

GEF-8 REQUEST FOR CEO ENDORSEMENT/APPROVAL

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General Project Information

Project Title

Vulnerable Twenty Group funding programme to leverage adaptation by averting and minimizing impacts of climate change

| | |
|------------------------------------|-----------------------------|
| Region | GEF Project ID |
| Global | 11055 |
| Country(ies) | Type of Project |
| Global | FSP |
| GEF Agency(ies): | GEF Agency Project ID |
| UNIDO | 220208 |
| Project Executing Entity(s) | Project Executing Type |
| UNIDO | GEF Agency |
| GEF Focal Area (s) | Submission Date |
| Climate Change | 12/1/2023 |
| Type of Trust Fund | Project Duration (Months) |
| MTF | 60 |
| GEF Project Grant: (a) | GEF Project Non-Grant: (b) |
| 4,872,831.00 | 0.00 |
| Agency Fee(s) Grant: (c) | Agency Fee(s) Non-Grant (d) |
| 462,919.00 | 0.00 |
| Total GEF Financing: (a+b+c+d) | Total Co-financing |
| 5,335,750.00 | 4,700,000.00 |
| PPG Amount: (e) | PPG Agency Fee(s): (f) |
| 150,000.00 | 14,250.00 |
| Total GEF Resources: (a+b+c+d+e+f) | |
| 5,500,000.00 | |

Project Tags

CBIT: No NGI: No SGP: No Innovation: No

Project Sector (CCM Only)

Climate Change Adaptation Sector

Taxonomy

Community-Based Natural Resource Management, Sustainable Land Management, Land Degradation, Focal Areas, Sustainable Livelihoods, Climate Change, United Nations Framework Convention on Climate Change, Climate Change Adaptation, Least Developed Countries, Community-based adaptation, Livelihoods, Innovation, Climate finance, Small Island Developing States, Climate resilience, Climate information, Private sector, Sea-level rise, Mainstreaming adaptation, Local Communities, Stakeholders, Private Sector, SMEs, Civil Society, Community Based Organization, Non-Governmental Organization, Gender Mainstreaming, Gender Equality, Capacity, Knowledge and Research, Knowledge Exchange, Learning, Knowledge Generation, Capacity Development

Rio Markers

| Climate Change Mitigation | Climate Change Adaptation | Biodiversity | Land Degradation |
|---------------------------|---------------------------|-------------------|-------------------|
| No Contribution 0 | Principal Objective 2 | No Contribution 0 | No Contribution 0 |

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? (iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. (max. 250 words, approximately 1/2 page)

- The Vulnerable Twenty Group (V20) is a dedicated cooperative initiative of 58 countries that are systematically vulnerable to climate change. The V20 works through dialogue and action to tackle global climate action. Accordingly, the V20 is committed to supporting its member countries in enhancing access to finance for adaptation from new and additional resources. Research by the V20 shows that climate change shocks and disasters have already eliminated USD525 billion from V20 economies in the past 20 years. Furthermore, the V20 secretariat estimates that year-to-year reduction in GDP per capita growth attributable to climate change is 25% of the economic growth of the V20 economies. In this context, this project will deploy LDCF/SCCF resources directly into affected communities of the V20 group's member countries through innovative climate adaptation projects and interventions supported by micro, small and medium-sized enterprises (MSMEs) and civil society organizations (CSOs). More specifically, LDCF/SCCF resources will support the deployment of innovative adaptation solutions, and contribute to the goal of doubling the adaptation finance for vulnerable countries by 2025, within the mandate of the LDCF/SCCF. For its part, the V20 will mobilise additional resources for addressing loss and damage in its member states. Any loss and damage-related support will be provided from these additional resources, and the LDCF/SCCF portion will support complementary adaptation action. This arrangement has been made, recognizing that the LDCF/SCCF will support adaptation priorities only and do not have a specific mandate to support loss and damage under UNFCCC. This will be done through the implementation of a Fund Mobilisation Strategy that will identify sources of financing that will contribute to the VFP and may include, but not be limited to, grants from the V20's Joint Multi Donor Fund, loss and damage funds (e.g., such as the L&D fund approved during COP28), financing institutions (e.g., banks), private sector, etc. The LDCF/SCCF portion will support complementary adaptation action to the funds provided by those sources.

The project will create and operationalize a V20 Funding Programme (VFP) that will directly support a range of innovative adaptation interventions such as community infrastructure and livelihood asset repair, climate resilient reconstruction and rehabilitation for communities most recently impacted by extreme weather events to build back better standards. The VFP will support selected demonstration projects from MSMEs/CSOs that deploy proven and high-impact innovative climate change adaptation-oriented technologies and solutions. The project will enhance access to knowledge and build capacity of decision makers and beneficiaries to implementation adaptation action, by (i) creating distribution and support channels of adaptation technologies, and services, (ii) generating and disseminating knowledge material and (iii) raising awareness of key stakeholders on climate change vulnerability and availability of climate adaptation technologies and services. The project approach is to support MSMEs/CSOs to deploy innovative adaptation technologies and services building on UNIDO's expertise in supporting the development and growth of adaptation MSMEs/CSOs in various LDCs and SIDs. Accordingly, this project could benefit from cross-linkages and knowledge sharing across adaptation MSMEs/CSOs, policy makers, investors from other UNIDO projects. It will also build on the collaboration between UNIDO and V20 on developing Climate Prosperity Plans (CPPs) that are focused

on economy-wide transformation through climate action that promotes growth, development, employment and overall prosperity in V20 member states.

The proposed GEF/ UNIDO Project will work as a dedicated platform for promoting and supporting adaptation innovation, which will result in an enhancement of human capital, thereby leading to job creation and poverty reduction as well as to an increased women and youth participation in the adoption of adaptation TPS and reduction of loss and damage.

Project Description Overview

Project Objective

To boost adaptation by building resilience at the community level to avert and minimize impacts from climate change amongst members of the V20.

Project Components

Component 1: Design and management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation projects

| | |
|----------------------------|-------------------|
| Component Type | Trust Fund |
| Investment | LDCF |
| GEF Project Financing (\$) | Co-financing (\$) |
| 500,000.00 | 200,000.00 |

Outcome:

Outcome 1.1:

VFP established to support impactful and innovative locally led adaptation action in V20 LDCs

Output:

Output 1.1.1: An institutional mechanism with strong linkages to global adaptation planning processes is established to govern the VFP

Output 1.1.2: VFP Framework to promote adaptation, innovation and entrepreneurship is developed

Output 1.1.3 VFP monitoring and evaluation system is developed to continuously assess climate vulnerability and appropriate adaptation solutions technologies Products and Services (TPS)

Output 1.1.4: Plan to mobilize more resources for VFP is developed and implemented.

Component 2: Operationalization of the VFP

| | |
|----------------------------|-------------------|
| Component Type | Trust Fund |
| Investment | LDCF |
| GEF Project Financing (\$) | Co-financing (\$) |
| 2,506,895.00 | 2,772,093.00 |

Outcome:

Outcome 2.1: Proven impactful and innovative locally led adaptation projects implemented

Output:

Output 2.1.1: Innovative financing mechanism (VFP) from LDCF/SCCF used to support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits.

Output 2.1.2: Results and experiences from demonstration projects documented and widely disseminated

Component 2: Operationalization of the VFP

| | |
|----------------------------|-------------------|
| Component Type | Trust Fund |
| Investment | SCCF-B |
| GEF Project Financing (\$) | Co-financing (\$) |
| 413,105.00 | 100,000.00 |

Outcome:

Outcome 2.1: Proven impactful and innovative locally led adaptation projects implemented

Output:

Output 2.1.1: At least 50 demonstration projects from Community groups/CSOs/MSMEs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions receive support from VFP

Output 2.1.2: Results and experiences documented and widely disseminated

Component 3: Learning and knowledge management

| | |
|----------------------------|-------------------|
| Component Type | Trust Fund |
| Technical Assistance | LDCF |
| GEF Project Financing (\$) | Co-financing (\$) |
| 945,000.00 | 1,100,000.00 |

Outcome:

Outcome 3.1: Lessons from the project documented and widely disseminated

Outcome 3.2: Key stakeholders increase awareness on climate change vulnerability and availability of climate adaptation technologies

Output:

Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations and cooperatives, including women and youth, of the V20 countries, access adaptation technologies and diversified livelihoods

Output 3.1.2: Online platform to showcase adaptation technologies, their benefits and suppliers established and managed by the PMU

Output 3.1.3: Knowledge materials and documentation on best- practices developed and disseminated widely

Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change adaptation TPS are developed and provided to relevant policy makers (at least 50% women participation)

Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS (at least 50% women participation)

M&E

| | |
|----------------------------|-------------------|
| Component Type | Trust Fund |
| Technical Assistance | LDCF |
| GEF Project Financing (\$) | Co-financing (\$) |
| 148,146.00 | 150,000.00 |

Outcome:

Outcome 4.1. Regular project monitoring and documentation for learning

Outcome 4.2: Project Evaluation

Output:

Output 4.1.1: Regular project monitoring and data collection for impact tracking conducted

Output 4.2.1: Mid-term Evaluation

Output 4.2.2: Terminal Evaluation

M&E

| | |
|----------------------------|-------------------|
| Component Type | Trust Fund |
| Technical Assistance | SCCF-B |
| GEF Project Financing (\$) | Co-financing (\$) |
| 20,685.00 | 50,000.00 |

Outcome:

Outcome 4.1. Regular project monitoring and documentation for learning

Outcome 4.2: Project Evaluation

Output:

Output 4.1.1: Regular project monitoring and data collection for impact tracking conducted

Output 4.2.1: Mid-term Evaluation

Output 4.2.2: Terminal Evaluation

Component Balances

| Project Components | GEF Project Financing (\$) | Co-financing (\$) |
|---|----------------------------|---------------------|
| Component 1: Design and management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation projects | 500,000.00 | 200,000.00 |
| Component 2: Operationalization of the VFP | 2,506,895.00 | 2,772,093.00 |
| Component 2: Operationalization of the VFP | 413,105.00 | 100,000.00 |
| Component 3: Learning and knowledge management | 945,000.00 | 1,100,000.00 |
| M&E | 148,146.00 | 150,000.00 |
| M&E | 20,685.00 | 50,000.00 |
| Subtotal | 4,533,831.00 | 4,372,093.00 |
| Project Management Cost | 316,169.00 | 290,000.00 |
| Project Management Cost | 22,831.00 | 37,907.00 |
| Total Project Cost (\$) | 4,872,831.00 | 4,700,000.00 |

Please provide Justification

The funds allocation was minimally modified: PC2, PC3 and PC4 LDCF allocation was slightly reduced to increase the PMC budget with following reasons:

- Additional support for the V20 is required to build their capacity to take similar projects in the future. At the PIF stage, AROHA was supposed to support the V20 to supplement where the V20 cannot act as a legal entity. However, in the middle of 2023, the V20 informed that they are becoming a legal entity. As no other PEE could be identified, UNIDO will act as PEE and will support the V20 to enhance their capacities on overall project management, monitoring of project activities and reporting to ensure that the project will achieve the planned outcomes and outputs in timely manner. UNIDO will then gradually transfer the

project execution responsibilities to the V20 once they are becoming a legal entity. Capacity building of the V20 will enable them to take similar endeavour forward once they become a legal entity. This requires additional funds not only for the coordinator of the project and the assistance, but also for a coordination team to setup and manage the fund.

- Reflecting the change above, scope of PEE work is expanding. Managing the activities as well as capacity building support for the V20 while it becomes a legal entity requires more budget.

PROJECT OUTLINE

A. PROJECT RATIONALE

Describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

THE GLOBAL ENVIRONMENTAL AND/OR ADAPTATION PROBLEMS, ROOT CAUSES AND BARRIERS THAT NEED TO BE ADDRESSED (SYSTEMS DESCRIPTION);

The Vulnerable Twenty Group (V20) is a dedicated cooperative initiative of 58 states (Figure 11), comprising of Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS) that are systematically vulnerable to climate change. The V20 works through dialogue and action to tackle climate action. Accordingly, the V20 is committed to supporting its Member Countries (MCs) in enhancing access to finance for adaptation from new and additional resources. Rising heat and sea levels, and projected changes in weather variability and extremes will have pronounced implications for agriculture, energy, fisheries, forestry, transport, and tourism which are key sectors that the V20 rely on. Thus, the need for accessible and appropriate forms of adaptation finance to preserve socio-economic characteristics of the V20 is of a critical nature. So is the need to abate future impacts of loss and damage^[11], which continue to wreak havoc on communities and economies. Research has highlighted that climate change shocks and disasters have already eliminated US\$ 525 billion from V20 economies in the past 20 years. As such it is imperative that financial resources are deployed directly to vulnerable and at-risk communities of the V20 to demonstrate innovative and relevant adaptation project solutions and the mobilisation of micro, small and medium size enterprises (MSMEs)^[22] and non-government public sector including civil society organisations (CSOs) and community-based non-governmental organisations (NGOs). Within this context, the overarching intent of the intervention is to deploy the Least Developed Countries Fund/Special Climate Change Fund (LDCF/SCCF) resources directly into affected communities, which are typically not reached due to challenges in accessing appropriate financing, to create and operationalise a V20 funding programme (VFP) that will directly support a range of adaptation interventions – from infrastructure rehabilitation to livelihood repair at the community and micro-enterprise level.

The establishment of a VFP is a crucial step towards long term sustainable action towards recovery *ex-post* to a hazardous event and *ex-ante* resilience planning and preparation in communities most impacted by climate change hazards. The VFP will also address those impacts which are considered ‘beyond adaptation’. According to the ThinkHazard!^[33] and the World Bank Climate Change Knowledge Portal^[44] (CCKP), the countries that make up the V20 are those that are predominantly most vulnerable to climate change as they are characterized by low climate resilience, high vulnerability, low adaptive capacity and high exposure to extreme low-onset events such as extreme heat, temperature increases, and sea level rise and fast-onset events such as floods, droughts, storms, and cyclones amongst others. This is not only due to their geographical setting, making them prone to the adverse impacts of climate change, but also their socio-economic characteristics and high reliance on climate-sensitive sectors such as water, agriculture, fisheries, forestry, and tourism. Exacerbating these circumstances is a common trait amongst many of the V20 countries – which lack a stable and prosperous economy to fund shortfalls in the financing gap for implementing adaptation plans, low institutional capacity and human competencies, low participation by private sector and limited mainstreaming of adaptation measures into national development planning and finance policies and strategies. Consequently, the V20 are disproportionately affected by climatic changes, with serious impacts on lives and livelihoods with negative impacts on community resilience and stalling advancement in human development.

In V20 economies, MSMEs make up 30 to 90% of employment, contribute between 20% and 80% of the Gross Domestic Product (GDP), constitute more than 70% of all businesses and power the countries’ export revenues. They are important drivers of socio-

economic growth, and arguably a key stakeholder for community resilience building as well as a source of government revenue^[315]. Hence, the formation of a VFP aims to improve the involvement of private sector by alleviating a range of barriers which negatively impact the mobilisation of adaptation finance and the implementation of adaptation efforts at the micro-enterprise and community level. These include mitigating against: (a) the protracted length of time to access financing from international adaptation funding envelopes in favour of employing a nimble, context-responsive, simplified application process supported by necessary technical assistance to avoid continued hazard impacts and catastrophic losses and damages whilst awaiting disbursement, (b) minimum funding limits/criteria, which typically impact micro and small-scale projects and hence the project proponent's accessibility to global adaptation funding programmes. These types of projects may be too large to qualify for small grants programmes yet too small to meet international financing criteria and, (c) the need to establish partnerships with accredited institutions/government offices in order to access financing. This, in the case of an absence of accredited entity or suitable partner to support the project will hinder access to available adaptation financing. By employing a simplified process, which is responsive to the specific socio-economic constraints, adaptive capacities and vulnerabilities of MSMEs, CSOs and NGOs of the V20, the funds made available will thus increase the potential for localisation and improvement of adaptive capacity for the most vulnerable – directly benefitting small locales, their structures and micro-enterprises which are integrated into the fabric and represent the backbone of much of the community and/or rural economies of the V20 (and which are typically driven by women) thus minimising risk as it relates to long-term sustainability and ownership of selected interventions. The establishment of the VFP, through LDCF/SCCF funding, will increase the reach of adaptation efforts across the V20 and within each country to those beneficiaries which may have been previously inaccessible and hence acutely vulnerable in peri-rural and rural areas. Under the VFP innovative financing for MSMEs, CSOs and NGOs will be catalyzed through support for development of green financing products including equity funds and inclusive microfinance. Attention will also be given to strengthening the MSME startup environment, and support laboratories and ecosystems for change that build the regulatory framework needed for private sector innovation and investment in climate adaptation to thrive.

To kick-start this endeavour, the operational structure of the VFP will utilize a Call for Proposals process as a first step in the selection of demonstration projects from MSMEs, CSOs, NGOs that deploy proven and high-impact innovative climate change adaptation-oriented technologies and solutions with a focus on building resilience at the community level with potential for replication and upscaling – as depending on the region, many of the V20 continue to struggle with high poverty rates and low human development index rankings. Exposure of the rural and peri-rural poor to climate impacts are documented to increase future poverty rates, disease and malnutrition levels as reported in many countries such as Chad, Côte d'Ivoire, and Cambodia as a result of the impact on key livelihood drivers including agriculture and fisheries. Exacerbating this situation, many of the V20 countries face large adaptation finance gaps such as in Ethiopia which has committed to providing unconditional domestic financing equaling 20% of the total climate financing needs resulting in a financing gap for adaptation of 80%. Or countries like the Gambia which needs to mobilize more than triple it has already received in development adaptation finance to date to address adaptation initiatives as adaptation estimates are at approximately US\$ 1 billion^[616].

These persistent severe shortfalls in accessing adaptation financing to turn these plans and strategies into action hinder progress and increase socio-economic exposure (poverty, food security, access to services etc.) of vulnerable communities to worsening climate impacts and increasing loss and damage. Without stronger actions and more resources being allocated to climate change adaptation, high climate scenarios predict that it will have a significant impact on global poverty, pulling about 88.7 million people into poverty in the LDC regions: Sub-Saharan Africa (SSA), South Asia (SA), East Asia and Pacific (EAP), and Latin America & Caribbean (LAC)^[717]. V20 finance ministries are already allocating significant and growing proportions of their public budgets to fund climate-induced damage in their affected communities and economies. Climate risks have increased borrowing costs by 10%^[818] and impacting debt sustainability as V20 as a group has a total of US\$ 686.3 billion in external public debt. This amounts to 27% percent of the Group's GDP^[919]. The V20 estimates that financial protection gap^[1010] across its countries, stands at 98%. Furthermore, and according to the 2022 UNEP Adaptation Gap Report international adaptation finance flows to developing countries are 5-10 times below estimated needs and the gap is widening. Estimated annual adaptation needs are US\$ 160-340 billion by 2030 and US\$ 315-565 billion by 2050^[1111] (Figure 1). It is imperative that the V20 acts swiftly to close the financing gap to support timely resilience-building of people and communities.

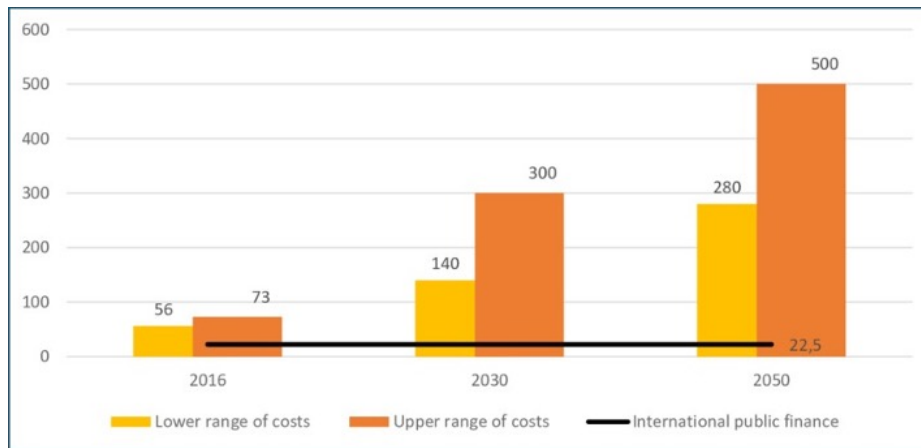


Figure 1: Conceptualising the adaptation finance gap in developing countries to 2050^{[12]12}

Notwithstanding that most of the V20 have complied under the United Nations Framework Convention on Climate Change (UNFCCC) and communicated National Adaptation Plans (NAPs) and National Adaptation Programmes of Action (NAPAs), countries continue to struggle with private sector engagement in adaptation that is still well below the levels needed to cope with climate change impacts. Countries face challenging scenarios, such is the case of Kyrgyzstan, that within the agricultural production framework, the dominating contributions are made by the private producers: farm enterprises (61.5%) and private farms (households) (36%) which highlights the importance of agriculture at the community level in terms of employment, food security and subsequently health. Therefore, a concerted effort must be made to reach and cater to private sector players and community players which can demonstrate innovative methods and technologies to withstand and rebound from catastrophic events. However, worsening climate related natural hazards will further drag down economic productivity and resilience if the MSME sector does not have adequate insurance protection and investment capacity. These could help to absorb financial shocks from natural hazards and de-risk the implementation of cost-saving adaptation technologies and solutions.

In addition to the adaptation funds mobilised by the LDCF/SCCF, the V20 will mobilise additional resources for addressing loss and damage in its member states. This will be done through the implementation of a Fund Mobilisation Strategy, which will be designed and implemented by the V20 as part of Project Component 1. The strategy will identify sources of financing that will contribute to the VFP and may include, but not be limited to, grants from the V20's Joint Multi Donor Fund, loss and damage funds (e.g., such as the L&D fund approved during COP28), financing institutions (e.g., banks), private sector, etc. The LDCF/SCCF portion will support complementary adaptation action to the funds provided by those sources. Based on the needs expressed by their members, the V20 has been raising separate loss and damage resources to complement adaptation support such as this LDCF/SCCF project. As such, V20 Secretariat has been working as a platform to engage with key partner agencies, financiers and communities, with the support of V20 ministries of finance. The V20 estimates that the financial protection gap in the form of insurance for loss and damage across its countries stands at 98%. While the V20 has played a central role in efforts like the *InsuResilience Global Partnership*, that aims at bringing financial protection to 500 million poor and vulnerable by 2025, and/or the G7-V20 led Global Shield against Climate Risks that has the objective to foster more systematic, coherent and sustained financial protection to help reduce the negative impacts of climate change on vulnerable countries and people, there is a need to mobilize more adaptation resources to complement these efforts. Therefore, support from the LDCF/SCCF can contribute to bridging this gap and also create an enabling environment to facilitate streamlined and rapid flow of adaptation finance to communities in vulnerable LDCs and SIDS.

