benefit 1: Increased application of CRA practices across NTT

Co-benefit 2: Increased livelihood security and income stability for Singlification (1997) and Priv

Co-benefit 3: Women and Youth farmers empowered

Outcome 2: Reduced exposure of agri-livelihoods to climate risks

Co-benefit 4: Agri sector more attractive for Financial Institutions and Private Sector

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Outcome 3: Additional financing channels unlocked for promoting CRA

Output 1: Building the enabling environment and institutional frameworks for long-term climate resilient agriculture management and planning

Output 2: Strengthening climate resilient agricultural livelihoods of smallholder farmers through scaling and adopting innovative climate resilient crop production practices Output 3: Improving farmers' access to finance and markets for sustainable CRA production

Activities

Activity 1.1 Establish a long-term climate resilient agriculture strategy for provincial and district level agriculture planning and management.

Activity 1.2 Enhance the generation of tailor-made climate risk information products and advisories for farmers to improve on-farm decision making.

Activity 1.3 Strengthen the extension system by introducing climate considerations, expanding coverage and improving efficiency.

Activity 2.1. Strengthen poktans (Farmer Producer Organizations) as a business unit that promotes CRA.

Activity 2.2. Deliver CRA practices through Farmer Field Schools (FFS)

Activity 3.1. Enhancing farmers' access to markets through digital integration of farmers and other value chain actors.

Activity 3.2. Financial tools and processes developed for financiers to engage farmers in CRA practices.

Activity 3.3. Establishing Climate Innovation Forums (CIFs) to facilitate multi-stakeholder coordination and information exchange.

Barriers, risks

BARRIER 1: Institutional

BARRIER 2: Production and Post-Harvest

Small-scale and fragmented farming units with limited physical and social assets for production and post-harvest activities as well as small and weak farmer organizations which leads to lacks of adoption of CRA, low productivity, lower retained earnings and lower investments. → Absence of private actors to stimulate the market and support farmers → Fragmented value-chains → lower viability of agricultural activities.

BARRIER 3: Financial and Market Access

Financial institutions are disinclined to lend to farmers → Reduced farmers' investments in climate resilient agriculture → Worsening vulnerability over time and reduced incentives for value chain actors to access finance to invest in expanding commercial activities in NTT without a commensurate increase in the quality. quantity and stability of commodity supply from farmers.

- Effective coordination at a national, provincial and local level in the implementation of the project.
- National, Provincial and Local government staff effectively adopt Long-term CRA strategy for annual planning and budgeting.
- Extreme weather events do not occur and pose risks to the sustainability of project activities.
- Project generates adequate interest from financing institutions, private sector and value-chain actors to participate.
- Poktans, smallholder farmers and value-chain actors adopt climate resilient practices promoted by the project.
- · Co-financing for the project materializes ss per commitment for project activities to be implemented in its entirety.



Lessons Learned from Project Design

Timeline for project development

• Changing contexts, donor requirements, etc.

Securing actual co-finance

• Overcoming traditional notion of "donor projects"

Challenges of targeting most vulnerable beneficiaries vs crowding-in investments

• Challenges of quantifying the kind of parameters investors are typically interested in

Avoid a piecemeal approach to identifying transformative solutions

 Importance of jointly ideating a vision for transformation with stakeholders & discussing the financing plan, exit strategy, private sector engagement, etc.

Reviews are thorough, lengthy and can be highly technical

Additional studies may need to be undertaken based on reviews



Case Study: UNDP-GCF Tuvalu

Tuvalu Coastal Adaptation Project (TCAP)



Theme: **Adaptation** Budget: **USD 38.9m** (GCF 36m, Co-F 2.86m

Duration: **7 years** Beneficiaries: **3,100 direct** (29% of population)

Approval: June 2016 Project start: June 2017 Project end: June 2024

Status: Under Implementation (Year 5)

AE: UNDP EE: UNDP

This project supports the Government of Tuvalu (GoT) to implement measures that are urgently required to reduce the impact of increasingly intensive wave action on key infrastructure as a result of climate change induced sea-level rise and intensifying extreme events.

This is done through three outputs:

- 1. Strengthening of institutions, human resources, awareness and knowledge for resilient coastal management
- 2. Vulnerability of key coastal infrastructure including homes, schools, hospitals and other assets is reduced against wave induced damages in 3 islands of Funafuti, Nanumea and Nanumaga
- 3. A sustainable financing mechanism established for long term adaptation efforts



Challenges and Lessons Learned during Implementation

Delays in implementation start up

Emergence of new or different safeguards issues

Importance of revisiting budgets and multi-year work planning

Adaptive Management

Importance of stakeholder engagement

Delays/changes in implementation plan

Political changes and implications

Complying to conditions for disbursements

Government ownership and engagement of stakeholders



