

PROJECT IMPLEMENTATION REPORT

Project ID:	10908
Project Name:	Building adaptation and resilience to climate change in the essential oil sector in Madagascar (ARCHE)
Countr(ies):	Madagascar
Implementing Agency:	UNIDO

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I. Overview

A. Description

Project name

Building adaptation and resilience to climate change in the essential oil sector in Madagascar (ARCHE)

Country

Madagascar

GEF ID

10908

Implementing Agency

UNIDO

Executing Entity

National Coordination Bureau for Climate Change and REDD+ (BNCC-REDD+) - Ministry of Environment & Sustainable Development (MEDD)

Trust Fund

LDCF

Project Type

MSP

PIR Submission

9/11/2026

Fiscal Year , PIR Number

FY 2026 , 3rd PIR

Objective

Reduce vulnerability and increase resilience to climate change of the essential oils (EO) value chain by promoting the deployment of innovative adaptation technologies and services

B. Ratings and Disbursements

Implementation Progress

Moderately Satisfactory

Development Objective

Satisfactory

Overall risk

Low Risk

Project Financing

1,945,250.00

Cumulative Disbursement

16,763.00

C. Key Dates

CEO Endorsement/Approval

1/25/2023

Agency Approval

2/10/2023

Implementation Start 4/13/2023	First Disbursement
Expected MTR 6/30/2026	Actual MTR
Expected Completion 4/14/2027	Actual Completion

II. PROGRESS STATUS AND ISSUES

A. Progress: Information on progress and outcomes of project implementation activities

PIR reflects cumulative payments, the cumulative expenditure of the project as of June 30, 2026 is USD1,540,152.

PC 1: Institutional capacity building and mainstreaming climate resilience into the Essential Oils value chain

Under outcome 1.1, the contract with GEHEM and Climate KIC is signed, and the start-up reports are validated. The first Activity of Mapping of EO Stakeholders and their priorities as well as project activities targeting directly or indirectly innovation, entrepreneurs and MSMEs across the EO value chains are done in collaboration with GEHEM. This mapping includes relations between stakeholders, their work, and their contributions into the Essential Oil value chains.

Under this outcome also The Inclusive Sustainable Essential Oils Platform was established and officially launched, bringing together public institutions, private sectors actors, producer organizations, research institutions and civil society to strengthen coordination and climate resilience in the EO sector.

Under Activity 1.1.1.2, an invitation was sent to constitute the Inclusive Sustainable EO Coordination Platform which is a multi-stakeholder platform for consultation, coordination and strategic advice aimed at strengthening the governance, sustainability, and climate resilience of the essential oils sector in Madagascar. It is composed of representatives from the main stakeholders involved in the essential oils sector, ensuring balanced representation from public institutions, the private sector, professional organizations, and civil society. The first meeting of the Inclusive Sustainable EO Coordination Platform (SEOCC) was held on the date of 24th June in Madagascar. It reviewed the Year 2 progress of the ARCHE project, highlighting stakeholder consultations, regional workshops, and key achievements while identifying the need to expand consultations and clarify responsibilities for the Climate Risk and Vulnerability Assessment (CRVA).

Under the Activity 1.1.1.4 a field Mission involved in the application's areas of the Project. GEHEM went to the regions of Vatovavy Fitovinany, Fitovinany and Atsimo Atsinanana. Regional authorities, producers, and distillers were consulted through a regional workshop. Key inputs for the sustainable development strategy of the essential oils sector were collected. The next phase will expand consultations to the Highlands regions (Vakinankaratra, Amoron'i Mania and Haute Matsiatra)

Under Activity 1.1.1.3 Climate KIC has reviewed and analyzed the Climate vulnerability assessment tools and frameworks to generate a comprehensive evidence base to support the development of a Climate Risk and Vulnerability Assessment (CRVA) tool. For the deep comprehension of the EO sectors, field assessments were conducted across EO production areas. Two enterprises were visited by Climate KIC: Floramad and AGROMAN, they have their EO Production in Manakara in the Vatovavy Fitovinany region. A deep understanding of the means of production, the type of EO and especially the most frequent and accurate Climate risks and vulnerability in these fields. And an understanding of the adaptation solutions they have developed to reduce vulnerability and strengthen resilience to climate risks.

Under Outcome 1.2 and the Output 1.2.1:

Activity 1.2.1.1 started with a needs assessment to identify training needs related to climate change and climate adaptation technologies and practices. First, an online session was conducted by Climate-KIC to gain an initial understanding of stakeholder needs. This was followed by a field mission to Madagascar, during which meetings were

held with key essential oil value chain stakeholders on 27 and 28 April 2026 and 4 May 2026. The consultations brought together representatives from the main stakeholder groups, including producers, processors, public institutions, research institutions and financial institutions, to discuss their roles in the essential oil sector, share relevant data and information, and identify existing adaptation solutions and needs across the value chain.