According to the GEF V20 LDCF/SCCF Climate Change Adaptation Strategy 2022-2026^{[13]13}, facing climate change impacts requires an unprecedented pace and scale of technology transfer, innovation and investment and proactive and innovative partnership throughout the private sector. In many of the V20 adaptation plans, it has been identified that to address the adaptation financing gap, the private and public sector must work together: governments must provide the right policy incentives for investment and remove unnecessary barriers, and the private sector must show innovation and leadership by making bold and innovative investment decisions. However, to attract external investment in adaptation, the local environment, including participation by the local private sector (especially those categorised as MSMEs) need not only strategic direction but also support in all forms (including financing) that will yield positive results from sectors which are not typically highlighted. Leaving this situation unresolved impedes a country's ability to mobilize the necessary investments to realize climate action, thus missing an opportunity to unlock climate investments and innovation opportunities. In the absence of any action taken, the current situation creates a downward spiral for all countries from becoming climate resilient and face future external shocks.

Notwithstanding the challenges related to private sector involvement as outlined above, there have been marked increases in private sector engagement in adaptation over the last few years. However, it is still well below the levels needed to cope with climate change impacts, leaving the role of the private sector, as it relates to investment, unfulfilled as outlined in Article 6.8(c)^{[4]14} of the Paris Agreement and as outlined in the 2019 Global Commission on Adaptation Report. The growth rate of private climate finance was slower (4.8%) than that of the public sector (9.1%) and must increase rapidly at scale^{[5]15}. In order to close the financing gap and to stimulate private investment at all levels in climate change adaptation in the V20, risk perceptions need to be managed and alleviated. Risks to internal and external private sector involvement are perceived due to three main reasons^{[6]16} (Figure 2):



FIGURE 2: BARRIERS TO PRIVATE SECTOR INVESTMENT IN ADAPTATION

Lack of localised climate risk and vulnerability data and information services that can be used to guide investments in adaptation-related decision-making (1):

- Adaptation projects need high levels of tailoring based on risks associated with specific geography, sector and exposure of assets or population, to guarantee that the technology or the product of services selected is the most appropriate to address a given climate change impact and that it does not lead to maladaptation. Moreover, given significant uncertainties that persist regarding future impacts of climate change, data quality and information play a key role in better understanding socio-economic factors as well as policy and behavioural skills.
- There is a lack of robust information systems available, detailing climate risks and opportunities and providing tailored services on the costs and benefits of adaptation actions. There is a need to facilitate access to information and decision support tools to assess climate risk into investments and portfolio management.
- Climate data should be organized and presented in a way that is accessible, understandable, and usable to identify climate change risks and assess opportunities.

Developing countries lack effective institutional arrangements, policies and plans for adaptation (2):

- The lack of institutional arrangements for adaptation and institutional capacity for climate adaptation projects and investments are halting private sector investments. The absence of a policy framework (such as legal frameworks, market-based and regulatory instruments), budgets and investment programmes for adaptation makes investment in adaptation not attractive to the private sector. Low financial management and fiduciary and capacity for climate-related planning and project implementation exacerbated by the lack of strong institutional arrangements and interagency coordination creates adverse conditions for private sector engagement in adaptation and related activities.
- Adaptation to climate change presents a classic problem of market failure. Market failures are conditions in which the distribution of goods and services are not optimally distributed in the marketplace. Climate change has induced risks that are not uniformly distributed (geographically and in time), as the beneficiaries are disconnected from the parties that bear the costs, leading to a lack of financing to address critical adaptation investments needs. While some private investment in climate change adaptation makes good business sense (e.g., making a company’s supply chain more resilient), often adaptation requires public goods, and thus calling for public intervention.
- Investors have currently limited analytical capacity to price climate risks and integrate the “value” of adaptation outcomes and overlook climate change impacts into project assessment or return calculations. The absence of reliable and widely accepted metrics to help investors understand how to monetize adaptation benefits, and of policies and regulation that require companies to meet resilience standards or adaptation goals prevents private investment from growing.
- Lack of metrics and standards to ensure investments are meeting their adaptation needs is also constraining private sector investment in adaptation. Metrics, standards and definitions are key to signalling to developers the level of resilience required, and to reducing economic inefficiencies caused by poor policies and enforcing regulation to promote, accelerate, and catalyse private sector investment faster than otherwise would result from regular market forces.
- There is no common metric for defining and measuring adaptation projects outcomes, as there is for mitigation (which is in tonnes of CO₂e).

Low perceived or actual returns on investment, and inability of the private sector to capture the full environmental and social benefits generated by investment in adaptation (3):

- Lack of financial incentives to attract the private sector, such as government guarantees, tax benefits and risk-sharing mechanism that can remediate market failures and incentivize adaptation investments into adaptation, prevents the private sector from investing in adaptation.
- Adaptation projects rarely have easily monetizable cash flows and even when they do, returns are low and or insufficient to provide a competitive risk of return profile.
- Adaptation projects can be complex, in particular when public and private investment are required to come together to make a project viable. Creating efficient blended structures and allocating risk and return to various investors is more complex for adaptation projects than for mitigation ones. Due to the risky and untested character of investments, concessional finance is more critical, requiring different approaches to blending.

Thus, outcomes of the implementation of the VFP target several pillars which include: i) the enhancement of the mobilisation of adaptation funding at the small-scale private sector level including MSMEs and CSOs in tandem with complementary global financing efforts in adaptation; ii) the demonstration of the feasibility of projects which touch on complementary regimes such as disaster risk financing, social protection, and adaptation finance at a global scale; iii) the scale-up of participation by non-government sectors in the implementation of adaptation measures and strengthening of market linkages through the implementation of replicable, scalable, and resilient innovative projects.

The proposed project will be addressing the following inherent barriers for the mobilization of adaptation finance at the community level within the V20 (see Table 2). These include but are not limited to:

TABLE 2: DESCRIPTION OF BARRIERS THE PROJECT INTENDS TO ADDRESS

| Barrier | Description | Urgency |
|---|--|---------|
| <i>Lack of institutional capacity and coordination</i> | Particularly in relation to community adaptation projects and the opportunity to leverage specific knowledge and experience by CSO and MSMEs. The climate resilience aspects of development projects including an understanding of how to make infrastructure and systems resilient to climate change are generally very low in LDCs or SIDS. The V20 Funding Program will build the capacity of institutions and communities to understanding climate resilient standards and how they can be applied to their unique national circumstances. | ● |

| | | |
|---|--|----------|
| <p>Low participation of private sector at the national level (new)</p> | <p>Low capacity of MSME entrepreneurs, particularly women and youth MSME entrepreneurs, in accessing to financial resources, capturing high-value market opportunities, and adopting innovative techniques. This is due to 1) limited human and financial resources, 2) lack of accessible and useable information, including on climate risks, transition risks, energy efficiency and risk reduction measures, and 3) the upfront cost of resilience and low carbon measures and technologies, including insurance, tend to weaken participation rates.</p> <p>The V20 Funding Program will build the capacity of institutions and communities in understanding climate resilient standards and how they can be applied into their unique national circumstances.</p> | <p>●</p> |
| <p>Lack of appropriate adaptation financing streams</p> | <p>It is difficult for MSMEs and small NGOs to secure upfront funds or financing options such as loan or leasing mechanisms. Microfinance institutions typically lack the climate change expertise to design adaptation-oriented lending products, develop adaptation impact monitoring systems, and train credit agents and large volumes of customers in technical aspects of climate change adaptation and resilience. As a result, they are typically left with high operational costs, preventing them from investing in improving productive and operational efficiencies to increase the profitability of their business. Lack of adequate offerings to protect and build resilience within MSMEs and de-risk investments are often unavailable and so far, very few projects focus on climate-smart adaptation activities specifically for MSMEs, and even less so on enhancing the risk management capacities of MSMEs in the process.</p> <p>Compared to the overall finance needs for climate resilient development. The V20 faces considerable fiscal challenges in financing development, especially after the COVID-19 pandemic. To deal with multiple crises, LDCs and SIDS need dedicated financing and access to new and additional resources to take forward their climate change agenda and address other social and economic objectives.</p> | <p>●</p> |
| <p>Low level of awareness and knowledge</p> | <p>Lack of regulation, consumer protection and tailored product offerings, taxes and effective distribution channels. Equally, climate risks and their prospective financial impacts are often unknown or not well understood by small-scale private sector including MSMEs or CSOs. And those who are aware of these impacts, frequently lack the capital, including through credit access, and business planning skills to invest in risk reduction and formulate disaster response strategies.</p> | <p>●</p> |
| <p>Weak market linkages</p> | <p>It is necessary to increase market accessibility and enable MSMEs, CSOs, NGOs etc., to attract and negotiate with larger buyers, access certifications, and grow businesses whilst refining their product and engaging opportunities further afield through targeted marketing.</p> <p>This project will assist in leveraging synergies in private sector participation and building community resilience through national, regional and international coordination.</p> | <p>●</p> |
| <p>Weak application of climate resilient standards and criteria</p> | <p>Lack of understanding of climate risks and uncertainties, especially at the local level, can cripple the application of viable solutions for the long term. Lack of enforcement of building codes and mainstreaming of resilient practices perpetuate vulnerabilities in communities and exacerbate climate exposure. These weaknesses are reinforced by the lack of appropriate adaptation finance.</p> | <p>●</p> |

The existence of the barriers previously captured have been confirmed by the stakeholders who were consulted during the PPG phase through an online survey administered by the V20. The results of the survey show that limited access to financial resources is the most pressing barrier when it comes to financing climate change adaptation, and more especially in the case of vulnerable communities (see Figure 3).

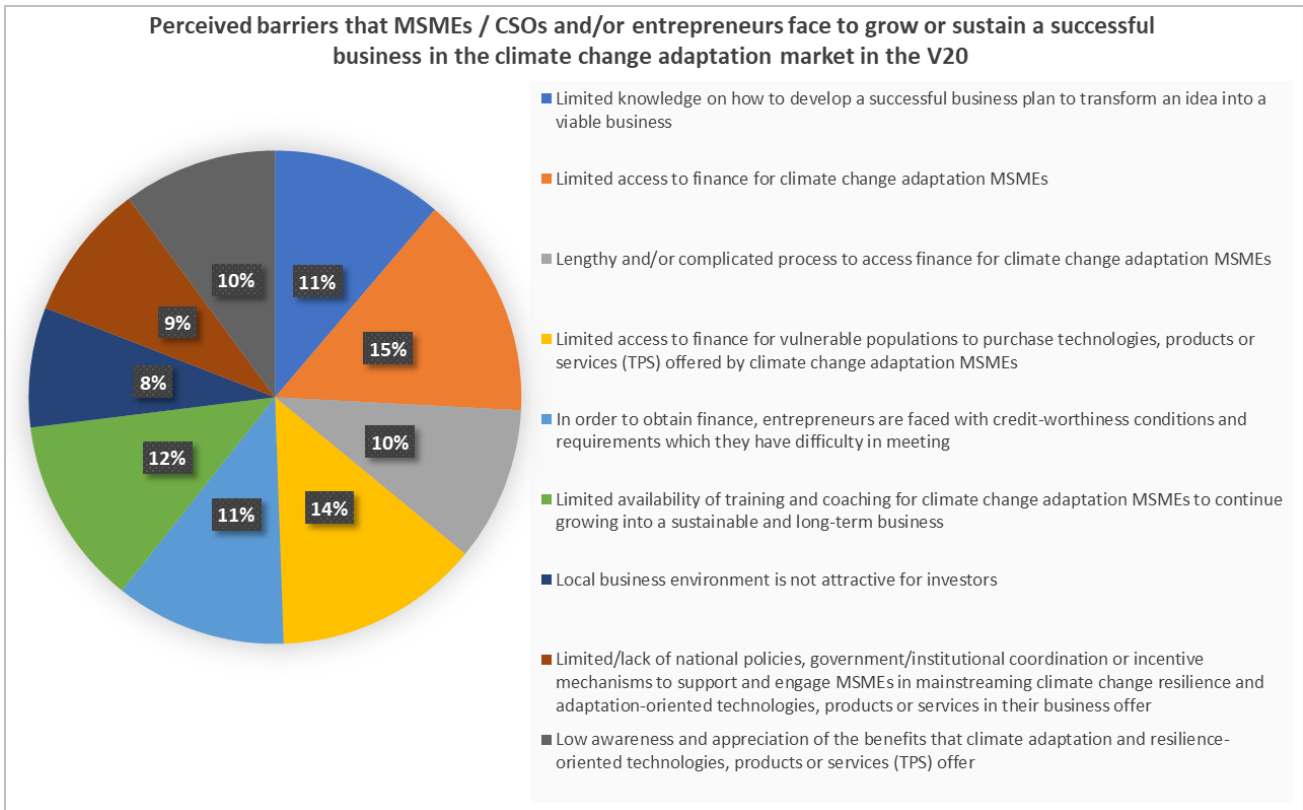


FIGURE 3: PERCEIVED BARRIERS BY V20 MEMBER COUNTRIES ANSWERING THE ONLINE SURVEY DURING PPG PHASE

THE BASELINE SCENARIO AND ANY ASSOCIATED BASELINE PROJECTS

2.1 Baseline Scenario

2.1.1 V20 Baseline

According to the UN, LDCs are low-income countries confronting severe structural impediments to sustainable development. The LDCs are most vulnerable to climate change because of their low adaptive capacity exacerbated by economic and geographical characteristics. Many LDC’s economic activity is based in primary sectors, such as agriculture, making them particularly dependent on stable climate conditions^[17]. They are disproportionately affected by adverse physical impacts of climate change including temperature increase, change in precipitation patterns and climate induced disasters. LLDCs are those countries who lack territorial access to the sea, and therefore rely on neighbouring countries, for their seaborne trade to occur, imposing high transit costs, cumbersome border-crossing procedures and using inadequate transit transport infrastructure, which constraints their access to world markets and their overall socio-economic development. LLDCs isolation from global markets, level of development, and great reliance on climate sensitive sectors has increased their vulnerability to droughts, floods, glacial lake outflow flooding, landslides and erratic weather. These disasters hurt agriculture productivity and trigger other calamities like famine, disease outbreaks and loss of biodiversity^[18]. SIDS are a distinct group of 38 UN Member States and 20 Non-UN Members /Associate Members of United Nations regional commissions that face unique social, economic and environmental vulnerabilities lying across three geographical divisions – including the Caribbean Sea, Pacific, Atlantic, and Indian Oceans. Factors like small population size, remoteness from international markets, high transportation costs, vulnerability to exogenous economic shocks and fragile land and marine ecosystems make SIDS particularly vulnerable to biodiversity loss and climate change because they lack economic alternatives.

There is need to bolster adaptive capacity and increase climate resilience through the allocation of appropriate financial resources. V20 research shows that 98% of the nearly 1.5 billion people in V20 do not have financial protection, and since 2000, V20 experienced economic losses due of 20% of GDP growth on average between 2000 and 2019. This is critical, as outlined previously, in V20 economies, MSMEs make up 30 to 90% of employment, contribute between 20% and 80% of GDP, constitute more than 70% of all businesses and power the countries’ export revenues. Their importance to the socio-economic fabric of society should not be underestimated as they are important drivers of socio-economic growth and hence presents a clear-entry point for adaptation efforts (Figure 4).

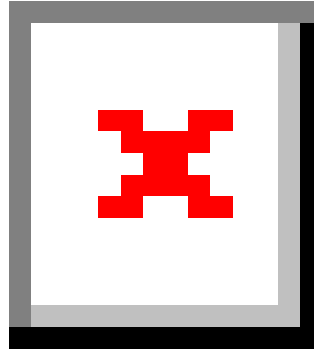


FIGURE 4: CONTRIBUTION OF MSMES TO SELECT V20 COUNTRIES^{[19][19]}

As it relates to increasing resilience to climatic change across the V20, there are climatic trends which influence the incidence of hazards which are observed to be predominantly common across the V20 member states and across the three (3) V20 regions, that being (i) Africa and the Middle East, (ii) Asia – Pacific, (iii) Latin America and Caribbean. Through documented research in the form of succinct Climate Risk and Vulnerability Assessments (CRVA) conducted during the PPG stage across the V20 member states and based on publicly available sources such as ThinkHazard! the CCKP, national adaptation documents and reports, trends were identified and outlined in Table 3 below. The detailed description of the climate change hazards affecting each member state is included in the Baseline Report submitted as Annex P to this document.

TABLE 3: OBSERVED CLIMATE INDUCED HAZARD TRENDS ACROSS THE V20

| Region | Trending climate-induced hazards | | | | | | | | |
|-----------------------------|----------------------------------|--------------|---------|----------|---------------------|-------------------------|----------|----------------|---------------------------|
| | Temperature increase | Extreme Heat | Drought | Wildfire | Landslide /Mudslide | Tropical Cyclone/ Storm | Flooding | Sea Level Rise | Precipitation Variability |
| All (across the V20) | • | • | | • | • | | • | | • |
| Africa and the Middle East | • | • | • | • | • | | • | | • |
| Asia-Pacific | • | • | | • | • | • | • | | • |
| Latin America and Caribbean | • | • | | • | • | • | • | • | • |

As outlined in Table 3, the V20 continues to be impacted by a myriad of climate hazards, which, upon impact on vulnerable groups can transform into disasters. Across the V20, under four Representative Concentration Pathways (RCPs i.e., RCP 2.6, RCP 4.5, RCP 6.0 and RCP 8.5) there are common climatic changes presented, such as increases in temperatures and extreme heat which can induce more extreme events and exacerbate their impact, such as the case of drought and wildfires.

In terms of trends, the annual temperatures across all the V20 have recorded historical temperature rises, and scenarios indicate projections of consistent temperature increases, either above or below the expected average global increase. It is also expected that

there will be precipitation variability, including increased incidence of intense rainfall resulting in flash flooding in some areas as well as the incidence of landslides threatening life and country infrastructure. Climate hazards affect vital economic sectors on which livelihoods depend. The majority of these countries are highly dependent on climate-sensitive sectors such as agriculture, fisheries, pastoral farming, animal husbandry and forestry which form the critical foundation of economic growth as well as providing and representing the main source of income, health and services for their populations. As such, it is anticipated that project interventions, including adaptation solutions in the form of Technologies, Products and Services (TPS) as outlined in Table 4, will focus primarily on adaptation action in key socio-economic sectors and areas which sustain the livelihoods of communities but are also sensitive to changing climatic patterns.

Regionally, across Africa and the Middle East besides the climatic changes and hazards attributable to all the V20, trends indicate that with increasing temperatures and extreme heat the incidence of precipitation deficit will exacerbate drought and water scarcity thus enhancing food insecurity conditions. Much of the economy in this region is sustained through agriculture, with agriculture contributing to an average of 15% of GDP^{[20]20} and rural communities sustaining themselves on small holder farmers. Thus, adaptation technologies and measures to reduce food insecurity, poverty, malnourishment and improve water security through capture, storage and conservation practices are paramount from a societal and economic perspective.

The addition of cyclone risk is introduced in Asia and the Pacific, and the potential of drought reduced. Despite the reduction of the incidence of drought, temperature increases, and extreme heat facilitate the incidence of wildfires in these countries. Many of the V20 in this region will also experience an increase in annual precipitation alongside the frequency of intense precipitation events which may result in flash flooding. Additionally, with four of the twenty Asia Pacific V20 being landlocked, this results in 80% of Asia Pacific V20 countries more exposed to and more susceptible to coastal impacts as a result of increased intensity of tropical cyclones, flooding, king tides, storm surges and sea level rise. The conglomeration of these hazardous impacts will have deleterious effects on coastal infrastructure and economies comprised of and reliant on agriculture, tourism, trade, biodiversity and fisheries – thus TPS geared towards addressing these impacts and mitigating associated risks will be introduced.

LAC will see the more widespread incidence of sea level rise in addition to the climatic and hazard trends experienced across the V20. Sea level rise impacts economic and human infrastructure, as much of these tend to be situated along the coastline of these small, isolated vertically integrated economies. As such similar impacts as experienced in Asia-Pacific are expected – specifically around coastal infrastructure and fisheries. Sea level rise also threatens the statehood of these countries as they also experience loss of territory, which besides the impact of economic losses can result in loss of culture, heritage and forced migration of communities.

The climate change impacts identified in the previous paragraphs have been confirmed and complemented by the results of the online survey administered by the V20 to its member countries. Responses indicate that stakeholders observe that the incidence of climate induced hazards are associated with loss and damage impacts. Most of the responses indicate that, for example, loss of crops occurs mostly due to drought, precipitation variability, floods, seasonal changes and temperature changes. Loss of livestock has been recorded by almost all respondents, and it is perceived as a consequence of drought, extreme heat, temperature variance, heat waves, and floods. The loss of fish stocks has been also extensively witnessed by the respondents and seems to be associated with the impact of a more diverse group of hazards, involving floods, drought, and temperature variability mainly, but also due to extreme heat and seasonal changes. Similarly, in addition to the agriculture and fishing sectors, biodiversity is subject to the impacts of climate change, which mostly include temperature changes, drought, wildfires, floods, and seasonal changes.

Damage or loss to the built environment and critical infrastructure caused by climate change hazards is a reality confirmed by the stakeholders included in the online questionnaire. Floods are the main hazard responsible for loss and damage caused on the built environment (selected by 76% of the responses), with hurricanes, typhoons and severe storms in second place (selected by 35% of the respondents), drought, sea level rise and wildfires in third place (selected by 29% of the respondents), among other hazards, are commonly mentioned as a cause of damage to homes, hospitals, or schools. Infrastructure such as that of water, energy, transport and telecommunications are impacted mainly by, again, floods (selected by 70% of the respondents), precipitation variance (selected by 53% of the stakeholders), seasonal changes and variability (selected by 41%), temperature variance, hurricanes, typhoons and severe storms (selected by 35%), among other.

The following table (Table 4) provides examples of potential TPS that may contribute to climate change adaptation in one or more sector, by tackling one or more climate change hazard, risk or impact. This is a non-exhaustive list which is intended to provide a general overview of the type of TPS that lead to innovation in climate change adaptation measures (or “climate adaptation intelligence”). Project proponents are encouraged to suggest TPS that respond to the specific needs of their sector and specific climate change challenges they face in their locations (country / region).

TABLE 4: POTENTIAL TECHNOLOGIES, PRODUCTS AND SERVICES THAT COULD BE CONSIDERED TO TACKLE CLIMATE CHANGE HAZARDS IN THE V20 (NON-EXHAUSTIVE LIST)

| Climate Adaptation Intelligence (Technologies, Products and/or Services) | Sectors involved | Related main climate change hazards |
|--|------------------|-------------------------------------|
|--|------------------|-------------------------------------|

| | | |
|---|--|--|
| <p>Implementation of TPS to improve weather or climate change data collection, forecasting, management, dissemination and accessibility (examples):</p> <ul style="list-style-type: none"> • Installation of weather data collection stations to increase the accuracy, quantity and quality of data collected and used • Adoption of forecasting models and software to increase the accuracy and quality of projections • Adoption and development of weather Apps (e.g., for mobile phones) to increase people's access to weather information • Installation of early warning systems to disseminate early information about potential extreme weather events to reduce loss and damage (e.g., cyclones, extreme precipitation events, earthquakes, volcanic activity, etc.) • Climate change information dissemination to increase awareness so the population can take informed decisions and improve their knowledge about the topic (through mobile phone apps, courses, workshops, events, campaigns, etc.) • Conduction of comprehensive vulnerability and climate risk assessments to improve the understanding of climate change impacts, future behaviours and projections in different sectors, regions, population groups (including gender-specific impacts), etc. to improve decision-making and policy/strategy. | <p>Agriculture Forestry Fisheries Critical infrastructure (water, energy, telecoms, transport) Other infrastructure and the built environment (housing, buildings including schools, hospitals, etc.) Biodiversity and natural resources (protection of and conservation) Cultural heritage and local knowledge (protection of and conservation) Health (human and animal)</p> | <p>Temperature increase / heat waves Drought Seasonal changes and variability Precipitation variability (increase/decrease) Cyclones, severe storms and precipitation events, Floods Sea level rise Earthquakes, tsunamis, volcanic activity</p> |
| <p>Implementation of TPS to improve agriculture yields, by reducing crop/forested land loss and damage (examples):</p> <ul style="list-style-type: none"> • Testing and deployment of plant varieties resistant to changes in soil moisture, increased soil salinity, drought periods, flooding conditions, temperature fluctuations, pests and diseases, etc. • Installation of storage systems (either cold storage, bags, etc.) to prevent the harvested goods from spoiling • Adoption of improved agriculture techniques and sustainable land use practices (e.g., crop rotation, nutrient management) • Adoption of improved land-use systems and technologies that can combine two or three elements: agrisilvicultural systems (combination of crops and trees, such as alley cropping or homegardens), or silvopastoral systems (combine forestry and grazing of domesticated animals on pastures, rangelands or on-farm), or agrosilvopastoral systems (combine the three, namely trees, animals and crops)^{[21][2]} • Implementation of remote sensing and monitoring technologies/tools to check crop health-related indicators (Precipitation Index, Soil moisture, Groundwater and Terrestrial Water Storage, Evapotranspiration, snow, vegetation index, growth trends, number and size of plants, etc.), such as for example by using drones • Implementation of irrigation and drainage systems to cope with water shortages (pumped irrigation, drip irrigation, rainwater harvesting and storage, irrigation infrastructure deployment) • Offer phytosanitary services and consultation to keep healthy crops | <p>Agriculture Forestry</p> | <p>Temperature increase / heat waves Drought Seasonal changes and variability Precipitation variability (increase/decrease) Desertification</p> |
| <p>Implementation of TPS to improve agriculture yields by reducing livestock loss (death or diseases) (examples):</p> <ul style="list-style-type: none"> • Adoption of silvopastoral systems or agrosilvopastoral systems (see previous line) • Implementation of water storage and management to ensure water availability for cattle during periods of drought or low water availability, • Implement cold storage for slaughter, livestock and poultry products to prevent them from spoiling, • Use of remote sensing technology such as drones for livestock data collection and analysis (e.g., location, habits, number, etc.) • Offer veterinary/health services to keep good animal health | <p>Agriculture</p> | <p>Temperature increase / heat waves Drought Seasonal changes and variability Precipitation variability (increase/decrease)</p> |
| <p>Implementation of TPS to improve fishery yields by tackling the reduction of fish stocks (examples):</p> | <p>Fisheries</p> | <p>Temperature increase</p> |

| | | |
|---|--|--|
| <ul style="list-style-type: none"> • In-situ monitoring, control and surveillance of fishing grounds, reproductive habits and sites, and fish stocks for sustainable exploitation of the resource • In-situ monitoring and collection of data to track fish-health associated to changes in climate-related indicators (e.g., sea level height, seawater temperature, salinity, presence of unusual species, bacteria, virus or chemicals leading to fish disease, ocean pollution, coral bleaching, etc.) • Adoption of cold storage for fish products to prevent them from spoiling • Offer veterinary/health services to keep good fish health (especially in the case of aquaculture) • Adoption of sustainable aquaculture techniques (feed management, species selection and combination, etc.) | <p>Biodiversity and natural resources (protection of and conservation)</p> | <p>Ocean heat waves and seawater temperature Seasonal changes and variability Sea level rise (storm surges, changes in king tides, change in salinity)</p> |
| <p>Implementation of TPS to improve water management, water use planning, and storage (examples):</p> <ul style="list-style-type: none"> • Develop and adopt appropriate water availability modelling tools to assist strategic planning of water resources use, for both surface and groundwater resources • Implementation of rainwater harvesting and storage (tanks, reservoirs, dams, ponds) to cope with precipitation variability and dry periods (especially in countries that rely on rainwater for agriculture and human use), implementation of infiltration systems for groundwater recharging, run-off reduction, drainage control. • Conduction of in-situ monitoring of water quality in both surface and underground water given the risks of pollution (e.g., densely populated areas with poor sanitation conditions and/or waste collection and management, water bodies close to agriculture areas subject to fertilisers or other chemicals runoff, etc.) • Develop flooding maps and projections based on modelling to improve to plan water management actions (e.g., flood control, install flood defences, evacuation plan, early warning systems, etc.) • Implement urban water management systems (piping, porous pavement, green infrastructure (green roofs, green walls, etc., (re)forestation and green areas) | <p>Water supply (infrastructure) Health (human and animal) Critical infrastructure and other infrastructure and the built environment (housing, buildings including schools, hospitals, etc.)</p> | <p>Drought Seasonal changes and variability Precipitation variability (increase/decrease) and extremes (storms) Floods</p> |
| <p>Implementation of TPS associated to Ecology-based Adaptation (EbA) and Nature-based Solutions (NbS) (examples):</p> <ul style="list-style-type: none"> • Promotion and implementation of conservation, sustainable management and restoration of ecosystems such as natural wetlands and mangroves, coral reefs (supports fisheries), establishment of human-made wetlands (provide resources for consumption, indirectly supporting crop and livestock production), • Implementation of EbA in urban areas and the built environment (e.g., green infrastructure, urban gardens, green roofs/walls, urban wetlands, etc.) • Offer capacity building and knowledge transfer to improve decision-making by the authorities on coastal zone management and protection using NbS • Implement natural resource management techniques to protect biodiversity and make sustainable use of land (e.g., manage rangelands and pastures, restore degraded lands, establish new ecological reserves and other protected areas) | <p>Biodiversity and natural resources (protection of and conservation) Fisheries Agriculture Critical infrastructure, other infrastructure and the built environment (roads, telecoms, energy infrastructure, housing, buildings including schools, hospitals, etc.) Water (supply, storage, conservation)</p> | <p>Temperature increase / heat waves / extreme temperature (e.g., heat island effect on urban environments) Precipitation variability (increase/decrease) Cyclones, severe storms and precipitation events, Floods Landslides / mudslides Sea level rise</p> |
| <p>Implementation of financial mechanisms and opportunity to improve response to extreme weather events (examples):</p> <ul style="list-style-type: none"> • Climate insurance products for livestock, crops and fish, especially for small-scale farmers • Expand small-scale access to extreme weather events insurance, compensation and tax relief • Improve the offer of finance products to implement adaptation TPS and increase resilience • Improve knowledge and capacity of financial institutions to offer appropriate climate-focused financial products | <p>Agriculture Forestry Fisheries</p> | <p>Extreme weather events such as cyclones, storms, drought, floods Earthquakes, volcanic activity, tsunamis</p> |

Adaptive capacity is defined as the ability of systems, institutions, humans, and other organisms to adjust to potential damage, to take advantage of opportunities, or to respond to consequences (IPCC, 2014). Adaptive capacity relates to both the resources – including natural, financial, institutional, or human – available in a system for adaptation and the ability of that system to effectively deploy those resources to advance adaptation. One determination of a country’s adaptive capacity is represented by the ND-GAIN Country Index^{[22][22]}; this summarizes a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience. Out of the 54 ranked (out of 58) V20 countries, 37 countries or 68% are considered as having a high vulnerability score and low readiness score signalling both a great need for investment and innovations to improve readiness and a great urgency for action. As represented by country vulnerability index, without stronger actions and without the allocation of enough and appropriate resources, future climate scenarios will have a dramatic impact on LDCs, SIDS and LLDCs of the V20 as well as other developing countries.

The following sub-section intends to briefly describe the policy baselines which exist with the V20 as it relates to adaptation programmes and policies.

2.1.2 Policy Baseline

All V20 countries are signatory of the UNFCCC^{[23][23]}, and have ratified both the Kyoto Protocol –which operationalizes the UNFCCC– and the Paris Agreement –the legally binding international treaty on climate change that was adopted with the overarching goal to hold “the increase in the global average temperature to well below 2°C above pre-industrial levels in order to limit the temperature increase to 1.5°C above pre-industrial levels”. Whilst the Paris Agreement makes consistent mention of adaptation as a pillar, Article 7 of the Agreement speaks to the recognition of adaptation as a contributing pillar to the overarching (temperature) goal. It also obligates Parties to the Agreement to engage in adaptation planning processes and the implementation of actions, including the development or enhancement of relevant plans, policies and/or contributions. In compliance with this obligation, Table 5 indicates the adaptation frameworks existing in the V20 and which have been communicated to the UNFCCC.

TABLE 5: ADAPTATION FRAMEWORK(S) ACROSS THE V20

National Climate Change Policy (NCCP); Adaptation Communications (AdCom)^{[24][24]}; National Adaptation Programme of Action (NAPA)^{[25][25]}; Nationally Determined Contributions (NDC)^{[26][26]}; National Adaptation Plan (NAP)^{[27][27]}; Climate Prosperity Plan (CPP)

| Africa and the Middle East (27) | NC CP | NA PA | ND C | N A P | Ad Com | C P | Asia – Pacific (20) | NC CP | NA PA | ND C | N A P | Ad Com | C P | Latin America and the Caribbean (11) | NC CP | NA PA | ND C | N A P | Ad Com | C P |
|---------------------------------|-------|-------|------|-------|--------|-----|---------------------|-------|-------|------|-------|--------|-----|--------------------------------------|-------|-------|------|-------|--------|-----|
| Benin | | • | • | • | • | | Afghanistan | | • | • | | | | Barbados | | | • | | | |
| Burkina Faso | | • | • | • | • | | Bangladesh | | • | • | • | | • | Colombia | | | • | • | • | |
| Chad | | • | • | • | | | Bhutan | | • | • | | | | Costa Rica | • | | • | • | • | |
| Comoros | | • | • | | | | Cambodia | | • | • | • | | | Dominican Republic | | | • | | | |
| Côte d'Ivoire | | | • | | | | Fiji | • | | • | • | | | Grenada | | | • | • | | |

| | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------|---|---|---|---|---|--|------------------|---|---|---|---|---|---|--|-------------|---|---|--|---|---|---|--|
| Democratic Republic of Congo | | • | • | • | | | Kiribati | • | • | • | • | | | | Guyana | | | | • | | | |
| Ethiopia | | • | • | • | | | Kyrgyzstan | | | • | | | | | Guatemala | | | | • | | | |
| Eswatini | • | | • | | • | | Maldives | | • | • | | | | | Haiti | • | • | | • | • | • | |
| The Gambia | | • | • | | | | Marshall Islands | • | | • | | • | | | Honduras | | | | • | | | |
| Ghana | • | | • | | • | | Mongolia | | | • | | | | | Nicaragua | | | | • | | | |
| Guinea | | • | • | | | | Nepal | | • | • | • | • | | | Saint Lucia | • | | | • | • | | |
| Kenya | • | | • | • | • | | Palau | | | • | | | | | | | | | | | | |
| Lebanon | | | • | | • | | Papua New Guinea | | | • | • | | | | | | | | | | | |
| Liberia | • | • | • | • | • | | Philippines | | | • | | | | | | | | | | | | |
| Madagascar | • | • | • | • | • | | Samoa | | • | • | | | | | | | | | | | | |
| Malawi | | • | • | | | | Sri Lanka | | | • | • | | • | | | | | | | | | |
| Morocco | | | • | | | | Timor-Leste | • | • | • | • | • | | | | | | | | | | |
| Niger | | • | • | • | | | Tuvalu | | • | • | | | | | | | | | | | | |
| Palestine | | | • | • | | | Vanuatu | | • | • | | | | | | | | | | | | |
| Rwanda | | • | • | | • | | Vietnam | • | | • | | | | | | | | | | | | |
| Senegal | | • | • | | | | | | | | | | | | | | | | | | | |
| South Sudan | | • | • | • | | | | | | | | | | | | | | | | | | |
| Sudan | | • | • | • | • | | | | | | | | | | | | | | | | | |
| Tanzania | | • | • | | | | | | | | | | | | | | | | | | | |
| Tunisia | | | • | | | | | | | | | | | | | | | | | | | |
| Yemen | | • | * | | | | | | | | | | | | | | | | | | | |
| Uganda | | • | • | | | | | | | | | | | | | | | | | | | |

As outlined previously, climate change impacts have already eliminated US\$ 525 billion from V20 economies in the past 20 years. Climate risks have increased borrowing costs by 10%^{[28]28} and impacted debt sustainability as V20, as a group, has a total of US\$ 686.3 billion in external public debt. The uniquely vulnerable of the global community find themselves in a grim situation where “there is high confidence that neither adaptation nor mitigation alone can avoid all climate change impacts”^{[29]29}. Research has

indicated that, “adaptation cannot prevent unavoidable slow-onset climatic impacts such as inundation from sea-level rise. Migration and planned relocation are the only coping mechanisms after a territory becomes uninhabitable”. Thus, after more than 30 years of negotiation processes, the 2022 COP27 represented headway for the most vulnerable in the formalization of loss and damage as a third pillar under the UNFCCC. The importance of financing loss and damage is made clear within the CRVAs of the V20 members provided within the Baseline Report (Annex P). Where possible, and documented, the economic losses and/or damages incurred by countries due to drought, flooding, cyclones or other hazards are referenced. As such, the need to incorporate loss and damage as part of national adaptation planning processes and developmental plans is crucial. It is for this reason that 40% of the V20 members’ NDCs refer to loss and damage and, of these, 35% have a specific section dedicated to this topic.

The financing of adaptation measures is also consistently explored across adaptation frameworks of the V20. Out of the 96% V20 NAPs that identify financing as an enabling factor for adaptation, they identify the following financing sources as the most common ones: i) domestic budgets and international climate financing (identified as financing source in 83% of the NAPs that refer financing), ii) private sector (identified by 71% of the NAPs that refer financing), and iii) other financing sources (identified in 50% of the NAPs that refer financing): including multilateral and bilateral agreements, innovative financing (such as green or blue bonds), risk transfer mechanism or insurance, development assistance, between others.

In terms of trending sectors across the adaptation plans, programmes and communications across the V20, key economic and social sectors such as agriculture, animal husbandry, forest conservation, pastoral farming, security of water resources and health are common entry points for high-impact adaptation measures.

By region, adaptation priorities directly correlate to the trends in climatic changes and resultant hazards that have been observed and continue to increase. In Africa and the Middle East, as well as in Asia, water resources/security and agriculture have been mentioned in 100% of adaptation plans and programmes in direct response to increasing environmental stressors due to increasing temperatures and incidence of extreme heat. Additionally, the incidence of flash flooding and the resultant landslides may also have impact on agricultural stock and the quality of water resource available to maintain lives and livelihoods. Whereas within the Latin America and Caribbean island-states as well as the islands of the Pacific region, given the large oceans surrounding these states, ocean warming is already causing frequent and more intense rainfall variations and cyclones resulting in associated sea-level rise and loss of infrastructure, arable land, water resources and biodiversity and, therefore, sources of livelihoods. Thus, adaptation plans and measures which include addressing slow-onset events, early warning systems and disaster risk reduction and management are more commonly featured for countries within these regions.

2.2 Associated Baseline Projects

The following table highlights the associated baseline projects, excluding GEF-funded ones, which are captured in *Section 6 Institutional arrangement and coordination*.

TABLE 6: ASSOCIATED BASELINE PROJECTS AT NATIONAL AND REGIONAL LEVELS

| Name of the Programme/ Project | Duration Period / Budget | Short Description of the Programme / Project | Contribution (lessons learnt) / synergies with the proposed Project |
|--|----------------------------|--|--|
| Sustainable Insurance Facility (SIF) ^{[30][30]} | 2021-ongoing Budget: NA | The Sustainable Insurance Facility focuses on building domestic insurance markets by making available climate-smart insurance for micro, small and medium-sized enterprises. The aim of the SIF is to close the financial protection of the V20 countries and contribute towards their resilience and sustainability. | Designing and introducing climate-smart insurance products to MSMEs strengthens their capacity in financial and climate risk literacy, as well as transition risk literacy within LDCs and SIDS. The VFP will create synergies with the V20 led SIF as beneficiaries can benefit from the learning and knowledge generated by the SIF on how insurance products are enabling low-carbon investments and how they are supporting MSMEs improve their financial and technical capacities |
| Climate Prosperity Plans (CPPs) ^{[31][31]} | 2021-ongoing Budget: NA | The Climate Prosperity Plans (CPPs) seek to provide a national investment strategy and pathway to prosperity in a climate-insecure world. CPPs aim to respond to the challenges of access to climate financing by designing actionable investment and implementation pathways, with a focus on maximizing socio-economic outcomes and achieving prosperity through the | The engagement of CPPs leads to identifying actionable investment opportunities and financing gaps and project implementation |

| Name of the Programme/ Project | Duration Period / Budget | Short Description of the Programme / Project | Contribution (lessons learnt) / synergies with the proposed Project |
|---|--|---|--|
| | | leveraging of maximized domestic renewable energy potential and climate-proofing of the economy for V20 countries. | pathways towards climate prosperity in LDCs and SIDS. This solution is expected to yield synergies with the VFP and will introduce opportunities to learn the ongoing integration of challenges and proposed corrections under the implementation of the CPPs. |
| Unlocking investments in female and youth-led early-growth stage adaptation Micro, Small and Medium-sized Enterprises in Kenya and Uganda ^{[32][32]} | 2023-2028 Adaptation Fund Grant requested: US\$ 4,800,000 | The project takes an innovative approach in piloting a catalytic finance facility aimed to support early growth adaptation SMEs in Kenya and Uganda to scale their business models and adaptation impact on highly vulnerable target groups. The finance facility in combination with targeted business and post-investment advisory support will help these SMEs to overcome the missing middle financing gap and related challenges to grow and replicate their business operations, thus, widening the outreach and deployment of adaptation solutions to vulnerable groups. Vulnerable communities will benefit from an increased access to targeted and context-specific adaptation solutions, substantially increasing their resilience to climate change. The project will furthermore capacitate local FIs to gain a better understanding of adaptation solutions and technologies as provided by adaptation SMEs to raise their willingness and ability to provide tailored finance for adaptation businesses. | This project seeks to provide cost-effective and localised adaptation solutions to vulnerable communities in Kenya and Uganda. Outcomes from this project will inform lessons learned regarding adaptation interventions at the community level and adaptation TPS to increase resilience at the community level. It will also provide case study and learning on engaging with SMEs and community based private sector |

^[1] UNFCCC Subsidiary Body for Implementation (SBI), Note FCCC/SBI/2012/INF.14, provided a definition of loss and damage to encompass “the actual and/or potential manifestation of impacts associated with climate change in developing countries that negatively affect human and natural systems”.

^[2] OECD Data provides definitions: micro-enterprises usually have one to five or up to ten employees, small businesses ten to fifty, and medium-sized enterprises up to three hundred employees

^[3] <https://thinkhazard.org/en/>

^[4] [Home | Climate Change Knowledge Portal \(worldbank.org\)](#)

^[5] https://climate-insurance.org/wp-content/uploads/2021/02/The-V20-led-SIF-at-a-Glance_January-2021.pdf

^[6] NAPA Gambia (infccc.int)

^[7] (World Bank, Policy Research Working Paper 9417, Revised Estimates of the Impact of Climate Change on Extreme Poverty by 2030, 2020

^[8] <https://wedocs.unep.org/handle/20.500.11822/26007;jsessionid=F2CC0632CB3A56D1A16788F977B4A622>

^[9] <https://www.v-20.org/resources/publications/v20-debt-review>

^[10] The protection gap refers to insurance penetration across the V20 membership

^[11] UNEP, Adaptation Gap Report, 2022

^[12] Source: The Adaptation Finance Gap Report 2016. United Nations Environment Programme (UNEP), Nairobi.

^[13] GEF V20 F/SCCF Climate Change Adaptation Strategy 2022-2026, https://www.thegef.org/sites/default/files/documents/2022-11/GEF_Support_Innovation_V20_F_SCCF_2022_11.pdf

^[14] Parties recognize the importance of integrated, holistic and balanced non-market approaches being available to Parties to assist in the implementation of their nationally determined contributions, in the context of sustainable development and poverty eradication, in a coordinated and effective manner, including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity building, as appropriate. These approaches shall aim to: (c) Enhance public and private sector participation in the implementation of nationally determined contributions;

^[15] CPI, “Global landscape of climate finance: a decade of data”, 2022

^[16] <https://openknowledge.worldbank.org/bitstream/handle/10986/35203/Enabling-Private-Investment-in-Climate-Adaptation-and-Resilience-Current-Status-Barriers-to-Investment-and-Blueprint-for-Action.pdf?sequence=5>

^[17] UNDP, The State of Climate Ambition: [Snapshots for Least Developed Countries \(LDCs\) and Small Island Developing States \(SIDS\)](#), 2023

^[18] UN, Strengthening Climate Action in landlocked developing countries: [Experiences on adaptation and mitigation, 2022](#)

^[19] Source: The V20 led Sustainable Insurance Facility at a glance, 2021

^[20] OECD/FAO Agricultural Outlook 2016-2025: Agriculture in Sub-Saharan Africa: Prospects and challenges for the next decade

^[21] [Agroforestry \(fao.org\)](#)

^[22] <https://gain.nd.edu/our-work/country-index/rankings/>

^[23] UNFCCC, Status as of April 2023, https://treaties.un.org/Pages/ViewDetailsIII.aspx?src=IND&mtdsg_no=XXVII-7&chapter=27&Temp=mtdsg3&clang=en

^[24] UNFCCC Adaptation Communications, <https://unfccc.int/ACR>. Adaptation Communications can be done as Adaptation Communications or as a component or conjunction with other communications (NAP, NDC and/or National Communication) as referred in the Article 7, paragraph 11 of the Paris Agreement.

^[25] UNFCCC, Submitted NAPAs, <https://unfccc.int/topics/resilience/workstreams/national-adaptation-programmes-of-action/napas-received>

^[26] NDC Registry, UNFCCC, <https://unfccc.int/NDCREG>

^[27] NAP Global Network, <https://trends.napglobalnetwork.org/naps-by-country>

^[28] <https://wedocs.unep.org/handle/20.500.11822/26007;jsessionid=F2CC0632CB3A56D1A16788F977B4A622>

^[29] IPCC, 2007: Climate Change 2007: Synthesis Report. Contribution of Working Groups I, II and III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, Pachauri, R.K and Reisinger, A. (eds.)]. IPCC, Geneva, Switzerland, 104 pp

^[30] https://climate-insurance.org/wp-content/uploads/2021/02/The-V20-led-SIF-at-a-Glance_January-2021.pdf

^[31] <https://www.v-20.org/climate-prosperity-plans>

^[32] Regional Innovation Project/Programme Proposal (Unlocking Investments in Gender and Youth-inclusive Early-growth Stage Adaptation Small and Medium-sized Enterprises in Kenya and Uganda

B. PROJECT DESCRIPTION

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the guidance document. (Approximately 3-5 pages) see guidance here

THE PROPOSED ALTERNATIVE SCENARIO WITH A BRIEF DESCRIPTION OF EXPECTED OUTCOMES AND COMPONENTS OF THE PROJECT

The proposed alternative scenario is to implement a series of project components and their associated activities to address the identified barriers and risks to establish and operationalize the V20 Funding Programme, or VFP. The VFP and the other activities of the proposed GEF/UNIDO project will directly support a range of locally led adaptation interventions such as community infrastructure and livelihood asset repair, climate resilient reconstruction and rehabilitation, for those communities recently impacted by extreme weather events to build back better standards. Therefore, the proposed GEF/UNIDO project will establish and operationalize the VFP that will support adaptation solutions intended for averting and minimizing the negative impacts of climate change and improving communities' climate resilience; and will support policy and management frameworks improvement that addresses risks posed by climate-induced events.