Activity 1.2.1.3. was initiated by the first implementation of the Capacity-building and co-creation workshops. It was conducted by Climate KIC and reunited the Inclusive Sustainable EO Coordination Platform (CCDHE) and the ESOs selected in Activity 2.1.1.2. Initial integration of Climate change and Climate adaptation was conducted through the “CLIMATE FRESK” session. Climate KIC also presented the Gender Responsible approach through a knowledge session approach and the Nature Based Solution that brings common understanding of climate adaptation approaches in the EO sector. Finally, initial approach into CRVA tools was conducted by Climate KIC to the SEOCC by creating an open space of ideas sharing, risks collecting and providing data to prepare a tool adapted into this sector.

PC 2 Promotion and Deployment of Innovative Adaptation Technologies and Services

Under Outcome 2.1, the Output 2.1.1:

Activity 2.1.1.2. was initiated through the design of the capacity-building approach and the establishment of the call for proposals process for the selection of the four accelerators. This included the definition of evaluation criteria and the commitments expected under the ARCHE Project. Following the evaluation process, four Entrepreneurship Support Organizations (ESOs) were selected and contracted: ISA Agribusiness, MIARAKAP, NEXTA, and Kentia Formation. The selection was formalized during a grant ceremony organized on 6 May 2026, in the presence of the Secretary General of the Ministry of Environment and Sustainable Development and the National Project Coordinator, during which a symbolic grant cheque was awarded to each selected ESO.

Under the output 2.1.2: preparatory works have been initiated through the drafting of the TOR for the Pilot Projects and the development of a project proposal by GEHEM

PC 3 Knowledge Sharing and Learning

Under Output 3.1.2: the ARCHE online platform was developed and launched. An initial training session was delivered by the consultant to the Project Management Unit to familiarize the team with the website’s management and its use for knowledge dissemination. To further support project communication and visibility, branding materials were also developed and used, including roll-ups, banners, flyers and a project information sheet.

Under Activity 3.1.1.3: Firstly, GEHEM’s preparations were completed for participation in the GLSA International Exhibition and the BIOLOJIKA (SYMABIO) event, positioning the project to showcase climate adaptation innovations and achievements.

Secondly, through the World Environment Day Events organized by the MEDD in the regions of Morondava, ARCHE Project was showcased to promote project results, strengthen stakeholder engagement, and increase the visibility of innovative solutions in the essential oils sector.

PC4 Monitoring, Evaluation and Project Management

Under Outcome 4.1, UNIDO’s Portfolio Synergies and Acceleration Workshop was conducted in the UNIDO’s headquarters in Vienna. This Workshop brought PMU’s project working with UNIDO into bringing Synergies and sharing experiences. The objectives are to strengthen synergies between projects, to accelerate realization of the activities, and to strengthen collaboration between project management teams and technical partners. The workshop was held over a three-day period from 23 to 25 February 2026 and was structured around three key sessions. The first session focused on project presentations and the exchange of experiences and lessons learned. The second session was dedicated to performance review and the identification and resolution of implementation challenges. The third session focused on strengthening collaboration and coordination, as well as enhancing support mechanisms among project teams and technical partners.

B. Challenges: Information on challenges of project implementation activities

The initial hurdles related to the assessment of execution capacity and finalization of the contract with the project executing entity are fully resolved by March 2025, with execution of activities expected to start in July 2025.

October 2025 was marked by a political crisis in Madagascar, characterized by widespread demonstrations and a major strike that led to the departure of the former President and the dissolution of the government. This transition affected the restructuring process within the Ministry of Environment and Sustainable Development, resulting in delays in the implementation progress of the ARCHE project.

The institutional changes and personnel turnover impacted the approval and signature process related to fund disbursement arrangements, which consequently delayed the launch of key activities by ARCHE partners, particularly Climate-KIC and GEHEM. The field mission initially planned by Climate-KIC for October 2025 was postponed, and GEHEM's activities also experienced delays.

To address these challenges and maintain project momentum, the PMU team, in collaboration with Climate-KIC, organized an online stakeholder needs assessment session involving ARCHE project stakeholders. In parallel, the recruitment process of the EO Expert was accelerated to support the continuation of GEHEM-related activities, particularly the establishment of the Sustainable Essential Oils Coordination Platform.