The project will support innovative adaptation interventions proposed by MSMEs/CSOs as they operate at very local levels in developing, planning, and implementing community projects. MSMEs/CSOs can promote social inclusion of the marginalized thereby engaging the whole-of-society in these projects. Furthermore, they tend to engage beneficiary communities for the long term, which is key for the sustainability of projects.

Capacity gaps will be addressed by the proposed project through focused capacity building and awareness raising targeting key stakeholders, such as policy makers and institutional actors. Networking, advocacy, knowledge generation and exchange will enhance awareness and propel cross-learnings amongst ecosystem stakeholders. This increases the impact of the project whilst increasing demand- and supply-side opportunities for sustainably deploying adaptation TPS provided by MSMEs/CSOs in the V20^[133].

If access to innovative finance for adaptation action is enabled through the VFP, and key stakeholders and target groups gain capacity and awareness on climate change, its implications and possible solutions, then adaptation action is regularly delivered in a context of leveraging synergies through sub-national, national, regional and international coordination, while increasing the resilience of vulnerable people, communities, ecosystems and infrastructure in the V20.

The GEF/UNIDO project's Theory of Change (ToC) presented in **Figure 5** demonstrates the complex and multifaceted nature of climate change adaptation that is long-term in scope. It is important to refer that the project activities are to support the deployment of adaptation TPS across all the V20 member countries, **including current members as well as potential new countries that may become official members of the group during the implementation period of the project. As of July 2023, the V20 included 58 members . As of July 2023, the V20 included 58 members.**

The GEF/UNIDO Project will target 40% women, 30% youth participation in its activities to the extent possible. All materials produced throughout the GEF/UNIDO Project will follow the project's Communication Strategy, be gender-responsive and mainstream environmental and social considerations.

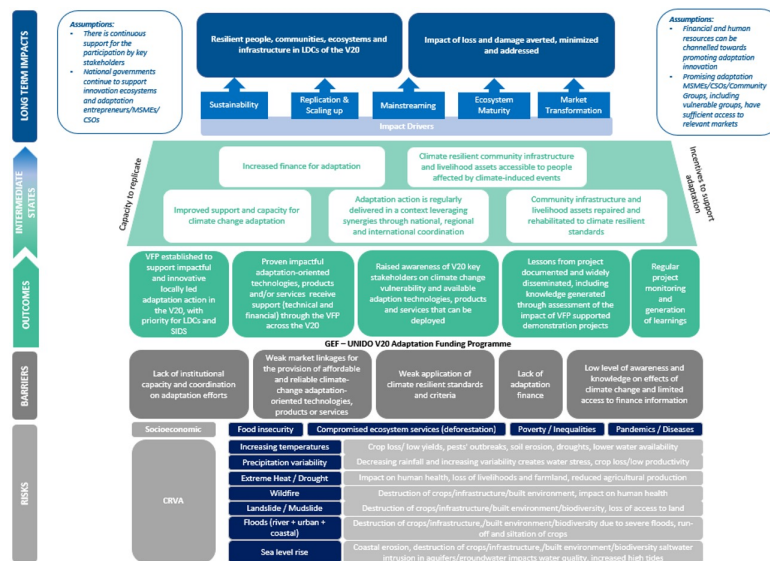


FIGURE 5: VFP THEORY OF CHANGE

Component 1: Design and management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation projects

Component 1 aims to design, establish, and monitor the VFP that will provide technical and/or financial support for impactful and innovative locally led adaptation TPS in the V20, with a special focus on LDCs and SIDS.

This includes setting up of an institutional mechanism to establish and govern the VFP, the design and establishment of the VFP framework, its monitoring and evaluation system, VFP funds mobilization strategy and the design of an exit strategy to guarantee the sustainability of the fund once the GEF/UNIDO project comes to closure.

Outcome 1.1: VFP established to support impactful and innovative locally led adaptation action in V20

Output 1.1.1: An institutional mechanism with strong linkages to global adaptation planning processes is established to govern the VFP

Activity 1.1.1.1: Establishment of the VFP Committee

The V20 is formed by the Ministers of Finance of the Climate Vulnerable Forum^{[2]34}. The V20 Secretariat is composed of a Global Lead and 3 other staff who provide technical and administrative support to the convenings and engagements of the V20 Finance Ministers and also drive technical work as mandated by the V20 Chair.

The VFP Committee to be established under this Output, should have approximately 10 core members with deliberative rights to ensure efficiency and nimbleness. Those 10 members should include, for example, two countries from each V20 region. These members will be renewed bi-annually to ensure equal participation from different countries that compose the V20. The VFP Committee Chair will be selected by the V20 Secretariat from one of the V20 member states and, in principle, could follow the same process as for the Presidency of the Forum. In this way, the same country would lead the V20 and Chair the VFP Committee in the same rotating basis. Currently, Ghana is chairing the Forum in 2022-2024.

In addition to those core members, regional and international public and private sector participation (also on a rotating basis) will be sought, to ensure inclusion and engagement of different stakeholders' groups. The involvement of regional and international networks will aim at including the following groups, at the minimum: i) development finance institutions, ii) key government institutions and iii) representatives of vulnerable groups (e.g., in the form of CSOs or NGOs), such as:

Coalition for Disaster Resilient Infrastructure^{[3]35} (CDRI) – is a partnership of national governments, UN agencies and programmes, multilateral development banks and financing mechanisms, the private sector, and knowledge institutions that aims to promote the resilience of new and existing infrastructure systems to climate and disaster risks in support of sustainable development. Members include 31 countries plus ADB, WB Group, UNDP, UNDRR, ARISE (The Private Sector Alliance for Disaster Resilient Societies), CCRI (Coalition for Climate Resilient Investment), EU, EIB.

Coalition for Private Investment in Conservation (CPIC^{[4]36}) – a global multi-stakeholder initiative focused on enabling conditions that support the increase of private investment in conservation to support adaptation to climate change.

International Union for Conservation of Nature (IUCN)^{[5]37} – It is a membership union that brings government and civil society organisations together with a global network of experts.

Glasgow Financial Alliance for Net Zero (GFANZ^{[6]38}) – global coalition of leading financial institutions committed to accelerating the decarbonization of the economy to keep global temperature increase below 1.5°C.

Alliance of Small Island States (AOSIS^{[7]39}) – Intergovernmental organisation that represents the 39 small island and low-lying coastal developing states in international climate change, sustainable development negotiations and processes.

NAP Global Network^{[8]40} - The Network brings together individuals and institutions representing developing country adaptation policymakers and bilateral development agencies.

Engaging those types of stakeholders' groups would ensure access to high-level public and private networks and key actors who, in a consultative role, are able to provide views, insights and recommendations based on their own experiences and understanding of their group's needs. The organisations to be involved in the VFP Committee will be identified during project implementation based on V20's network and knowledge of the regional and local scenes across member countries, who will have a clear understanding of the local scene in terms of active CSOs and NGOs in the climate change adaptation field, and on the suggestions provided by e.g., the regional hubs that will be established through Output 3.1.1, who are expected to have a deep understanding of the communities they work with.

The VFP Committee expected role and responsibilities will be described in the VFP governance mechanism to be designed in Activity 1.1.1.2.

Activity 1.1.1.2: Design of the VFP governance mechanism

The governance mechanism that will lead the management and operations of the VFP will be perfectly aligned with the overall governance and policies that command the V20 operations to ensure coherence, integration and synergy creation with other actions and initiatives.

Figure 6 shows the proposed governance mechanism for the VFP. The governance mechanism is envisaged to work as the overall management framework for the implementation of the VFP. The GEF/UNIDO Project Steering Committee (PSC) and the VFP Committee will function as independent coordination bodies of the Fund, providing oversight and guidance to the Fund Management Team on the day-to-day management and operation of the VFP. The Fund Management Team will be part of the GEF/UNIDO Project Management Unit (PMU) and will be responsible for the design and operationalization of the fund, including launch of calls for proposals, selection of projects to receive funding, fund disbursement and control. Table 7 summarises the roles and proposed functions of the different parties included in the VFP governance structure (the overall project institutional arrangement and coordination is described in Section 6 of the project document).

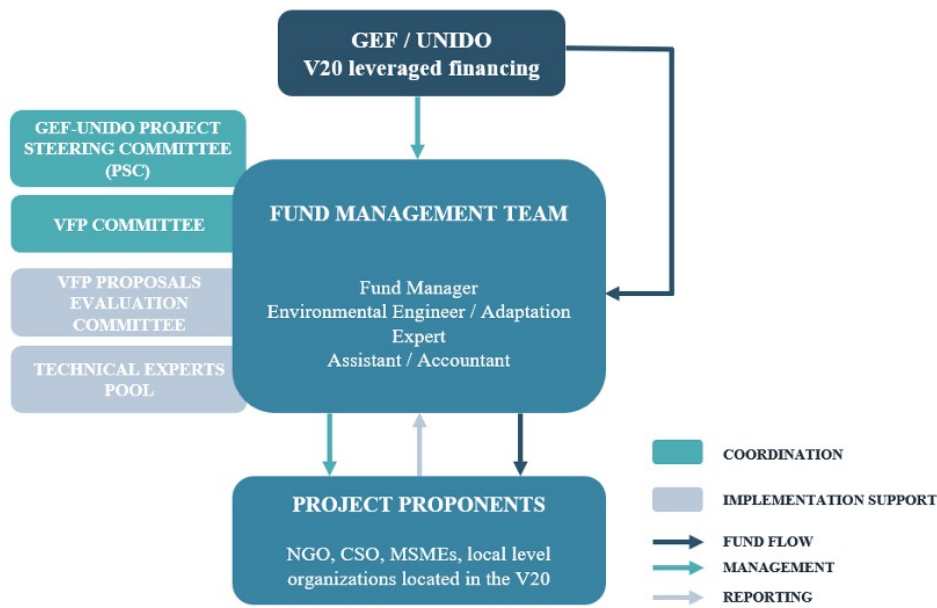


FIGURE 6: VFP PROPOSED GOVERNANCE MECHANISM

TABLE 7: PROPOSED ROLES AND RESPONSIBILITIES OF THE DIFFERENT PARTIES WITHIN THE VFP GOVERNANCE MECHANISM

| Organization/Entity | Roles and Responsibilities |
|--|--|
| GEF / UNIDO | GEF is the main donor of the project, which will provide the funds for the operationalization of the VFP. UNIDO is the implementing agency that will receive the funds and provide oversight to the implementation of the GEF/UNIDO project, including the actual setup and management of the fund. |
| V20 Leveraged financing | V20 will leverage financing from philanthropic organizations and public financing. |
| GEF/UNIDO Project Steering Committee (PSC) | Provide general guidance and oversight on the operation of the VFP. |
| VFP Committee | Approving the VFP annual plan (to be developed by the PMU together with the V20 Secretariat) as well as any potential deviations or modifications to the original plan. Meeting once a year (the Chair will be responsible for convening the meeting and recording a meeting minute to be distributed to all the VFP Committee members), Providing overall guidance, oversight and ensure that the goals of the VFP are aligned with those of the V20, Ensuring a just, appropriate and equitable distribution of resources to meet the VFP objectives. Approve the selection of projects to receive financing from the VFP. |
| Fund Management Team | Sits within the PMU of the proposed GEF/UNIDO Project. Should include a Fund Manager and a Project Manager (e.g., an Environmental Engineer/Adaptation Expert) and an Assistant/Accountant. The PMU specific roles and responsibilities are described in Section 6 of the document “Institutional arrangement and coordination”. The Fund Management Team will particularly focus on: Designing the VFP Framework (Output 1.1.2) including VFP annual plans. Carrying day-to-day management/monitoring and evaluation activities of the VFP. Carrying out pre-screening of the received VFP project proposals to identify those projects that do not meet the criteria before sending them to be scored by the Technical Experts. Compiling the assessment/scoring carried out by the Technical Experts on the received demonstration project proposals and compiling the preliminary evaluation results, to be presented and analysed by the VFP Proposals Evaluation Committee. Gather the VFP Proposals Evaluation Committee to present and select the projects to receive support from the VFP. Report to the GEF/UNIDO Project Coordinator, and to the VFP Committee and PSC. The Fund Management Team will also have access to Technical Experts, to which the funding proposals will be sent to for analysis/scoring purposes, after being pre-screened. |

| | |
|------------------------------------|--|
| VFP Proposals Evaluation Committee | <p>For each call for project proposals that wish to receive support from the VFP, a VFP Proposal Evaluation Committee will be formed. This is envisaged to be comprised of not more than six (6) stakeholders from the V20 (to be pre-selected by V20 Secretariat prior to issuing the call for proposals). If the PEE has country offices in the countries from where project proposals were submitted, these can also be invited to be part of the VFP Proposal Evaluation Committee.</p> <p>The VFP Proposals Evaluation Committee will receive the preliminary evaluation results and will provide recommendations for the VFP Committee to allocate funding for the approved proposals.</p> |
| Technical Experts Pool | <p>The PMU will select at the start of the project through public procurement a shortlist (Pool) of Technical Experts to provide technical evaluation support for the received project proposals. These experts should be able to evaluate the suitability and financial requirements of the received proposals. The Fund Management Team will call on specific experts from the Technical Experts Pool to assess the received projects as needed.</p> |

At the start of the GEF/UNIDO Project implementation, and following the setting up of the PMU, the Fund Management Team will be established. The proposed governance mechanism will be reviewed by the Fund Management Team / PMU at the start of the GEF/UNIDO project and clear operational guidelines will be developed, which should include at a minimum:

- (i) Processes for communications (internal and external);
- (ii) Processes for the implementation of actions and activities within the VFP.
- (iii) Processes for risk assessment and management;
- (iv) Processes for monitoring and evaluation (M&E) of the VFP performance – connected with Output 1.1.3,
- (v) Roles and responsibilities of the governance structure including the VFP Committee and other actors involved in the VFP.

The revised governance mechanism and its guidelines will be presented by the PMU/Fund Management Team to the PSC and the VFP Committee for approval at the start of the project implementation.

Output 1.1.2: VFP Framework to promote adaptation, innovation and entrepreneurship developed

Activity 1.1.2.1: Design of the VFP Sustainable Strategic Framework

A Sustainable Strategic Framework for the VFP will be defined by the Fund Management Team for the operationalization of the fund with support from a subcontractor with experience in designing this type of frameworks at the start of the GEF/UNIDO project. This should include, at least the following proposed governing principles:

Definition of the fund: the VFP is a financial instrument, created within the GEF/UNIDO V20 Project that makes use of a GEF grant and other co-finance sources, to support the deployment of innovative TPS that support vulnerable communities to adapt to climate change and respond to loss and damage caused by climate change in the V20. The TPS are proposed by communities, CSOs and NGOs across the V20, with a special emphasis on LDCs and SIDS. The VFP is managed by a specific Fund Management Team located at the PMU, according to the governance mechanism defined in Activity 1.1.1.2. At the PPG stage and in consultation with the V20 it was agreed that the identification of additional funding sources would be done alongside the selection of the 50 demonstration projects.

Funding: the VFP has a grant from GEF amounting US\$ 4,872,831 to be used for providing technical and financial support for the implementation of loss and damage adaptation TPS in the V20. Besides that, the VFP also benefits from grant contributions mobilized, or to be mobilized, by the V20 Secretariat from the V20 member states, as well as from philanthropic sources. The GEF/UNIDO project foresees the development and implementation of a Fund Mobilization Strategy, in order to ensure the identification of new funding streams and the sustainability of the fund after GEF/UNIDO Project closure. At the PPG stage, a contribution of US\$ 800,000 has been mobilized by the V20 for the VFP.

Financial fiduciary: The contributions to the VFP, to be used for the deployment of innovative TPS, will be credited into a specific account, different from the rest of the GEF/UNIDO Project. The contributions of the VFP will be maintained and accounted for as pooled funds¹⁹¹.

Programmatic allocation requirements: The funding allocations will be carried out based on the evaluation of projects proposals submitted in response to the call for proposals under the VFP. The submitted project proposals should be clearly aligned with the VFP strategic framework and its objectives and should be selected based on the VFP project selection criteria.

Allocations are expected to be made on a yearly basis, from Y2 to Y4 of the GEF/UNIDO project.

Allocations will be flexible to support MSMEs/CSOs/NGOs based on their maturity and business development stage, and can include one or a combination of the following items: i) Investment grants and/or lending to a project or activity to meet capital costs, either directly or via a third party; ii) Provision of working capital; iii) Provision of partial-risk guarantees to third parties, including commercial banks or other lenders, possibly on a first-loss basis; iv) Technical assistance / funding of complementary activities (training, awareness building etc).

Prior to any allocation of funding, supporting documents illustrating how the project proposals respond to the VFP evaluation criteria should be submitted prior to the calls for proposals deadline, including a summarised Results Framework/Logical framework. The project proposals should integrate at least the following content, as per Table 8:

TABLE 8: MINIMUM CONTENT TO BE INCLUDED IN THE DEMONSTRATION PROJECTS PROPOSALS

| MINIMUM CONTENT TO BE INCLUDED IN THE DEMONSTRATION PROJECTS PROPOSALS |
|--|
| <p>Information on the project proponent and adaptation TPS that is proposed to be supported through the requested allocation. The project proponent should be a registered MSME/CSO that provides adaptation TPS and qualifies under the Adaptation Taxonomy framework^[10] developed by the Adaptation SME Accelerator Project (ASAP) as an adaptation MSME/CSO. If applicants present clear understanding of adaptation taxonomy, rationale and linking to climate change risks and vulnerability of country/sector/value chain that the initiative aims to target, but are not included in the preliminary list of adaptation TPS (Table 4), they can still be considered for inclusion to receive support. Box 1 below presents the definition of MSME and Figure 7 the screening criteria according to ASAP. A definition for Adaptation CSO is provided in Box 2 as well.</p> <p>The proposed adaptation innovation solutions should be affordable and accessible so they can be implemented in the targeted country/sector/value chain by stakeholders, especially the most vulnerable ones (women, youth, indigenous peoples). Table 3 identifies the trending climate change vulnerabilities across the V20 regions and Table 4 provides a non-exhaustive list of innovative adaptation TPS examples, which can be implemented to address climate change and improve response to loss and damage caused by climate change. It is very important to note that there are many MSMEs/CSOs that are unknowingly providing adaptation solutions and a few MSMEs/CSOs that are actually (recently) focusing on adaptation solutions. The project will be aware of these facts while selecting the allocations to be provided using the VFP.</p> |
| Alignment with the VFP, and local adaptation policies and plans. |
| Adaptation rationale: A local CRVA where the demonstration project is going to be implemented should be developed, clearly indicating the climate change hazards and impacts (loss and damage) that the proposed innovative TPS aims to prevent and or adapt to, as well as the beneficiaries in terms of numbers and type of groups (including vulnerable groups, such as women and youth). The CRVA should justify the extent to which the proposed solution directly addresses climate hazards and shocks and how these impact targets communities in the short, medium and long-term. The proposed project should demonstrate how it is addressing climate-related hazards and reducing risks or exposure, how it is reducing or addressing sensitivity and changes impacting people and/or infrastructure and/or goods to improve adaptive capacity and response; how the proposed project is structured in terms of timeline, expected outcomes, outputs, results and benefits, and how the benefits will be measured and tracked (i.e., a Monitoring and Evaluation Plan). Identification of the replicability potential of the proposed activity, within the targeted V20 member countries. |
| Degree of advancement of the project: design stage, implementation stage. |
| Financials and investment structure. Type of support required (support in design, structuring and/or testing/implementation) and funding needs (type and quantity of funding). Dependence on collateral investment by third parties. |
| List of preidentified partners (technical, financial, social etc). |
| Implementation capacity of the local community / project proponent or other partners with regards to supporting and maintaining the project or activity over time. Requirement for additional advanced training and “soft” support. |
| Environmental and Social Safeguards (ESS) assessment using the GEF/UNIDO project ESMF guidance for project evaluation and/or provision of an ESMP or Environmental and Social Impact Assessment according to project needs and national legislation (see Annex J), indicating how E&S impacts are reduced with the adoption of clear mitigation measures. |
| Expected local jobs generated with the implementation of the demonstration project. Impact on vulnerable groups. |
| Demonstrate how the proposed project addresses the risk of maladaptation. It is important to make sure that the proposed technology, product or service leads to adaptation, and does not lead to maladaptation. Maladaptation Assessment Frameworks are described in the ESMP (see Annex J) to help select MSMEs/CSOs that promote adaptation that do not lead to maladaptation. |

Allocations will privilege demonstration projects that: i) Are clearly aligned with the VFP programme as well as with local adaptation policies and plans; ii) Give rise to high impact results that benefit V20 member countries in special situations (with priority given to LDCs and SIDS), including individuals who are vulnerable, such as women and youth; iii) Have strong catalytic and multiplier effects, thus can be replicable across V20 member countries, especially in LDCs and SIDS; iv) Promote the attainment of multiple goals or the holistic, integrated nature of adaptation.

Decision making process: the received project proposals will be evaluated by the Fund Management Team with support from the Technical Experts Pool and submitted for appreciation and allocation recommendations by the VFP Proposal Evaluation Committee. The evaluation reports, prepared by the Fund Management Team, will analyse all the received applications against the fund’s evaluation criteria, that should be met, at a minimum, including the ones listed in Table 8 and others that the Fund Management Team decides to include during the design of the VFP sustainable strategic framework. The evaluation reports should also highlight: i) The adequacy of the TPS to the issue / adaptation impact or hazard that aims to address; ii) The environmental, social and other benefits as well as their contribution to the VFP benefits; iii) Inclusion of gender, youth and other vulnerable groups; iv) The barriers that exist

to the successful design, implementation and long-term operation of the project proposal; v) The level of finance to be provided by the VFP; the collateral sources; and own resources; vi) Technology requirements and local availability; vii) Cost-benefit analysis, including evaluation of alternative options to meet the same result; viii) Replicability; and ix) Sustainability.

The Fund Management Team will use the evaluation reports to make a preliminary recommendation on the allocations to be provided, that will be presented to the VFP Proposal Evaluation Committee for final review and submission to the VFP Committee for final approval. The Fund Management Team and the VFP Proposal Evaluation Committee will use their discretion in the allocation of funds taking into consideration the requirements and criteria, as well as the financial sustainability of the VFP.

Narrative and financial reporting: the Fund Management Team with support from the project proponents will submit narrative and financial reports to the PMU, GEF and other donors to the VFP on a regular basis, as follows: Biannual milestone narrative reports and financial reports (as of 30 June and 31 December each year), covering the activities of the preceding 6 months; and a final narrative milestone summary report and financial report, submitted within 90 calendar days of the GEF/UNIDO Project’s end date.

Independent Evaluation: the VFP will be evaluated every two years according to the VFP monitoring and evaluation framework outlined in Output 1.1.3.

BOX 1: DEFINITION OF ADAPTATION MSME

An **Adaptation MSME** is a registered company providing technologies, products and/or services that:
 Addresses systemic barriers to adaptation strengthening user’s ability to understand and respond to physical climate risks and related impacts and/or capture related opportunities
 AND/OR
 Contribute to preventing or reducing material physical climate risks and/or the adverse associated impacts on assets, economic activities, people or nature
 AND
 Does no harm and generates long term value

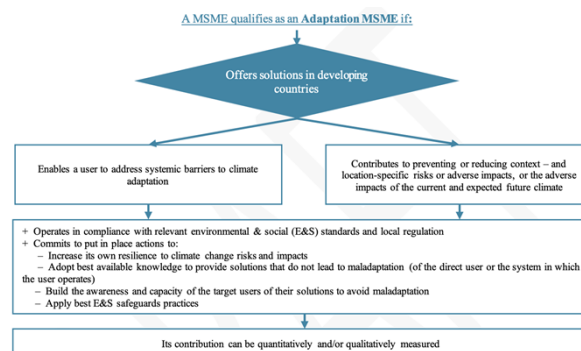


FIGURE 7: SCREENING CRITERIA FOR IDENTIFYING “ADAPTATION MSMEs”¹¹¹⁴²

BOX 2: DEFINITION OF ADAPTATION CSO¹²¹⁴³

An **Adaptation CSO** is a not-for-profit, non-governmental entity that groups citizens or communities who share a common orientation and interest for a given topic, in this case, climate change adaptation.

An Adaptation CSO would qualify as such if it undertakes one or more activities towards improving:

The communities’ understanding, knowledge, capacity and awareness about:

- climate change-related concepts, for example: extreme weather events, climate change hazards, impacts, risks, and vulnerability;
- potential actions they could implement for climate change adaptation, resilience and response to climate change to reduce loss and damage in their communities;
- specific adaptation solutions that could comprise those actions, including but not limited to solutions such as specific technologies or products (e.g., goods or financial products) or services such as capacity building and training courses on climate change topics;

The institutions’ understanding, knowledge and awareness about the on-the-ground realities of those communities facing climate change impacts, hazards and risks, by representing their common voice;

The communication, engagement and partnering between the communities and the institutions / market to streamline climate change action at local level, also ensuring inclusiveness of unattended vulnerable groups.

The VFP Sustainable Strategic Framework will be key for formally establishing the VFP.

Activity 1.1.2.2: Development of the VFP allocation plan and long-term vision of scale of impact

At the start of the GEF/UNIDO project and in parallel with the development of the VFP Sustainable Strategic Framework a plan for annual allocations of funds within the VFP will be developed highlighting the corresponding impact and identifying the long-term vision of the scale of impact that the VFP aims to achieve.

It is foreseen that the number of allocations will increase as the project advances in its implementation, as a result of its operationalization, learning and improvement, as well as increased level of resources mobilised (see Output 1.1.4).

The metrics that will be used for identifying the scale of impact of the allocations as well as the foreseen long-term impact of the project will be discussed and identified making use of the synergies that will be created between this project and the GEF/UNIDO Knowledge Management Adaptation project (GEF-ID: 11303) that will operationalize a Community of Practice on impact metrics used in climate change adaptation projects, to be led by UNEP-FI. As the GEF/UNIDO Knowledge Management Adaptation project is only set to start by the end of 2023, it is possible that the impact metrics used for the project are adjusted through the VFP implementation period. The impact metrics used in the assessment of the long-term vision of the scale of impact should include at a minimum the direct and indirect number of beneficiaries of the project interventions that receive allocations through the VFP and should be aligned with the main impact indicators of the GEF/UNIDO Project.

The VFP allocation plan and the long-term vision of scale of impact will be elaborated in Y1 by the Fund Management Team with support from a subcontractor. It will then be implemented and reviewed annually by the Fund Management Team following the systematic analysis and reporting on the operation of the VFP.

Activity 1.1.2.3: Identification of the existing innovations and or organizations to involve in the project

Regular analysis of climate change vulnerabilities across the V20, with a special focus on the LDCs and SIDS, will be conducted to ensure that the project remains updated and that allocations are provided to address adaptation to the most impactful climate change hazards and events. This will also allow the PMU to update its list of possible innovation TPS that can address/support adaptation to climate change within the V20 member countries, with a special focus on the LDCs and SIDS, as those are the ones eligible to receive allocations for projects from the VFP. A preliminary list of these TPS has been compiled at PPG stage and it can be used as basis at the start of the GEF/UNIDO project. This list will support the Fund Management Team to make a pre-screening of the received proposals, after checking those for the minimum contents.

In addition, the Fund Management Team should keep an up-to-date record of the organizations that it has been reaching out to advertise the project activities and that can potentially be involved in the implementation of demonstration projects.

In Y1 the PMU will generate a report with support from a subcontractor on the climate change vulnerabilities across the V20 member countries and a list of innovative TPS that could be implemented to address them. These will be good instruments to make available on the GEF/UNIDO project Online Platform to inform and build awareness on the eligible TPS for allocations within the VFP. The prepared report will then be updated twice, one by the middle of the project (Y3) and then towards the end of the project (Y5). These reports will follow the GEF/UNIDO project Communication Strategy (see Component 3).

Activity 1.1.2.4: Systematic analysis of innovation funding mechanisms and improvement of the VFP sustainable strategic framework

The Fund Management Team will carry annual reviews on the implementation of the framework as well as reviews on innovation funding mechanism to make recommendations for improvement of the VFP Sustainable Strategic Framework. The recommendations will be made to the VFP Committee and the PSC, for consideration and approval.

Activity 1.1.2.5: Development of the exit strategy for the VFP

Towards the end of the GEF/UNIDO project, an exit strategy for the VFP will be developed to ensure the sustainability of the project. This strategy will assess the continuity of the operationalization of the VFP using financial sources mobilized through the resource mobilization plan implemented throughout the GEF/UNIDO Project as well as looking into opportunities to scale up the fund through multilateral funding windows, such as the Green Climate Fund, philanthropic commitments, **loss and damage funds**, amongst others. This strategy should also look into the VFP operational details and provide detailed guidelines for the handover process and responsibility transfer for its continuing operation. The PMU/ Fund Management Team will be responsible for the development of the exit strategy and its presentation to the VFP Committee and PSC for approval.

Output 1.1.3 VFP monitoring and evaluation system developed to continuously assess climate vulnerability and appropriate adaptation solutions in the form of Technologies, Products and Services (TPS)

Activity 1.1.3.1: Development and implementation of the VFP monitoring and evaluation (M&E) system

Along with the development of the VFP strategy and plan, the monitoring and evaluation (M&E) system for the VFP operationalization should also be defined. The VFP M&E system should follow UNIDO standards for monitoring and reporting processes and procedures in alignment with the GEF Monitoring Policy. The VFP M&E system will be an integral part of the GEF/UNIDO project, concerning the implementation of Component 1 and Component 2 activities, and should enable a continuous assessment of climate vulnerability in the targeted countries, warning systems and appropriate adaptation solutions, as well as provide transparency on the use of the donors' funds in terms of project allocations, ensuring that the VFP remains up-to-date, relevant,

inclusive and impactful. The M&E system will take into consideration the monitoring of indicators to ensure women and youth participation tracking, as well as that of other relevant vulnerable groups.

Details of the indicators, targets, sources of information and responsible people for M&E VFP activities is further elaborated in Component 4 and in Annex A: Project Results Framework. It is envisaged that the Fund Management Team will be responsible for day-to-day monitoring of the fund activities, and thus Component 1 and Component 2 activities and impacts. They will be responsible for reporting progress to the UNIDO Project Coordinator sitting at the PMU.

Two independent evaluations of the VFP are planned in this project, one at mid-term and the other towards the end of the project. Details of those can be found in Component 4.

Output 1.1.4: Plan to mobilize more resources for VFP developed and implemented

Activity 1.1.4.1: Development and implementation of the Fund Mobilization Strategy and Plan

A Fund Mobilization Strategy and Plan will be put forward by the V20 to mobilize additional funding resources towards the operationalization of the VFP. At the PIF stage the following sources were identified, and were confirmed at the PPG stage: the V20 has mobilized an initial allocation of US\$ 800,000 (including V20 Fund + philanthropic commitments) towards the VFP; and GEF has committed US\$ 4,872,831 towards the creation and operationalization of the VFP and the complementary activities to strengthen capacities and disseminate information and knowledge on climate change impacts and hazards, climate change adaptation TPS, and the VFP, as a way to increase the participation of MSMEs/CSOs in developing/implementing adaptation projects. The stakeholders include the involvement of financing institutions in the development and provision of products and services to be provided to the MSMEs / CSOs requiring financing.

The GEF and the V20 funds form the seed resources to build forward stronger, and the leverage mechanism that the V20 will utilize for additional funding mobilization.

Through the development of a Fund Mobilization Strategy and Plan, the V20 in support of the PMU can leverage additional climate adaptation and development/reconstruction resources together with funds specific for addressing climate change loss and damage as well as funds to provide adaptation solutions to the most vulnerable sectors across the V20.

The Fund Mobilization Strategy and Plan will be developed at the start of the implementation of the project (Y1) and should: (1) define the vision and strategy for fund mobilization with an indication of the required co-funding to be mobilized to achieve the long-term vision of scale of impact; (2) identify the funding sources to approach; and (3) identify the financial institutions/investors to approach. The strategy should be adjusted and updated as needed, making sure that resources are mobilized towards adaptation to climate change. The strategy should include its respective action plan clearly identifying the roles and responsibilities, stakeholders and processes to be conducted for its implementation. **Figure 8** illustrates the steps to develop a Fund Mobilization Strategy and Plan.



FIGURE 8: FUND MOBILIZATION STRATEGY AND PLAN STEPS

The idea is that the strategy guides the V20 in mobilizing additional financing to the VFP from various sources, which will complement the GEF resources. Through this strategy the V20 is committed to approach the following organisations to mobilize at least US\$ 2.5 million from the following financial sources:

- Wealthy and high emitting government parties to the UNFCCC.
- Non-State government institutions (i.e., states/regions, cities/municipalities).
- Observer parties to the UNFCCC.
- Individual and micro-contributions including through crowdfunding and as led by students/youth, non-profit organizations, associations, etc.
- Further philanthropic contributions.
- Corporate contribution.
- Innovative financing instruments including financial transactions tax (FTT) on financial trades.
- Carbon pricing and emissions trading revenues.
- Airfare and transport ticket levies (voluntary or mandatory).

The overall expected leverage of the adaptation funds will depend on the ultimate mix of partners and ability to integrate Official Development Assistance (ODA) and climate-related ODA to the GEF/UNIDO Project. For example, the V20 can leverage GEF’s adaptation resources and national ministries’ ODA to match public investments or private sector / community investments in reconstruction development, disaster risk reduction and humanitarian response. Loss and damage funds, to be provided by sources other than LDCF/SCCF, aim to have leverage ratios between 0.5x to 2x for development aid and adaptation investment mobilization for every US\$ 1 expended in loss and damage across the portfolio. The project’s leverage goal will be periodically assessed by the V20, the PMU and core partners of the GEF/UNIDO Project. Leverage of loss and damage funds can be measured immediately at the project level (e.g., co-investment) or for the whole programme. Furthermore, by intervening through MSMEs/CSOs, the GEF/UNIDO Project will further leverage their technical know-how, co-finance and market access.

The Fund Mobilisation Strategy and Plan design will take into consideration the results of the baseline assessment done at this PPG stage, which show a clear need to diversify the funding sources and correctly allocate them for climate change adaptation and recovery. Results from the stakeholders’ consultation conducted at PPG stage indicate that, across the V20, the most commonly used source to face loss and damage is direct government support (in many cases the only option available), then international support (e.g., loss and damage funds, donations), personal savings, insurance / bank loans (as shown in Figure 9). In most of the cases, the stakeholders have highlighted that the communities contribute to the rebuilding efforts too.

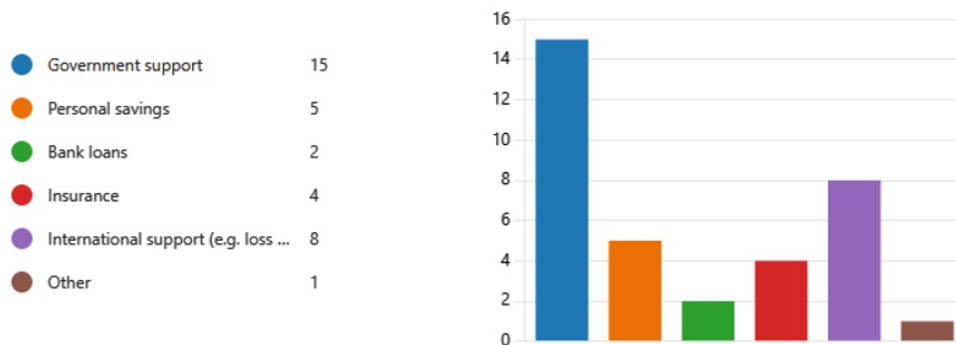


FIGURE 9: MECHANISMS USED BY STAKEHOLDERS TO ADDRESS OR FINANCE REBUILDING / REPAIRING EFFORTS

The following table summarises the outcomes, outputs, and activities of Component 1.

| | |
|--|--|
| <i>Component 1: Design and management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation projects</i> | |
| Component 1 aims to design, establish and monitor the VFP that will provide technical and/or financial support for impactful and innovative locally led loss and damage adaptation TPS in the V20, with priority provided to LDCs. | |
| <i>Outcome 1.1: VFP established to support impactful and innovative locally led adaptation action in V20</i> | |
| <i>Output 1.1.1: An institutional mechanism with strong linkages to global adaptation planning processes is established to govern the VFP</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 1.1.1.1: Establishment of the VFP Committee | PSC / CVF / V20 Secretariat |
| Activity 1.1.1.2: Design of the VFP governance mechanism | PMU/ Fund Management Team, PSC and VFP Committee |
| <i>Output 1.1.2: VFP Framework to promote adaptation, innovation and entrepreneurship developed</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 1.1.2.1: Design of the VFP Sustainable Strategic Framework | PMU/Fund Management Team |

| | |
|---|--|
| Activity 1.1.2.2: Development of the VFP allocation plan and long-term vision of scale of impact | PMU/Fund Management Team and subcontractor |
| Activity 1.1.2.3: Identification of the existing innovations and or organizations to involve in the project | PMU and subcontractor |
| Activity 1.1.2.4: Systematic analysis of innovation funding mechanisms and improvement of the VFP Sustainable Strategic Framework | PMU/Fund Management Team |
| Activity 1.1.2.5: Development of the exit strategy for the VFP | PMU/Fund Management Team |
| Output 1.1.3 VFP monitoring and evaluation system developed to continuously assess climate vulnerability and appropriate adaptation solutions in the form of Technologies, Products and Services (TPS) | |
| Planned and Envisioned Activities | Responsibility |
| Activity 1.1.3.1: Development and implementation of the VFP monitoring and evaluation (M&E) system | PMU, Fund Management Team |
| Output 1.1.4: Plan to mobilize more resources for VFP developed and implemented | |
| Planned and Envisioned Activities | Responsibility |
| Activity 1.1.4.1: Development and implementation of the Fund Mobilization Strategy and Plan_ | V20, PMU |

Component 2: Operationalization of the VFP

Component 2 operationalizes the VFP established in Component 1. This involves field-testing of the different typologies of finance that can drive adaptation resources by complementing them with new and additional loss and damage funds (financed by other sources beyond the LDCF/SCCF and mobilised by V20 in Component 1) to ascertain the climate change benefits as well as environmental and social co-benefits of adaptation investments.

This component aims to provide financing through the VFP to at least 50 demonstration projects from MSME/CSOs with proven and high-impact innovative climate adaptation TPS that have loss and damage co-benefits^{[33]44}. The VFP will operate according to the VFP sustainable strategic framework set up in Component 1. The projects will be selected on a competitive basis through yearly calls for proposals, and based on their needs, they will receive a mix of GEF financing and other sources of innovative financing (philanthropic, domestic budgetary, ODA and loan) mobilized by the V20 to bolster adaptation and resilience.

Outcome 2.1: Proven impactful and innovative locally led adaptation projects implemented.

Output 2.1.1: Innovative financing mechanism (VFP) from LDCF/SCCF used to support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits

Activity 2.1.1.1. Preparation and launch of the VFP calls for demonstration projects proposals

Following the development and approval of the VFP Sustainable Strategic Framework, the communication materials (developed with the Communications Strategy under Component 3), the guidelines for submission of applications, and the evaluation framework to be applied in assessing the application responses will be compiled and disseminated through the GEF/UNIDO Project Online Platform (Output 3.1.2), the regional hubs websites and events (Output 3.1.1) as well as through the partners' websites – such as the PEE, V20, etc. It is anticipated that the V20 Secretariat will request its members – the Ministries of Finance of the V20 – to also raise awareness and disseminate the VFP call for proposals and its accompanying materials nationally, in events that they are attending, through their websites and by reaching out to national partner organizations.

The guidelines for applications submission will clearly highlight the contents of the applications, such as how proponents respond to the VFP criteria for evaluation, the Application Form to submit the applications, with clear indication of the minimum requisites to be fulfilled. The Application Form will allow for a standardised review and evaluation of the answers against VFP criteria. Along with the call for proposals, the guidelines for submitting the applications and the evaluation framework will also be provided, ensuring transparency on the evaluation procedure. The evaluation framework will clearly identify the weights provided to each evaluation criterion as well as the scale in which each criterion will be graded.

All these materials will be developed following the GEF/UNIDO Project Communication Strategy, ensuring that they are aligned with the project branding and using a gender-sensitive, unbiased and inclusive language and to fully mainstream Environmental and Social Safeguards into the project. All these materials will be produced by the PMU/Fund Management Team with support from a subcontractor and submitted to the VFP Committee and the PSC for review and approval before issuance of the call on the GEF/UNIDO Project Online Platform.

It is envisaged that the GEF/UNIDO Project Online Platform will have a specific section for advertising the calls, with the rules and regulations that should be followed, and with the guidelines, Application Form and evaluation framework. That webpage will clearly highlight the timeframe and the application deadlines and should include clear instructions for the submission of the applications, any potential requests for clarifications, in addition to e-mail address, document upload options as well as a backup solution in case there are technical issues during the submission^{[14]45}. All the previous items will be defined at the start of the project by the PMU together with the VFP Committee and PSC.

Results of the VFP calls for proposal and the selection of the allocations will be publicized on the GEF/UNIDO Project Online Platform by the PMU, thus disseminating information on the selected TPS and ensuring transparency in the selection process.

Activity 2.1.1.2. Selection and implementation of at least 50 demonstration projects from MSMEs/CSOs to receive financing from the VFP

At least fifty (50) MSMEs/CSOs demonstration projects proposals will be selected to receive funding allocations from the VFP to deploy innovative adaptation TPS within the V20. The demonstration projects will be identified by the PMU during the implementation of the GEF/UNIDO project and selected through the calls for proposals that will be launched yearly from Y2 to Y5. The selection of the MSMEs/CSOs project proposals and the type of financing that will be attributed will be decided following the VFP Sustainable Strategic Framework and using the calls for proposal’s evaluation framework. The VFP Sustainable Strategic Framework highlights the criteria to be assessed (indicated as the content for the funding proposals) and provides indication for selection prioritization (indication on the weights to be attributed to each criterion). The evaluation criteria, their scores and weights will be defined at the start of the project with the finalization and approval of the VFP Sustainable Strategic Framework.

The selected MSMEs/CSOs proposals will then receive financial support through the VFP to demonstrate their TPS. A specific, tailor-made financial mechanism will be identified for each of the selected demonstration project to support it financially. The idea is that the financial mechanism for each demonstration project makes use of (i) the GEF grant that will be available for leveraging financing from national, regional and international platforms/sources; (ii) other instruments already available in the country with whom the project can create synergies and/or financing raised through the Fund Mobilization Strategy; and (iii) the MSMEs/CSOs own funding. **Figure 10** shows the relations between the different co-finance sources that can be used in the design of the proposed financial mechanism.

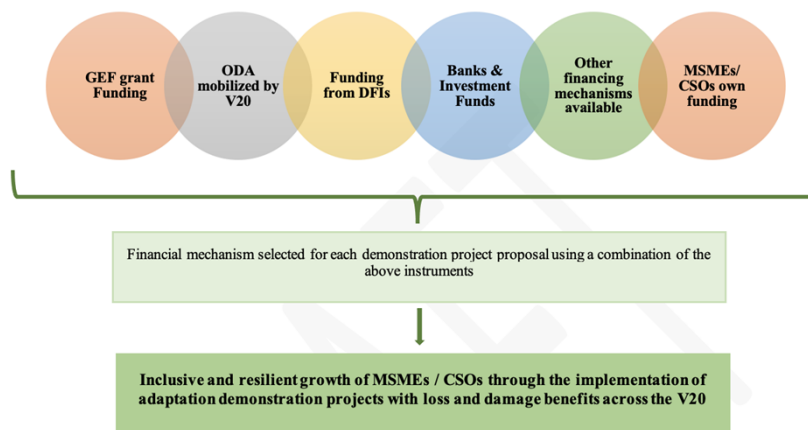


FIGURE 10: RELATIONSHIP OF THE DIFFERENT SOURCES OF FUNDING TO BE CONSIDERED AS FINANCIAL MECHANISM FOR EACH OF THE DEMONSTRATION PROJECTS

For each of the demonstration projects, depending on the business proposal needs, the allocation (financial mechanism/mix of financial products) will be adjusted. In general, it is expected to comprise the following: i) MSMEs/CSOs: to contribute at least 8% of the total investment of their business proposal (sourced from their own funds or through a loan from a bank); ii) GEF grant: can contribute up to 40% of the total investment or a maximum of US\$ 55,000 per allocation to support the development/establishment of the project/business proposal or to test an innovative business model, iii) Other sources of funding raised through the Resource Mobilization Strategy: V20 and other project partners will support the mobilization of funding for projects supported by the VFP, which can be philanthropic financing, ODA raised from national governments or other existing financial structures in the forms of grants and/or loans.

While the selection of the demonstration projects / allocations of the VFP will be carried out by the VFP Committee with support from the Fund Management Team / PMU, the actual implementation of the project and the reporting on the impact indicators related to it will be of the MSME/CSO responsible for its implementation. The MSME/CSO should report to the PMU on the status of

implementation of their demonstration project, lessons learnt from it and on the impact indicators (such as number of beneficiaries disaggregated by sex and age, jobs generated disaggregated by sex and age, environmental indicators, and other social indicators) related with the demonstration project. The reporting from the MSME/CSO to the PMU should be done on a yearly basis, so that the PMU can analyse, compile, share and widely disseminate the overall results of the GEF/UNIDO Project.