C. Stakeholder Engagement

Validation of the regional hubs: these are interregional hubs, including Haute Matsiatra (which covers the Vakinankaratra, Haute Matsiatra, and Ihorombe regions) and Fitovinany (which covers the Vatovavy, Fitovinanny, and Atsimo Atsinanana regions).

D. Gender Equality

Project Steering Committee comprises of **7 women and 6 men**, demonstrating that **women's participation reached 50%** and the target was achieved with the number of women in the PSC.

The Sustainable EO Platform Comprises of **8 women and 3 men**, demonstrating the women's participation and inclusion.

The initiating capacity Building workshop reunited a total of **53 participants** from SEOCC members and ESOs members and relevant stakeholders which **33 women and 20 men**, demonstrating women's participation reached more than 50%

E. Knowledge Management

The project knowledge management approach relies on a key tool that supports internal learning and communication. The project deep dives served as in-depth, focused sessions to unpack complex topics and share insights within the project team. Weekly update meetings ensure continuous knowledge of exchange and alignment, allowing the project team to share progress and address challenges in real time. Additionally, our online file sharing system acts as a central repository for project documents, resources, and outputs, ensuring accessibility and transparency. Together, these tools are at this stage the backbone of our KM and communications system, helping us document, share, and apply knowledge effectively.

The Portfolio Synergies and Delivery Acceleration Workshop contributed to strengthening the knowledge of the ARCHE PMU team on project portfolio management and performance monitoring, particularly through the use of planning tools, deliverable tracking mechanisms, risk analysis, and approaches to accelerate project implementation. The workshop also enabled the capitalization of best practices and experience sharing among international projects, allowing participants to identify effective approaches related to institutional coordination, stakeholder engagement, and adaptive management. Furthermore, the exchanges with other PMU teams, UNIDO, and Climate-KIC enhanced collaboration and collective problem-solving capacities, contributing to improved coordination mechanisms and stronger support for the implementation of the ARCHE project.

The first workshop organized in Madagascar by the project partner Climate-KIC aimed to strengthen stakeholders' capacities on key topics related to climate change, gender equality, and Climate Risk and Vulnerability Assessment (CRVA). The Climate Fresk session provided an interactive and informative learning experience, enabling participants to deepen their understanding of climate change, including its causes, impacts, and consequences.

III: Minor Amendments

CONTEXT	
Result Framework	
Components and Cost	
Institutional And Implementation Arrangements	
Financial Management	
Implementation Schedule	
Executing Entity	
Executing Entity Category	
Minor Project Objective Change	
Safeguards	
Risk Analysis	
Increase of GEF Financing up to 5%	
Co-Financing	
Location of Project Activity	
others	

IV: Geographic Coordinates of Project Activities

Location Name	Latitude	Longitude	GeoName ID
Antananarivo, Madagascar	-18.91	47.53	1,070,940

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Atsimo Atsinanana, Capital city : Farafangana	-22.82	47.83	1,065,159

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Vakinankaratra Capital city: Antsirabe	-19.8667	47.0333	1,069,166

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Amoron'i Mania, Capital city: Ambositra	-20.5167	47.25	1,079,088

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Haute Matsiatra , Capital city: Fianarantsoa	-21.4536	47.0858	1,067,686

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Vatovavy Fitovinany, Capital city: Manakara	-22.15	48.00	1,069,162

Location Description:

Activity Description:

Location Name	Latitude	Longitude	GeoName ID
Ihorombe , Capital city : Ihosy	-22.4036	46.1258	1,064,275

Location Description:

Activity Description:

V. ANNEX

Uploaded Document

Document Category M and E Document	Title Field visit Report conducted by Climate KIC and ARCHE PMU:
Document Category M and E Document	Title Entrepreneurship Support Organizations Selection Report Act 2.1.1.2
Document Category M and E Document	Title CRVA Tools Report Act.1.1.1.3
Document Category M and E Document	Title ARCHE CAIL Webpage
Document Category M and E Document	Title ARCHE Webpage
Document Category M and E Document	Title World Environment Day Events Photography
Document Category M and E Document	Title Capacity Building Workshop's Pictures
Document Category M and E Document	Title Capacity Building program design Report: Act. 2.1.1.1
Document Category M and E Document	Title 10908_GEF ARCHE Y3 WORKPLAN_FY26
Document Category M and E Document	Title 10908_Financial_Report_ARCHE_FY26
Document Category M and E Document	Title 10908_Grant Delivery Report_FY26
Document Category M and E Document	Title 10908_2026_PIR_UNIDO_Madagascar