Output 2.1.2: Results and experiences from demonstration projects documented and widely disseminated

Activity 2.1.2.1. Compilation of the results and experiences from the demonstration projects widely disseminated

The results and experiences gained from the implementation of the adaptation demonstration projects under Output 2.1.1, will be documented and widely disseminated, after being validated by the VFP Committee, through brochures, promotional videos and a page on the GEF/UNIDO Project Online Platform. **The establishment of this Project Online Platform is described under Activity 3.1.2.1. The platform will be developed and hosted by V20 in their website.**

The results will include not only the experience of MSMEs/CSOs in going through the VFP application process for their demonstration project proposals, but also their experience in raising the capital and in implementing and monitoring the implementation of their business/proposal, including the impact that on the community or country/sector of reference. Specific focus will be given to the role of the most vulnerable (the poor, women, youth, indigenous peoples) in benefiting from the adaptation TPS. Besides making the information available on the GEF/UNIDO Project Online Platform, the PMU will showcase these projects on local demonstration/showcase fairs that will be carried out across the countries where the demonstration projects are located, as part of Component 3. Regional and international exposure will be ensured through ASAP that can also showcase the TPS and place them on their global website.

It is expected that the compilation of results and its update will be done continuously once the demonstration projects to be supported under Output 2.1.1 are selected until the end of the GEF/UNIDO Project. This will be carried out by the PMU with support from subcontractors that will help the PMU to produce the information dissemination materials. Once the GEF/UNIDO Project comes to an end, the entity chosen to keep the GEF/UNIDO Project Online Platform will be the one responsible for updating the information based on the monitoring data provided by the supported MSMEs/CSOs.

The following table summarises the outcomes, outputs, and activities of Component 2.

| <i>Component 2: Operationalization of the VFP</i> | |
|--|--|
| Component 2 operationalizes the VFP established in Component 1. This involves field-testing of the different typologies of finance that can drive adaptation resources by complementing them with new and additional loss and damage funds (financed by other sources beyond the LDCF/SCCF and mobilised by V20 in Component 1) to ascertain the climate change benefits as well as environmental and social co-benefits of adaptation investments. Under this Component, financing will be provided by the VFP to 50 innovative adaptation-oriented demonstration projects with loss and damage benefits to be implemented across the V20, with priority for LDCs and SIDS. | |
| <i>Outcome 2.1: Proven impactful and innovative locally led adaptation projects implemented</i> | |
| <i>Output 2.1.1. Innovative financing mechanism (VFP) from LDCF/SCCF used to support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 2.1.1.1. Preparation and launch of the VFP calls for demonstration projects proposals | PMU/Fund Management Team with support from a subcontractor |
| Activity 2.1.1.2. Selection and implementation of at least 50 demonstration projects from MSMEs/CSOs to receive financing from the VFP | Evaluation/selection of proposals: PMU/ Fund Management Team & VFP Committee Implementation of the demonstration projects: MSMEs/CSOs |
| <i>Output 2.1.2: Results and experiences from demonstration projects documented and widely disseminated</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 2.1.2.1. Compilation of the results and experiences from the demonstration projects widely disseminated | MSMEs/CSOs, PMU with support from subcontractors |

Component 3: Learning and knowledge management

Knowledge creation and capacity building across the raft of stakeholders involved at the local level in this project will be key. The VFP for climate change adaptation can serve as an example of a nimble, locally led implementation approach that recognizes the diverse nature of adaptation and resilience and one that brings to bear the important role of national institutions and stakeholders in climate action. The funding programme also embeds decision making at the local level through partners and local communities and takes a needs-based approach to administering adaptation finance. The approach will also reduce the transaction cost of deploying climate finance to community projects.

The activities under Component 3 focus on raising the awareness of local stakeholders on the selected adaptation TPS with loss and damage co-benefits, including innovative financial products available for them to acquire or support those adaptation TPS. The activities aim at addressing the limited awareness and access to climate-smart TPS and financial mechanisms to sustainably reduce loss and damage derived from recent climate change impacts and increase community resilience. Moreover, the creation of Regional Hubs, as described in the activity 3.1.1.1, will support capacity building, awareness raising and stakeholders' convening efforts. They will support sustainable research and capacity building on adaptation innovations for averting and minimizing the impacts of climate change and will also support technical training and are envisaged to also act as a facilitator to equipment repair centres to ensure sustainable, long-term, and improved use of the identified TPS by the communities.

The baseline analysis shows that there is a combination of barriers that undermine the ability of communities to build-back-better, starting with limited or lack of knowledge about climate change impacts and risks, and how they might evolve in the future, and continuing with lack of access to climate finance sources and markets, and lack of institutional coordination to enable access and provide support. The first one affects especially the way in which communities rebuild infrastructure in the aftermath of a disaster since they might apply business-as-usual technologies / techniques which may not necessarily improve their response against a new extreme event.

All the awareness raising, training and capacity building to be conducted under this component will follow a gender-responsive approach, making sure that gender perspectives are taken into consideration during the design, conduction and monitoring of the envisaged activities.

Outcome 3.1: Lessons from the project documented and widely disseminated

Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations, and cooperatives, including women and youth of the V20, access adaptation technologies and diversified livelihoods

Activity 3.1.1.1. Establishment of at least five (5) regional hubs bringing together key stakeholders and organisations to support sustainable and inclusive capacity building and training on adaptation TPS

The aim of establishing at least five (5) regional hubs is to bring together the main stakeholders and organisations that play a key role in driving community resilience and response to climate change-derived loss and damage. This includes not only the supply-side, e.g., those who conduct research and develop climate-oriented TPS, but also the demand-side, which includes the people or the associations/groupings that represent the communities, who suffer the losses and damages of their community assets due to the impacts of climate change and may benefit from accessing new and innovative adaptation TPS.

The aim of the regional hubs is to improve the provision of/access to affordable and reliable climate change adaptation-oriented TPS. The regional hubs will work to convene stakeholders and organize joint activities to understand their adaptation needs, link them to possible adaptation-oriented TPS suppliers (MSMEs/CSOs identified and supported in Component 2 through the VFP) and financial service providers (FSP) engaged in the VFP. This is key as for any market to exist, it is important to understand both sides' needs and then create the conditions to foster the connection between supply and demand and, additionally, of these two with FSP that can support them.

The final number of regional hubs to be created will be assessed at the start of the project by the PEE/PMU and approved by the PSC and the VFP Committee, but the geographical distribution of the V20 should be taken into consideration for their selection and location, in addition to the climate vulnerability and development status of the region (i.e., LDC, LLDC, SIDS). The regional hubs should offer, to the extent possible, virtual means of contact/communication and training, with a view to embracing a post-pandemic hybrid working approach that improves effectiveness and efficiency of service delivery.

The regional hubs will ideally be located in existing structures and organisations to take advantage of already established linkages with communities and markets. For example, they could be located in research and development institutions, associations/cooperatives, NGOs and CSOs across the V20.

The regional hubs will be selected through a competitive process (call for proposals), launched and coordinated by the PMU, that should take into account the aforementioned location/geographical reach, in addition to market access, community linkages, experience in loss and damage response work and capacity building / training delivery, physical space and virtual connectivity, work with vulnerable groups including women, youth and others. These centres will ensure targeted training for stakeholders, including vulnerable groups (women, youth, indigenous groups organizations) encouraging access to TPS suited for productive outputs in the local context to sustain their livelihoods. Moreover, the regional hubs will foster south-south and triangular exchange of stakeholders and experts, *inter alia*, in support of regional R&D efforts via existing research groups. Therefore, experience on this matter would be an added bonus for the selection process since this will facilitate adopting and adapting adaptation TPS to local contexts.

Lastly, through the regional hubs, technical training and repair centres will be supported. In order to ensure that specific adaptation TPS can be frequently maintained, repaired and used, the regional hubs can either act as repair centres themselves (provided they have the facilities and staff for that) or provide contacts of repair centres in the area. In other words, they will create a network of repair extension service suppliers who can be contacted for repair and maintenance of equipment. This is particularly relevant in developing countries where it is difficult to find specialised services or qualified technical staff since projects' sustainability is sometimes negatively impacted because the TPS cannot be fixed and then people do not use them anymore.

The companies that will provide the extension repair services will be identified by the regional hubs based on the company's staff composition/capacity, regions of operation, services offered, quality and environmental procedures, etc. If the identified companies do not have specific knowledge about adaptation TPS but operate in a similar sector, then they can receive specific training on adaptation technologies to be able to offer the repairing services in the context of this GEF/UNIDO Project. These training sessions on adaptation TPS will be conducted back-to-back with the awareness raising / information dissemination events (see Activity 3.1.1.3) in physical format.

This list of extension service providers will be compiled and maintained by the selected regional hubs, as well as made available and advertised in the GEF/UNIDO Project Online Platform.

Activity 3.1.1.2. Three (3) training courses for the regional hubs on climate change adaptation and related topics

The regional hubs staff and other invited national institutions (such as PEE Local Representation Offices, or local CSOs in LDCs or SIDS) will be trained on climate change adaptation, vulnerability, resilience, and adaptation TPS through three (3) training courses. It is envisaged that each training course will have around 20 participants, totalising 60 participants in the three (3) workshops, of which 30 women (50% female participation target). These will be done virtually to account for the diverse locations and numbers of hubs across the V20 countries who will be targeted. The courses should be recorded to enable access after it has been delivered and should be made available on the GEF/UNIDO Project Online Platform as a knowledge/learning material.

The topics to be covered by the online training courses will include but will not be limited to climate change impacts and hazards, available adaptation TPS, available financing instruments, the VFP, its guidelines and application process, templates, etc., with the aim of providing them with the content to raise awareness and share this information with the regional hubs' direct stakeholders and / or eventually to be able to support local MSME/CSOs in the development of applications for the VFP. Since this is a training course, it should include a way to verify at the end if the training has been successful, through a questionnaire, quiz, practical exercises or other form deemed relevant by the ones delivering the training. Certificates should be provided to those who have successfully passed the training. All materials generated for this training course will follow the GEF/UNIDO Project Communication Strategy and will be gender responsive and inclusive of social and environmental considerations.

It is envisaged that the 60 people trained will become "trainers" on the subject and that they will be then able to raise awareness on the climate change vulnerabilities, adaptation TPS and the VFP application process at the grass-root / national level under Activity 3.1.1.3.

The training course, its materials and delivery will be carried out at the start of the GEF/UNIDO Project by a subcontractor hired by the PMU, once the regional hubs are selected (preferably by Y1 beginning of Y2). The subcontractor organizing and delivering the training will record and provide a newsflash on the trainings carried out and its participants, with the information disaggregated by sex, age and country of the institutions that each attendee was representing. The newsflash should follow the GEF/UNIDO Project Communication Strategy and should be submitted to the PMU to be uploaded in the GEF/UNIDO Project Online Platform.

Refreshers of these training materials will be carried out annually by the PMU, and the respective updated materials will be uploaded following the issuance of the climate change vulnerability and TPS report update under Component 1. Similarly, to the training courses, the PMU will then be responsible for the compilation and uploading of newsflashes on the yearly refreshers.

Activity 3.1.1.3. Organisation of events by the regional hubs to reach out to 10,000 stakeholders directly

The selected regional hubs, by using the trainers originating from Activity 3.1.1.2, will be responsible for conducting awareness raising and information sharing events targeting various stakeholders with special focus on the most vulnerable, including youth and gender empowerment organisations, indigenous groups-led organisations, etc. These awareness-raising and information sharing events will: i) gather information about stakeholders' needs in terms of adaptation; ii) inform them about climate change risks, hazards and vulnerabilities that can lead to loss and damage of community infrastructure or impact their livelihoods (e.g., agriculture); iii) inform them about suitable climate change adaptation TPS and available innovative financial instruments to support their adoption; and iv) inform the stakeholders about the VFP, its guidelines for submission including eligibility criteria and priority, evaluation framework and the expected dates for the calls for proposals and attribution of allocations.

It is envisaged that two (2) awareness raising / information sharing events will take place per year, from Y2 to Y5 of the Project, in each of the regional hubs and offering both virtual and physical attendance alternatives.

These events will be the first means used by the GEF/UNIDO Project to reach out to the 10,000 stakeholders, as they will target 250 participants each. These events will therefore reach out directly and indirectly to at least 40,000 stakeholders (directly to 10,000 stakeholders, and indirectly to 30,000^{L5146})

Digital materials will be preferred over printed materials to reduce carbon footprint. An electronic brochure will be developed with the main messages and contacts of the regional hubs as well as those of the GEF/UNIDO Project, for the target groups to have some

useful references and information. These Brochures should be available in English or another country official language. In the case of local languages, it should be assessed the need for translating the Brochure, to better reach the target audience.

Reaching out and informing the target groups in advance of the events is important to engage as many people as possible. Therefore, deploying communication actions to publicise the awareness-raising/information dissemination events should be done in advance. These actions will be led jointly by the PMU, the regional hubs, the V20 Secretariat, and other key stakeholders identified during the project implementation. Different means of communication will be used, such as: emails, newsletters, text messages, WhatsApp messages, local radio stations, television, social media influencers on platforms such as Facebook and Instagram, and the GEF/UNIDO Project Online Platform. In this case, as the aim is to reach out specially to the most vulnerable stakeholders across the V20, local radio stations and community outreach and communication vehicles will be very important since they will help to reach those communities that are isolated or have limited access to electricity/internet.

After the events, the host Regional Hub will deliver to the PMU a summary of the event including information distributed, number of participants (sex- and age-disaggregated), type of stakeholders attending, photo documentation. In the case of virtual events, there is no need to provide photographs, but the rest of the items should be recorded, for example, by making people fill out an initial page when accessing the event in which they can provide information regarding their gender, age and also country from which they are participating from. This will then be used to report and to track project indicators as part of the M&E plan (see Component 4).

All materials generated for the events as well as any reports, should follow the GEF/UNIDO Project Communication Strategy (see Output 3.1.3) and should be gender-responsive.

Output 3.1.2: Online platform to showcase adaptation technologies, their benefits and suppliers established and managed by the PMU

Activity 3.1.2.1 Establish and maintain the GEF/UNIDO Project Online Platform

The project will develop an online platform in the form of a website that can be accessed through the Internet. It will be the primary means used by the GEF/UNIDO Project for dissemination of information and knowledge, for releasing the calls for proposals for MSME/CSOs to submit their funding request in the form of demonstration projects proposals as well as to support the implementation of several project activities. It is envisaged that this platform will be embedded within the V20 website. It will serve several functions:

- To share knowledge, raise awareness on climate change adaptation, climate change risks that may lead to loss and damage, V20 countries' vulnerabilities, adaptation TPS that could be adopted in response to climate change risks and impacts to reduce loss and damage and increase resilience, and innovative adaptation approaches being promoted by the proposed GEF/UNIDO Project (i.e., knowledge and awareness-raising products).
- Serve as a cooperation platform and information repository for programmes/projects and partners acting on innovative adaptation TPS and financing instruments, by providing information on: i) the GEF/UNIDO Project implementation status, on-going/planned activities, expected outcomes, and lessons learnt from project implementation; ii) Other on-going country/regional initiatives with which synergies can be created and contribute to building community resilience.
- Serve as a communication tool for entrepreneurs and MSMEs/CSOs to submit their demonstration projects funding proposals and request technical assistance and/or financial assistance for the development and implementation/provision of their innovative adaptation TPS.
- Advertise available financial options for MSMEs, CSOs and other stakeholders, and provide contacts of adaptation TPS developers/suppliers.
- Advertise discussion fora, workshops and other events promoted by the GEF/UNIDO Project.
- To make publicly available the list of regional hubs and repair centres across the V20 countries.

Special efforts will be made to have this webpage in English, French, Spanish and other languages to increase accessibility of all users.

It will be important that the webpage includes counters so that the number of people accessing the website, their country or origin and number of people downloading the knowledge materials can be monitored.

The Online Platform will be developed and hosted by the V20 website and will be linked to other websites or platforms, such as UNIDO's website. Hosting the platform on the V20 website, will be important, to ensure its sustainability after project closure. The design of the Online Platform will be done by an IT Consultant and the maintenance and updating of the platform content/information will be carried out during the project as a joint task of the PMU (that will include amongst its team a Communication Expert that will oversee the online content that will be made available) and the IT Consultant. The IT Consultant will be hired to provide one or two days of support each month to the GEF/UNIDO project Online Platform.

Output 3.1.3: Knowledge materials and documentation on best-practices developed and disseminated widely

Activity 3.1.3.1 Develop the Communication Strategy to increase the visibility of the project across the V20

At the start of the project, the PMU will subcontract a Communication Expert who will be responsible for the design of the GEF/UNIDO Project Communication Strategy, including the “brand” that the project will adopt in all its communications, and the processes for overseeing and making sure that all disseminated content follows the strategy.

The Communication Expert will have to, amongst other things, assess possible communication means to recommend the most effective outreach and communication actions to reach the stakeholders and target audiences of the GEF/UNIDO Project activities. The communication means to be identified by the Expert may include for instance, online or in-person forums, conferences, side-events to global meetings where the V20 participates or is planning to participate, e.g., COP, their board meetings, the V20 Ministerial Dialogue events, etc. The Communications Expert and the V20 will select the appropriate events where to make the project visible. The Communication Expert will also take care of the design, branding and content planning of the project’s Online Platform (Output 3.1.2) as well as the content for the identified events.

The Communication Strategy for the GEF/UNIDO Project should be aligned to the Communication and Visibility Policy of the GEF^{[16]47[17]48} and should also include clear guidelines and procedures for the communication and dissemination of information, branded assets, products (issuance of calls for proposals, reports, training material etc), video clips and news from the GEF/UNIDO Project and identify the platforms for sharing and exchange of news, knowledge and connect with stakeholders. The Communication Strategy will include: i) detailed procedures indicating the steps to follow in order to ensure that all disseminated knowledge materials and content produced by the project reaches the target audience and communicates the proposed message in a clear manner; ii) clear guidelines and procedures for revision and approval of the generated materials before those being disseminated; iii) specific guidelines to ensure that all communication material and knowledge products use a gender-sensitive, unbiased and inclusive language and that fully mainstream Environmental and Social Safeguards.

All communications and information dissemination activities carried out by the project must follow the GEF/UNIDO Communication Strategy and guidelines for this project.

The Communication Strategy will be monitored, reviewed and approved by the PMU and PSC. The Communication Expert in the PMU will be the main person responsible for the implementation of this strategy. The PMU will inform all the stakeholders engaged in project activities and in the production of materials to be disseminated by the project about the project’s Communication Strategy and guidelines as well as provide the necessary template for inclusion of the information as needed.

Activity 3.1.3.2. Wide dissemination of knowledge materials, documented lessons learnt and best-practices

Several types of information and knowledge materials will be generated from the implementation of this GEF/UNIDO Project. They will include reports, presentations, application guidelines, news reports, training materials such as presentations, videos, quizzes, or practical exercises. All the generated materials will be shared through the GEF/UNIDO Project Online Platform so that everyone can have access, especially those who have taken training or capacity building and would like to have them for future reference. In addition, this will be particularly important for those attending virtually to events and presentations.

In addition to that, the Regional Hubs will have the brochures with information regarding climate change impacts, adaptation TPS that can be implemented, and the VFP application guidelines and evaluation framework, as well as printed versions of generated materials and reports of the project that stakeholders can access to, in case they do not have access to the internet.

Annual reports will be compiled by the PMU to describe project progress and to document knowledge on adaptation innovation best practices, lessons learned and success stories that are worth sharing. The reports will be disseminated to communities of practice (e.g., Communities of Practice of the GEF/UNIDO Knowledge Management Project; AdaptationCommunity.net, CoP for Resilience, the Global Commission on Adaptation) and other international platforms through the CVF/V20 Secretariat and will be continuously updated. More specifically, the project will promote South-South and triangular exchange of knowledge and documentation of best practices across beneficiary countries and communities as well as MSMEs/CSOs.

The Communication Expert will work alongside the PMU to ensure that information and knowledge products are properly aligned with the Communications Strategy and that it is effectively disseminated to the target audiences taking into consideration local circumstances (language, accessibility, etc).

Activity 3.1.3.3. Impact Evaluation of the contribution of the innovative adaptation TPS to address climate impacts and risks

Towards the end of the project, the PMU will subcontract the execution of an impact evaluation to assess the contribution of the innovative adaptation TPS supported by the project to address climate impacts and risks. This report will be a key delivery to provide insights into what TPS work better or not for different scenarios/country contexts; which ones were most cost-effective (conducive to more social and environmental benefits with less money input); which ones addressed and supported direct adaptation of the most vulnerable; which ones the most vulnerable / communities think worked better and why; and which interventions left a socio-economic footprint in terms of job creation within vulnerable communities. This will be valuable information to assess and inform: (a) the

innovative adaptation TPS to be supported by the VFP after the closure of the GEF/UNIDO Project; as well as (b) to inform future GEF programming strategies supporting adaptation.

The metrics to be used in this Impact evaluation should follow metrics generated by the Community of Practice on Climate Change Adaptation Impact Metrics managed by UNEP-FI that will be created through the implementation of the GEF/UNIDO Knowledge Management Adaptation Project envisioned to start by the end of 2023.

The PMU, UNIDO and the MSMEs/CSOs that receive the VFP allocations for the implementation of their demonstration projects should support and participate in the conclusion of this impact evaluation.

Outcome 3.2: Key stakeholders increase awareness on climate change vulnerability and availability of climate adaptation technologies

Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change adaptation TPS are developed and provided to relevant policymakers (at least 50% women participation)

Activity 3.2.1.1 Designing the training curriculum and delivering the training courses to policy-makers

The training courses proposed will primarily target policymakers across the public sector, bringing together stakeholders from agriculture, development, planning etc., to enhance their capacity for successfully identifying climate risks/vulnerabilities and their relationship with loss and damage, with a vision to developing suitable policies that encourage the adoption, development, and implementation of climate adaptation TPS.

The capacity/knowledge gaps of this specific group (policymakers) should be assessed in detail with a view to develop a training curriculum that fits their needs.

It is envisaged that amongst other subjects, the training modules will include: (i) climate change risks, impacts and climate projections; (ii) loss and damage induced by climate change; (iii) climate change adaptation TPS; (iv) the role of the private sector in adaptation and innovation (MSMEs/CSOs), especially in challenging economies such as LDCs; (v) how can climate change adaptation and innovation contribute to reducing loss and damage, (vi) how to mainstream climate change adaptation into loss and damage strategies and policies, climate finance, adaptation finance and the role of the private sector in financing adaptation, (vii) how topics that address gender and youth can be mainstreamed into adaptation policies, among others.

Three (3) training courses will be delivered to policy makers across the V20. It is suggested that one (1) course is delivered by region, grouping the V20 member states (e.g., one for Africa and the Middle East, one for Asia – Pacific, one for LAC). The courses will be done mainly virtually due to the number of countries and people that are expected to be connected and the training materials should remain accessible to the participants after the course is finished on the GEF/UNIDO Project Online Platform. The training courses and its materials will be developed and delivered by a subcontractor hired by the PMU. All training materials developed and made available to stakeholders should follow the project's Communication Strategy and should be gender-responsive and integrate a gender lens approach.

It is expected that each training course will have at least 30 participants, with 50% female participation therefore aiming at a total of 90 people, of which 45 women. Additionally, the PMU will target to have a balanced panel, including both female and male speakers/trainers.

Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS (at least 50% women participation)

Activity 3.2.2.1 Designing the training curriculum and delivering the training workshops to FSPs

To ensure improved access to appropriate finance for adaptation at the community-level, as well as market creation for adaptation TPS that can support post-loss and damage recovery from climate change impacts, the project will conduct trainings for FSP and their staff ideally applying the “train-the-trainer approach”. This will be undertaken with a view to sustain and maintain institutional knowledge within the FSP. Training will be provided to address the FSP knowledge gaps, that will be inventoried through the conduction of a needs assessment prior to the development of the materials for the training.

Training workshops will be conducted to cover project development process, including key aspects such as viability, financial impact, adoption of available climate adaptation solutions to specific climate hazards, gender lens investment principles, and successful examples will be showcased. The training will include content to address the different needs for finance of the FSP clients as well as information on the VFP calls for proposals and application guidelines, so to as to inform the FSP on how they can use the VFP to support the creation of adaptation related innovative funding instruments to be included in their product portfolio.

As a result of receiving training, FSPs will gain knowledge about climate change adaptation and possible climate change adaptation products, services, credit risk and financial products that can be catered to the specific needs of target audiences, such as vulnerable groups. Increased access to financial means would enable them to improve and adapt to climate change.

Improving or diversifying the financial products and services offerings of the FSP, would complement the support provided by the VFP.

FSPs, in the context of this project, can include commercial banks, credit unions, microfinance institutions as well as insurance providers, who need information on climate change, identification of climate change risks and opportunities so they can better tailor their insurance products for different target groups (e.g., for entrepreneurs/MSMEs or for the recipients/buyers of the adaptation TPS).

Three (3) training workshops for FSP are envisaged in the context of this GEF/UNIDO Project, each reaching out to at least 30 FSPs operating across the V20, with at least 50% women participation. Through these three (3) workshops the project aims to reach out to at least to 90 FSP across the V20, of which 45 women. The training workshops will be done virtually grouping countries across the V20 regions (e.g., one for Africa and the Middle East, one for Asia – Pacific, one for LAC). The training materials should remain accessible to the participants after the course is finished through the GEF/UNIDO Project Online Platform. The materials developed for the training will follow the project Communication Strategy and will be gender responsive. The PMU will target to have a balanced panel, including both female and male speakers/trainers.

The following table summarises the outcomes, outputs, and activities of Component 3.

| <i>Component 3: Learning and knowledge management</i> | |
|---|--|
| Component 3 is a key component of the GEF/UNIDO project aiming at knowledge creation and capacity building across the raft of stakeholders involved at the local level in this project so to induce adoption of innovative adaptation TPS in V20 member countries. | |
| <i>Outcome 3.1: Lessons from the project documented and widely disseminated</i> | |
| <i>Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations, and cooperatives, including women and youth, of the V20 member countries, access adaptation technologies and diversified livelihoods</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 3.1.1.1. Establishment of at least five (5) regional hubs bringing together key stakeholders and organisations to support sustainable and inclusive capacity building and training on adaptation TPS | PMU |
| Activity 3.1.1.2. Three (3) training courses for the regional hubs on climate change adaptation and related topics | subcontractor, PMU |
| Activity 3.1.1.3. Organisation and conduction of events by the regional hubs to reach out to 10,000 stakeholders directly | Regional-Hubs with support from the PMU, V20 Secretariat and other Project Executing Partners (PEPs) |
| <i>Output 3.1.2: Online platform to showcase adaptation technologies, their benefits and suppliers established and managed by the PMU</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 3.1.2.1 Establish and maintain the GEF/UNIDO Project Online Platform | PMU, V20 Secretariat, IT subcontractor |
| <i>Output 3.1.3: Knowledge materials and documentation on best-practices developed and disseminated widely</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 3.1.3.1 Develop and implement the Communication Strategy to increase the visibility of the project across the V20 countries | PMU (Communication Expert within the PMU) |
| Activity 3.1.3.2. Wide dissemination of knowledge materials, documented lessons learnt and best-practices | PMU (Experts and Communication Expert within the PMU) |
| Activity 3.1.3.3. Impact Evaluation of the contribution of the innovative adaptation TPS to address climate impacts and risks | subcontractor with support from the PMU, UNIDO and the MSMEs/CSOs |
| <i>Outcome 3.2: Key stakeholders increase awareness on climate change vulnerability and availability of climate adaptation technologies</i> | |
| <i>Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change adaptation TPS are developed and provided to relevant policy makers (at least 50% women participation)</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 3.2.1.1 Designing the training curriculum and delivering the training courses to policy makers | subcontractor with support from the PMU |
| <i>Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS (at least 50% women participation)</i> | |
| <i>Planned and Envisioned Activities</i> | <i>Responsibility</i> |
| Activity 3.2.2.1 Designing the training curriculum and delivering the training workshops to FSPs | subcontractor with support from the PMU |

Component 4: Monitoring and Evaluation

This component aims to establish and implement effective project Monitoring and Evaluation (M&E) mechanisms, alongside capturing progress and lessons learned. Where possible, sex-, age- and country of origin -disaggregated data will be gathered during the M&E efforts. M&E activities will be carried out during the project implementation by the PMU, with assistance from the different partners that will be supporting the PMU in the project implementation (e.g., selected regional hubs, local CSO, NGOs, etc).

Outcome 4.1. Regular project monitoring and documentation for learning

Output 4.1.1: Regular project monitoring and data collection for impact tracking conducted

Activity 4.1.1.1: Development and implementation of the M&E System

As recommended by the GEF STAP^{[18]49}, M&E is a continuous learning process from what has been implemented (both success and failure) and aims at acquiring new knowledge. The proposed project will follow UNIDO standards for monitoring and reporting processes and procedures consistent with the GEF Monitoring Policy.

A M&E System and Plan will be developed by the PMU in conjunction with UNIDO at project inception to ensure proper data collection, indicators tracking, and assessment of project performance is conducted and reported on annual basis, unless otherwise agreed by the parties.

A Monitoring process refers to the continuous process of collecting data on the agreed indicators to provide information about the extent of progress and achievements made, including project impact. It involves the systemic collection of information and data as well as the calculation of specific indicators to evaluate the effectiveness of the implemented activities. The monitoring should be conducted following specific procedures to collect and manage information, data (such as sex-, age-disaggregated data), and variables. The M&E will include monitoring and evaluation of project activities, economic, environmental, social benefits, including capacities improvement of women, youth and vulnerable groups in the V20.

The project will collect sex- and age-disaggregated data and indicators, and decision metrics will be used to track progress (see Annex A Project Results Framework). Indicators will be identified and used to track intended changes resulting from the project intervention, in other words, to assess the overall evolution towards the medium and long-term project impacts envisaged in the ToC (i.e., *is the project on track to contribute to the desired impact?*) Quantitative and qualitative indicators will be used to quantify in numbers and descriptive information such as the effectiveness of adaptation measures to the impact of climate shocks.

A Reporting process refers to the systematic and timely provision of essential and useful information showing how the Project is progressing toward the achievement of the project's goals/impacts/targets. It should take place at periodic intervals and should result in the issuance of a report indicating for the corresponding monitoring period which were the expected objectives and what was achieved, as well as any issues faced during monitoring in order to take the necessary corrective actions. The Report will be communicated to the GEF and other parties as necessary, to comply with reporting needs.

The M&E system will be developed and implemented by the PMU.

Activity 4.1.1.1: Capacity building delivered for the appropriate use of the M&E System

Training in M&E will be provided to enhance the capacity of those involved to help systematic collection of data on the indicators. This will help to further improve the implementation of the project and assess its degree of success. At the minimum, project developers and the parties who are expected to feed the PMU with information and data to estimate the indicators' progress, should be trained.

Training on the implementation of the M&E system will include gender perspectives and sensitization to ensure that the impact of the project on vulnerable groups such as women and youth is effectively tracked. The training will be provided by the PMU on Y1, following the establishment of the M&E System and Plan, and a refresher will be provided every year from Y2 to Y5, to make sure that the partners involved in the project are up to date with the system and are fully informed on possible changes or adjustments.

Outcome 4.2: Project Evaluation

Apart from the on-going project M&E carried out by the PMU on a regular basis described in Output 4.1.1, two formal project evaluations will be carried out during the project implementation stage by independent evaluators: one at the middle of the project – Mid-term Review (MTR) – and the second at the end of the project – Terminal Evaluation (TE). While the MTR will be used as a tool to assess project progress and propose necessary revisions of project activities in the project framework if required, to ensure the implementation of project results, the TE will be used to assess the overall implementation of the project and to extract recommendations and lessons learnt to inform future project development and implementation.

These evaluations will also be key in the assessment of the performance of the VFP and in identifying necessary changes to the VFP Sustainable Strategic Framework to improve its operationalization and sustainability.

Output 4.2.1: Mid-term Evaluation

Activity 4.2.1.1: Mid-term review commissioned and developed

The MTR focuses on operational aspects of the project and will assess the performance of the project against targets/goals/desired impact until the middle of the expected implementation period, as well as assess the performance of the VFP and provide recommendations for its improvements.

The MTR purpose is to provide the PMU/UNIDO with feedback on the ongoing project’s performance and to early identify risks to programme/project sustainability, coherence, effectiveness, efficiency, and progress towards results, including gender mainstreaming and mainstreaming environmental and social safeguards. Normally, the MTR has two main objectives: (1) to enhance transparency and dialogue between project stakeholders to promote learning for the further development of the project, as well as for its replicability and scaling-up of results; and (2) to gain insights on the functioning of the project structures and processes; to check to what extent project milestones are being achieved, and if targets are likely to be met and results achieved as planned. This evaluation also assesses in-depth the performance of the VFP, and the design of the M&E System being used by the project to ensure efficient monitoring during project implementation and evaluability.

UNIDO will prepare the Terms of Reference (TORs) and recruit an Independent Evaluator to perform the MTR according to UNIDO and GEF guidance. The MTR is an opportunity to make modifications to the project’s design and implementation to ensure project’s objectives are achieved within the lifetime of the project. Project’s achievements to this stage should be identified and compared against baseline and targets, impacts and sustainability of results and possible risks until the finalisation of the project. The MTR Report will include an action plan that should inform the activities of the project going forward. The coordination and oversight of the MTR will be done by UNIDO Headquarters. UNIDO and the PMU will support the Independent Evaluator during the MTR by providing the necessary information and clarifications during the process.

Output 4.2.2: Terminal Evaluation

Activity 4.2.2.1: Terminal Evaluation commissioned and developed

The TE’s purpose is to assess whether the project has achieved or is likely to achieve its main objective, and to what extent the project has also considered sustainability and scaling-up factors for increasing contribution to sustainable results and further impact. TE: (i) assess the project performance in terms of relevance, effectiveness, efficiency, sustainability and progress in achieving project objectives and its impact; (ii) identify key learnings to feed into the design and implementation of forthcoming projects; and (iii) develop a series of findings, lessons and recommendations for enhancing the design of new and implementation of ongoing projects by UNIDO. This TE will take an in-depth look into the operationalization of the VFP and make recommendations for improving and ensuring its sustainability going forward.

In this particular project, the TE will review the expected and achieved accomplishments of the different activities of the project, with a special focus on the operationalization of the VFP and the allocations provided throughout the project implementation. It will also critically examine whether the project outputs helped to get the outcomes and that ultimately achieve the project objectives, especially assessing the relevance, impact, effectiveness, sustainability, scalability and replicability of the adaptation solutions. The data collected will evaluate adaptation options, such as EbA, based on their potential to provide evidence of response to climate risk for medium and long-term effects according to the GEF’s requirements and enrich lessons learned.

In the context of this GEF/UNIDO project, the terminal evaluation assesses the expected versus the achieved accomplishments in building resilience in the target countries by critically examining whether the project outputs helped to obtain the desired outcomes; and that ultimately achieves the project objectives, especially assessing the relevance, impact, effectiveness, sustainability, scalability and replicability of the adaptation solutions. The data collected will evaluate adaptation options, based on their potential to provide evidence of response to climate risk for medium and long-term effects according to the GEF’s requirements and enrich lessons learned.

UNIDO will prepare the TORs and recruit an Independent Evaluator that will perform the TE according to UNIDO and GEF guidance. The TE will assess achievements made and compare them against baseline and targets, impacts and sustainability of results presenting the overall project performance. This evaluation should be carried out three months prior to the end of the project. The coordination and oversight of the TE will be carried out by the UNIDO Headquarters. UNIDO and the PMU should support the Independent Evaluator through the Terminal Evaluation by providing the necessary information and clarifications during the process.

The following table summarises the outputs and activities of Component 4.

| | |
|--|--|
| <u>PC4: Monitoring and Evaluation</u> | |
| PC4 is directed at contributing at making sure that the project is on track to achieve its objectives, outcomes and outputs throughout its implementation. | |
| <u>Outcome 4.1: Regular project monitoring and documentation for learning</u> | |
| <u>Output 4.1.1 Regular project monitoring and data collection for impact tracking conducted</u> | |
| <u>Planned and Envisioned Activities</u> | <u>Responsibility</u> |
| Activity 4.1.1.1: Development and implementation of the M&E System | PMU with support from the different partners implementing the project activities |
| Activity 4.1.1.2: Capacity building delivered for the appropriate use of the M&E System | PMU |
| <u>Outcome 4.2: Project Evaluation</u> | |
| <u>Output 4.2.1 Mid-term Evaluation</u> | |

| | |
|--|--|
| Planned and Envisioned Activities | Responsibility |
| Activity 4.2.1.1. Mid-term review commissioned and developed | Independent Evaluators (Project Manager at UNIDO HQ will subcontract the Evaluators) |
| Output 4.2.2 Terminal Evaluation | |
| Planned and Envisioned Activities | Responsibility |
| Activity 4.2.2.1. Terminal Evaluation commissioned and developed | Independent Evaluators (Project Manager at UNIDO HQ will subcontract the Evaluators) |

CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF

During the PPG phase the set-up of the project was further detailed and has been adapted in accordance with the findings and priorities of the V20 and the results of the baseline assessments. The structure and nature of the current project does not have significant changes if compared with the project design at PIF level. The table below describes the main differences between the Request for CEO Endorsement (herein after called RCE) document and the approved PIF.

TABLE 1: COMPARISON OF THE PROJECT DESCRIPTION SUMMARY (TABLE B) BETWEEN THE ORIGINAL DESCRIPTION AT PIF STAGE AND THIS RCE DOCUMENT

| At PIF stage (original) | RCE (current document) |
|--|---|
| Outcome 1.1: VFP established to support impactful and innovative locally led adaptation action in V20 LDCs | Outcome 1.1: VFP established to support impactful and innovative locally led adaptation action in V20 |

The funds allocation was minimally modified: PC2, PC3 and PC4 LDCF allocation was slightly reduced to increase the PMC budget. This was done to allow for an improved management of the project, considering its global span and the number of organisations and partners that will be involved across the V20, which requires efficiency in communication, coordination and monitoring.

INCREMENTAL/ADDITIONAL COST REASONING AND EXPECTED CONTRIBUTIONS FROM THE BASELINE, THE GEFTF, LDCF, SCCF, AND CO-FINANCING

As confirmed during the baseline analysis, the V20 are countries predominantly vulnerable to climate change, characterized by low climate resilience, high vulnerability, low adaptive capacity and high exposure to extreme low-onset events. This is compounded by weak economies, poor institutional capacities and trained human resources, low participation by private sector and limited mainstreaming of adaptation measures into national policies and strategies. Recent years have seen a slight improvement in private sector action in climate change, however it is incipient and still not strong enough to generate a significant impact or drive change to a larger scale and longer term. In the baseline scenario, the barriers that V20 face will continue to compromise sustainable development, especially for the most vulnerable segments of the population, and climate change adaptation will become utopic. Therefore, the overarching intent of the proposed intervention is to deploy the GEF resources directly into affected communities, which are typically not reached through usual means, through the creation and operationalisation of the VFP that will directly support a range of adaptation interventions – from infrastructure rehabilitation to livelihood repair at the community and micro-enterprise level.

Total GEF grant contributions to the project amount to US\$ 4,872,831 and will be used to support the establishment of the VFP and provide strategic inputs to achieve adaptation benefits while reducing loss and damage from climate change hazards. The build-up of this programme is primarily geared towards supporting resilience building within the MSME and non-government sector(s). Financing will be focused on catalytic activities to foster further inclusion and participation by V20 private sector stakeholders who represent and operate in the most vulnerable communities, with particular attention to LDCs and SIDS. The set-up of the VFP will hence (a) introduce novel and niche forms of adaptation financing with a focus on MSMEs, CSOs and NGOs (from V20 LDCs and SIDS), who would not typically have the awareness or capabilities to apply for international funding mechanisms, (b) build competencies on integrating and mainstreaming adaptation at the community level, (c) increase private sector engagement in local adaptation efforts and (d) highlight the potential for external investment from international private sector.

Co-financing will be sought from a mix of international agencies, local banks and commercial institutions and is estimated at US\$ 3,500,000. Co-financing sources will be explored and approached during project implementation through a Fund Mobilisation Strategy to be implemented by V20. Private sector entities such as participating MSMEs/CSOs are expected to raise additional equity funding into their businesses and projects, i.e., to provide co-finance for their demonstration projects. Partnerships with the private sector financial institutions (e.g., microfinance institutions, cooperatives and rural banks) will be explored as part of the Fund Mobilisation Strategy to leverage additional financing for sustainable adaptation TPS deployment at local level.

Considering the continuous and persistent costs attributed to loss and damage, the additional cost reasoning of the project determines that investing in adaptation efforts and community resilience building *ex-ante* across the V20, is more cost-effective than facing the cost of recovery and rebuilding *ex-post*. It is forecasted in projections undertaken within the V20 that the cost of loss and damage far exceeds that of the implementation of adaptation in priority areas. This is highlighted in V20 countries such as the Philippines where extreme weather and hazard incidents has resulted in aggregated socio-economic damages amounting to US\$ 20 billion within 16

years, from 2000-2016. Comparatively it is assumed that the Philippines' annual adaptation finance need is on average US\$ 1.1 billion^[19]. This reality is similar in the island of Samoa which experiences a high degree of economic and social shock during disaster years which typically sustains economic losses of up to 46% of GDP during major events. Conversely, adaptation costs for priority adaptation projects are estimated at approximately 11% of GDP^[20].

GLOBAL ENVIRONMENTAL BENEFITS (GEFTF) AND/OR ADAPTATION BENEFITS (LDCF/SCCF); AND

The adaptation benefits of the proposed project are aligned completely with the strategic objectives of the LDCF and SCCF. Through the VFP, the intervention will support the two main focus areas of the SCCF for 2022 to 2026 by (a) supporting the adaptation needs of the 16 SIDS and (b) Strengthening technology transfer, innovation, and private sector engagement through the formulation of a financing facility focused on engaging the non-government sector in MSMEs, CSO and NGOs. The proposed GEF/UNIDO Project will identify and support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies, products and services which provide loss and damage co-benefits. Supportively, LDCF funding helps recipient countries address their short-, medium-, and long-term resilience needs and reduce climate change vulnerability in priority sectors and ecosystems. The proposed project is supporting community-based adaptation and encouraging communities to take ownership of the solutions that will improve the ecosystems they rely on for their daily livelihoods in addition to improving the way the respond to climate change derived loss and damage.

Global environment and societal benefits may vary depending on the adaptation intervention and technologies utilised. For example, common alerting protocol technologies are typically used for emergency information services as part of disaster management strategies. Mangroves, besides having an exceptionally high capacity to store carbon in comparison to any other tropical forest, is also very effective against storm surges, reducing coastal flooding impacts and coastal erosion. Replanting of coral is also effective against coastal erosion, but also fosters the restoration of marine biodiversity and habitat. The introduction of resilient strains of crops can assist in reducing soil erosion and the incidence of desertification, whereas using passive cooling methods and alternative technologies to combat extreme heat can reduce the need for air conditioning which can represent a consumption burden on the electricity grid (where available).

Beneficiaries are defined as those MSMEs, CSO, NGOs, stakeholders and people that will benefit from increased resilience and reduced exposure against climate change impacts through the use of innovative TPS and measures to safeguard key economic sectors, physical infrastructure, and necessary landscapes and immediate environment within vulnerable communities. Beneficiaries are separated into two groups: direct and indirect. Direct beneficiaries are defined as the individuals, groups, or organizations, which will benefit directly from the intervention, or who are the direct recipients of the activities. Indirect beneficiaries are those who are not the direct target of the activities but may be indirectly affected and benefited from the activities conducted by direct beneficiaries^[21].

Whilst the indirect benefit from the implementation of this project can reach entire populations across the V20 due to the importance and role of MSMEs, CSOs, and NGOs in communities, as well as from the improved capacities of those involved in policymaking and the financial services offer, the direct beneficiaries will include the project developers who benefit from accessing funds from the VFP, and key community stakeholders receiving direct training and capacity building such as FSP, Regional Hubs and their staff, policymakers, among others.

Therefore, the GEF/UNIDO Project will aim at training and improving the climate change adaptation capacities, knowledge and skills of approximately 240 people (with a 50% women participation target) including policymakers, FSP, and regional hubs staff (the latter will become trainers able to continue transmitting knowledge to other people, thus strengthening sustainability). Additionally, the GEF/UNIDO Project will aim at raising awareness and reaching out to 10,000 people through campaigns led by the regional hubs to inform not only about climate change adaptation TPS, opportunities and concepts, but also to inform about the calls for proposals dates to apply to the VFP. In this way, local MSMEs, NGOs, and CSOs will be able to access the programme and ask for financial support for their demonstration project ideas. The GEF/UNIDO project will impact at least 60,000 individuals including women and youth. The GEF/UNIDO Project will therefore aim at benefiting at least 70,240 people.

INNOVATIVENESS, SUSTAINABILITY AND POTENTIAL FOR SCALING UP.

This GEF/UNIDO project proves its innovativeness, sustainability and scaling-up potential through its strategic components:

Innovativeness:

The formulation of the VFP is innovative in itself, as its focus is to provide financing support to the most vulnerable communities, who usually struggle to access finance, through community level interventions. The VFP will fund local / community adaptation demonstration projects proposed by MSMEs / CSO and NGOs located in LDCs and SIDS across the V20 that reduce climate vulnerabilities through the implementation of innovative TPS, which also contribute to loss and damage response improvement. Examples of these include protection and restoration of coastal ecosystems, safeguarding of habitats and environments, improved rainwater harvesting and storage technologies, adoption of agrosilvopastoral systems to increase agriculture yields, and others such as the ones exemplified in Table 4 – thus incorporating protectionary measures within the realm of infrastructure, social protection and economy. Once the VFP starts execution, the Fund will be self-sustained through the implementation of the developed Fund

Mobilization Strategy and Plan. The strategy will leverage (1) additional climate adaptation and development/reconstruction resources, together with (2) funds specific for addressing climate change loss and damage, as well as (3) funds to provide adaptation solutions to the most vulnerable sectors across the V20 as outlined in Activity 1.1.4.1.

It is envisaged that the VFP will adopt a global investment approach that has the potential to leverage funding from international, regional and national sources that can invest in the various geographies, and climate contexts across the V20; thus, creating investment flows which include projects of various sizes, locations and types with measurable impacts from the deployed TPS on the beneficiaries.

Sustainability:

The sustainability strategy beyond the period of GEF would involve the continuous implementation of the Fund Mobilization Strategy and Plan for the replenishment of the Fund from philanthropists, international financing institutions and donors. The proposition for the self-sustaining model of the initiative is that the VFP is adopted and operated by the V20 as a permanent activity. In this way, a continuous project pipeline can be built across the V20, thus contributing to an improved resilience and locally-led adaptation process with high scaling-up and replication potential.

Once adopted by V20 after project closure, an updated governance mechanism will be developed, including technical advisory functions to ensure the ongoing quality assurance of the projects supported in the future. The Communications strategy should also be updated to ensure transparency about the projects that are supported and that relevant stakeholders are informed about the project pipeline. The Communication function will serve a dual purpose to showcase community-level projects and the benefits to the lives and livelihoods of the people, associations and cooperatives, including vulnerable women, youth, and indigenous peoples of the V20. Throughout the handover process, key lessons learned will be drawn from the self-sustaining models of other financing facilities, including the exploration of synergies or joint ventures with existing facilities as possible options for the establishment of the new governance mechanism and continuity of the VFP.

The sustainability strategy and operating model considerations regarding the future operation of the VFP should include:

- The structure and organisational framework of the Fund.
- Identification of other revenue streams such as capacity building funds to support projects to define a business approach and investment framework.
- Development of marketing tools and outreach partnerships that are needed to ensure an effective replication and scaling up process across the V20.
- Lessons learned from comparable financing facilities in other domains of climate change adaptation, including those supported by GEF.
- Environmental and Social impact scorecard (including climate risks arising from the projects; the risk of maladaptation; and the sustainability of project benefits) that will be developed as a part of this project, where necessary because of the screening process described in the Environmental and Social Management Framework (ESMF – Annex J).

Moreover, it is important to highlight that the sustainability of the community adaptation projects supported by the GEF/UNIDO Project should be taken into consideration. Due to the range of benefits that adaptation action will provide to (i) coastal protection efforts against sea level rise, king tides and other activities which protect communities and infrastructure against coastal inundation, soil protection (ii) safeguarding of farms and homesteads to avoid disruption in agriculture, including the introduction of resilience strains of crop, (iii) protection of fisheries and maintaining/improving marine biodiversity, (iii) safeguarding the tourism product and reducing any ridge to reef impacts, amongst other benefits, it is imperative to ensure as much as possible the continuation of the supported initiatives after the GEF/UNIDO Project concludes. For this, the GEF/UNIDO Project will not only contribute to the development of the mentioned self-standing VFP that can continue supporting projects, and also develop the capacities of both FSP and project developers (as direct actions), namely MSMEs/CSOs/NGOs, but will also make sure during the project screening process that the project developers conduct and present stakeholder engagement evidence showing how their projects contribute to the development of alternative income-generating activities, the inclusion of alternative sources of energy, and other actions that would ensure the minimisation of the risk associated to the local communities as they depend on their immediate environment to sustain their livelihoods.

Lastly, the GEF/UNIDO project will support the development of capacities and skills using a “train-the-trainer” approach, as is the case described in Activity 3.2.2.1. The new knowledge gained by the stakeholders (trainees) enable them to become trainers and continue transmitting that knowledge even after GEF/UNIDO Project closure.

Potential for scaling-up:

Scalability is approached in two ways:

Firstly, developing and showcasing the learning experiences in setting-up and operationalising the VFP to pilot 50 feasible, relevant and climate change adaptation-oriented demonstration projects with high-value impact within vulnerable communities provides opportunity for testing, replicating and upscaling successful projects across the V20. It will also provide an opportunity for further business development and growth for the involved MSMEs, CSOs, NGOs, etc. which implement relevant, impactful interventions

which safeguard communities and increase resilience. Furthermore, disseminating good and viable project experiences provides a route for other project developers across countries to align and feel encouraged to propose new TPS by applying to the VFP.

The continuation of the Fund Mobilization Strategy and Plan implementation, along with the potential synergies that can be created with other facilities and funds opens the opportunity for increased efficiencies in the use of funds and the scaling-up opportunities for technical assistance and investment across LDCs and SIDS in the V20.

Developing this global opportunity further sets the scene for scaling up the approach by growing the V20 project pipeline beyond the GEF/UNIDO Project. The scaling-up approach will rely on successful case studies of funded local demonstration projects across V20 LDCs and SIDS to demonstrate the viability of the VFP and its value to MSMEs / CSOs / NGOs, as well as for their beneficiaries (communities), donors and multilateral agencies nationally, regionally and internationally. At the same time, it builds the understanding of local project developers in LDCs and SIDS on how to tap into adaptation and loss and damage funding for their climate change projects and finally result in the establishment of a steady project pipeline across the V20.

Secondly, the proposed GEF/UNIDO Project will engage with other facilities supported by other donors (apart from GEF) from whom learnings and best practices can be identified and synergies created, in order to collaborate with the scaling-up process. Creating partnerships/joint ventures with other facilities (e.g., such as with loss and damage funds) also allows for accessing alternative sources of funding which may contribute to the future scalability of the proposed GEF/UNIDO Project, and it also aligns with one of the key entry points of the GEF programmatic directions under Objective 2 (“mainstreaming adaptation through partnerships”).

STAKEHOLDERS

During PPG international stakeholders from the V20 were engaged through an online questionnaire by the V20 to collect their views and design activities to be implemented by the project that respond to their needs.

The Stakeholders Engagement Plan (SEP) is provided as Annex K to this project document. The Stakeholder Engagement Plan (SEP) is designed to enable effective engagement of the various stakeholders and to maintain dialogue with them throughout the lifecycle of the proposed GEF/UNIDO Project. The SEP, submitted as Annex K, provides additional information about the means of engagement, timing for engagement and various examples for the different types of stakeholders.

The project execution will be undertaken through multiple contractual arrangements between UNIDO the V20 and other project executing partners or stakeholders that may be involved in the activities or supporting them (e.g., international organizations, national government entities and MSMEs / CSOs / NGOs). The following table summarises the key stakeholders to be engaged throughout project implementation and execution.

TABLE 9: STAKEHOLDERS’ ROLES ENVISAGED DURING PROJECT IMPLEMENTATION

| Stakeholder | Current role | Envisaged role in the Project |
|---|--|---|
| United Nations Industrial Development Organisation (UNIDO) | UNIDO is a UN specialised agency that promotes industrial development for poverty reduction, inclusive globalisation and sustainability, with extensive experience in global projects. | <p>Project Implementing Agency and Project Executing Entity (PEE).</p> <p>Oversees project execution to ensure good governance alignment with standards and GEF requirements. Reports to and is accountable to GEF Council. Responsible for project cycle management, and evaluation and reporting on project’s impact achievement.</p> <p>UNIDO will be responsible for the overall project execution, including the management and disbursement of the funds as well as for contracting other Project Executing Partners (PEPs) and/or sub-contractors to support the execution of different project activities, as necessary. Those services will be procured during implementation following an open and competitive process to select the most appropriate service providers, following any applicable legislation and rules, including GEF and UNIDO ones.</p> <p>The Project Management Unit (PMU) will be hosted by the PEE.</p> <p>UNIDO will be part of the PSC.</p> <p>UNIDO will especially support the development of knowledge management activities under Output 3.1.3 (Knowledge materials and documentation on</p> |

| Stakeholder | Current role | Envisaged role in the Project |
|---|--|---|
| | | best-practices developed and disseminated widely) and will be responsible for Output 4.2.1 (Mid-term Evaluation) and Output 4.2.2 (Terminal Evaluation). |
| V20 | The Vulnerable Twenty Group (V20) is a dedicated cooperation initiative of 58 members, comprising of Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS) economies systemically vulnerable to climate change. The V20 was established with the inaugural meeting of the V20 Ministers of Finance of the Climate Vulnerable Forum (CVF) in conjunction with the 2015 Annual Meetings of the World Bank Group and International Monetary Fund. The V20 works through dialogue and action to tackle global climate change. | <p>The V20 Secretariat will closely collaborate and support UNIDO in the execution of the project and will keep UNIDO informed about project progress frequently.</p> <p>The V20 Secretariat will be the chair of the PSC, which will be formed at project start to ensure project oversight, coherence, and institutional ownership, as well as to provide advisory inputs in key topics attaining the project.</p> <p>The V20 will also form the VFP Committee and will leverage financing from philanthropic organizations and public financing especially by means of implementing the Fund Mobilisation Strategy and Plan.</p> |
| MSMEs / CSOs / NGOs (to be identified) | There are several MSMEs/CSOs/NGOs supporting high-impact innovative climate change adaptation-oriented technologies and solutions in V20 with a focus on building resilience at the community level. The MSMEs / CSOs / NGOs will be identified during project implementation. | <p>The MSMEs/CSOs/NGOs will be directly engaged in the following Outputs:</p> <p>In Output 2.1.1: <i>Innovative financing mechanism (VFP) from LDCF/SCCF used to support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits.</i> The MSMEs / CSOs and NGOs will be invited to submit demonstration project proposals through calls for proposals to receive financial support for their projects.</p> <p>In Output 2.1.2: <i>Results and experiences from demonstration projects documented and widely disseminated;</i> and Output 3.1.3: <i>Knowledge materials and documentation on best-practices developed and disseminated widely.</i> Success stories, case studies and experiences will be captured and disseminated as part of the knowledge management actions.</p> |
| International Organisations (to be identified) | <p>May include regional and international networks such as the following examples:</p> <p>Coalition for Disaster Resilient Infrastructure (CDRI) is a partnership of national governments, UN agencies and programmes, multilateral development banks and financing mechanisms, the private sector, and knowledge institutions that aims to promote the resilience of new and existing infrastructure systems to climate and disaster risks in support of sustainable development. Members include 31 countries plus ADB, WB Group, UNDP, UNDRR, ARISE (The Private Sector Alliance for Disaster Resilient Societies), CCRI (Coalition for Climate Resilient Investment), EU, EIB.</p> <p>Coalition for Private Investment in Conservation (CPIC) is a global multi-stakeholder initiative focused on enabling conditions that support the</p> | <p>The involvement of international organisations will ensure access to high-level public and private networks and will leverage participation of key actors, critical governmental institutions and representatives of vulnerable groups in VFP operations.</p> <p>The international organisations will be invited to the VFP Committee under Output 1.1.1: <i>An institutional mechanism with strong linkages to global adaptation planning processes is established to govern the VFP.</i></p> |

| Stakeholder | Current role | Envisaged role in the Project |
|---|---|---|
| | <p>increase of private investment in conservation to support adaptation to climate change.</p> <p>International Union for Conservation of Nature (IUCN) is a membership union that brings government and civil society organisations together with a global network of experts.</p> <p>Glasgow Financial Alliance for Net Zero (GFANZ) is a global coalition of leading financial institutions committed to accelerating the decarbonization of the economy to keep global temperature increase below 1.5°C.</p> <p>Alliance of Small Island States (AOSIS) is an intergovernmental organisation that represents the 39 small island and low-lying coastal developing states in international climate change, sustainable development negotiations and processes.</p> <p>NAP Global Network brings together individuals and institutions representing developing country adaptation policy-makers and bilateral development agencies.</p> | |
| <p>NGOs, Women, Youth and Vulnerable Groups Associations and representatives</p> | <p>Community stakeholders’ representatives with a focus on the advancement of women and youth, advocate for the rights and safeguarding of life and livelihoods for women, youth and vulnerable groups. These groups play a pivotal role in resilience building at the community level as well as recovery and rebuilding post a hazardous event.</p> | <p>The regular engagement of community and national level stakeholders in the project will also ensure that local vulnerability and exposure contexts as well as nuanced gender perspectives are integrated throughout project activities and are included in learning outcomes at project close. Furthermore, the project will encourage inclusion of youth and parity in participation of women at all output and outcome levels, including coordination within the PSC, the PEE and other advisory boards as applicable. Outreach to women-led MSMEs/CSOs/NGOs as well as those interventions which seek greatest impact among women and youth will also be targeted.</p> <p>Inclusion of women and youth will be mainstreamed throughout the project and in the selection of demonstration project proposals and pilots. Contributing outputs which engage women, youth, vulnerable groups and associations include:</p> <ul style="list-style-type: none"> • Output 2.1.1: Innovative financing mechanism (VFP) from LDCF/SCCF used to support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits; • Output 2.1.2: Results and experiences from demonstration projects documented and widely disseminated; • Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations, and cooperatives, including women and youth, of the V20 member countries, access adaptation technologies and diversified livelihoods; |

| Stakeholder | Current role | Envisaged role in the Project |
|---|---|--|
| | | <p>as well as for the delivery of training workshops under Outputs:</p> <ul style="list-style-type: none"> • Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change adaptation TPS are developed and provided to relevant policy makers (at least 50% women participation); • Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS (at least 50% women participation). <p>During the feedback gathering to be conducted under <i>Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations, and cooperatives, including women and youth, of the V20 member countries, access adaptation technologies and diversified livelihoods</i>, questions and information related to gender mainstreaming will be included.</p> |
| Multi and bi-lateral development agencies | Development agencies such as for example, UNEP-FI, the GCF or the Adaptation Fund currently implement adaptation-focused initiatives in several countries, including V20 ones. | Synergies with the ongoing or planned initiatives will be sought and created with other multi and bilateral development banks and agencies with the aim of reducing double efforts and taking advantage of complementarities among activities implemented by the present GEF/UNIDO Project and other projects. |
| Communities of Practice (e.g., AdaptationCommunity.net, CoP for Resilience, the Global Commission on Adaptation) | The CoPs aim to inspire action among and for the interested public and private adaptation experts, national and community leaders, as well as investors and academics. The CoPs share information on applying approaches, methods and tools which facilitate the planning and implementation of adaptation action. | The annual reports describing project progress and documenting knowledge on adaptation innovation best practices, lessons learned and success stories, will be disseminated to CoPs and other international platforms. More specifically, the project will promote South-South and triangular exchange of knowledge and documentation of best practices across beneficiary countries and communities as well as MSMEs/CSOs/NGOs. Thus, the CoPs will be engaged mostly in <i>Output 3.1.3: Knowledge materials and documentation on best-practices developed and disseminated widely</i> . |
| National and Government Institutions | <p>The V20 is formed by the Ministers of Finance of the CVF. The CVF is the international forum for countries most threatened by climate change and is composed of 58 members from Africa, Asia, the Caribbean, Latin America and the Pacific.</p> <p>Other national level government institutions may be identified and involved depending on the project needs.</p> | The national governments from the V20 member states will be represented by their Ministers of Finance. These institutions will be part of the VFP Committee. The aim of the VFP Committee is to provide technical and/or financial support for impactful and innovative locally led loss and damage adaptation TPS in the V20. |
| Financing Facilities, Funds and Potential Investors | Sources of funding and financial service providers and institutions who could invest in adaptation TPS projects will be engaged throughout the project through the Fund Mobilisation Strategy and Plan. These may include Loss and Damage Facility (V20), Commercial Banks, Cooperatives, Investment Banks, Investment Funds, Rural | The opportunity to engage with and reduce barriers to investment will be mainstreamed throughout the project. Financing facilities perspectives should be taken into consideration at the VFP Committee level in PC1. Further and direct engagement will take place when the Fund Mobilization Strategy and Plan is implemented, which will include the identification of the funding sources to approach. The Fund Mobilization Strategy and Plan will be |

| Stakeholder | Current role | Envisaged role in the Project |
|-------------|---|--|
| | banks, Microfinance Institutions, Insurance Companies, other. | <p>developed under Output 1.1.4: Plan to mobilize more resources for VFP developed and implemented. Potential investors should also be incorporated in the design of selection criteria for projects, as well as in the design of credit/risk/blended financing options as in Output 2.1.1: Innovative financing mechanism (VFP) from LDCF/SCCF used to support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits.</p> <p>Opportunities to engage with potential investors will also be taken up at the dissemination of knowledge products re: the project and creation of experience exchange platforms as in Output 3.1.3: Knowledge materials and documentation on best-practices developed and disseminated widely.</p> <p>In addition, FSP will receive training through Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS (at least 50% women participation).</p> |

Select what role civil society will play in the project:

- Consulted only;
- Member of Advisory Body; contractor;
- Co-financier;
- Member of project steering committee or equivalent decision-making body;
- Executor or co-executor;
- Other (Please explain)

GENDER EQUALITY AND WOMEN'S EMPOWERMENT

Below it can be found a summary of the analysis conducted which is in Annex I.

Climate-related disasters have impacted human populations in many areas, including agricultural production, food security, water management, energy production and public health. The level of impacts and coping strategies of populations depend heavily on their socio-economic status, socio-cultural norms, access to resources, poverty, and gender. Research has also provided more evidence that the climate change effects are not gender neutral. Although both men and women are experiencing similar extreme climatic events, the impact of such changes depends on their roles.

Gender equality enhances economic growth, reduces household poverty, and enables human development. As a consequence, women in societies that are more gender equal have a higher capacity to adapt and react to climate change impacts, which reduces their vulnerability.

UNIDO recognizes that gender equality and the empowerment of women have a significant positive impact on sustained and inclusive economic growth. The UNIDO vision, as laid down in the 2019 Policy on Gender Equality and the Empowerment of Women (DGB/2019/16), is that women and men can equally lead, participate in, and benefit from inclusive and sustainable development. Climate change impacts and the ability of communities to respond to them through adaptation measures cannot be excluded from this concept. Towards realising this vision, UNIDO follows a comprehensive approach to gender equality and the empowerment of women, recognizing the interests, needs and priorities of both women and men and the intersecting diversity of different groups. Moreover, UNIDO recognized the importance of involving vulnerable groups (incl. women of different ethnicities, young women, poor women) and the economy and society at large (with a special focus on groups most affected by climate-prone natural disasters).

A Gender Analysis (see Annex I) was conducted during the PPG phase to analyse possibilities for the project to utilize a gender responsive approach as well as to establish a gender baseline and develop gender-based indicators and targets. The analysis provides information on gender equality in the V20. It does so by firstly providing a baseline of all the relevant statistics and indexes in reference to gender equality between girls and boys or men and women, i.e., years of education, GDI, etc. The annex has used the UNIDO Gender Mainstreaming Tool. The methodology makes use of questions such as “What is the context; Who does what? Who

has what? Who decides; and Who benefits?" – These questions have helped to conduct the analysis and present some examples across the V20.

The Gender Analysis has found that women in the V20, although there is high variability among the member states, face challenges due to imbalances in their financial status and security. Statistics show gender inequality regarding the distribution of income in the V20. Based on the GDI score, the developing countries have a score of 0.937, the LDCs a score of 0.894, and the SIDS a score of 0.962. More specifically, for Africa and the Middle East, 66.7% of the V20 member states present Low Human Development and more than the half of the V20 (55.6%) are placed into Group 5. Regarding the Asia – Pacific region, 60.0% of the V20 member states present Medium Human Development, and 35% are placed into Group 3. Finally, in Latin America and the Caribbean, 54.5% of the V20 countries present High Human Development, while almost half of the V20 countries in this region (45.5%) are placed into Group 1. This index reflects the inequality in achievement between women and men regarding three dimensions: reproductive health, empowerment and the labour market. It ranges from zero (0), where women and men fare equally, to one (1), where one gender fares as poorly as possible in all measured dimensions. Countries in Group 1 are closest to gender parity, while those in Group 5 are furthest (i.e., have the greatest gender disparity).

Particularly in the V20, women are disproportionately affected by climate change risks for various reasons. Women and girls are expected to take care of the children and older people, which reduces their time for schooling and paid work. In rural communities, the dedicated time to caregiving is higher due to limited and unaffordable institutionalised care services. In addition, women also have limited access to assets and credit and poor treatment by formal institutions, which can constrain women's opportunities and thus exacerbate further the existing vulnerabilities.

In terms of design, the project was designed to ensure that both women and men (including staff in institutions, experts, audience, speakers and panellists at events, or where relevant in communities benefiting from the climate change adaptation pilots) are provided equal opportunities to lead, participate in and benefit from the project. As general rule for the proposed GEF/UNIDO project, a target of 50% women and 30% youth participation in applicable activities will be sought. In practical terms, this will be demonstrated in a multitude of ways:

- **During the PPG a Gender Analysis report and a gender mainstreaming action plan** were prepared for this project and sex-disaggregated targets and indicators for applicable activities were defined and included in the Project Results Framework (Annex A). During project inception, the Gender Analysis and the gender mainstreaming action plan (including the gender responsive targets and indicators) will be validated and approved by the PSC, and during project implementation they will be monitored.
- **Gender-sensitive recruitment** will be practiced at all levels where possible, especially in selection of project staff, and experts, as well as subconsultants. Gender-responsive TORs will be used to mainstream gender in procurement. In cases where the project does not have direct influence, gender-sensitive recruitment will be encouraged. Furthermore, whenever possible existing staff will be trained, and their awareness raised regarding gender issues.
- Existing and new staff will be trained, and their **awareness** raised on gender issues when possible.
- Gender dimensions will be considered when data collections or assessments are conducted as part of project implementation. In fact, whenever applicable and possible **sex-disaggregated data** collection and analysis of gender involvement will be performed, for example, as part of Environmental and Social Impact Assessments. Research, data and assessments will consider gender and age differentiated needs of women and men from different social groups.
- Gender dimensions will be considered in all **decision-making processes**. With respect to project management and governance, the PSC, the VFP Committee and other, will aim to be gender balanced and to extend invitations to observers who represent gender dimensions, such as organizations / associations promoting gender equality and advocating women's empowerment. During project implementation, efforts will be made to focus on gender equality and women's empowerment issues when conducting stakeholders' consultation activities.
- The **differentiated needs** and roles of women and men will be identified with respect to the capacity building interventions of the project.
- Efforts will be made to promote **participation of women in training activities**, both at managerial and technical levels, as participants and trainers. This can include advertising of the events to women's technical associations, encouraging companies to send female employees, provide children care and safe transport, offer reduced fees for women (if applicable), adjusting TOR for selection of the trainers, etc.
- The project will pursue thorough **gender-responsive communication** and ensure stakeholder involvement at all levels, with special regard to involving women and men, as well as civil society and non-governmental organizations promoting gender equality and the empowerment of women. This will mitigate social and gender related risks, promote gender equality, create a culture of mutual acceptance, and maximize the potential contribution of the project to improving gender equality in climate change adaptation.
- The planned project outcomes will be enhanced by considering gender equality and women's empowerment and by adopting a gender lens at high-level decision-making bodies and forums, and within planning and developments relating to climate change adaptation, as examples: i) in PC1, the VFP Committee will consider a 50% women participation target, ii) in PC2 the selection of the demonstration projects from MSMEs/CSOs, will prioritise women-led projects, as well as documenting gender perspectives

and experiences from these projects, iii) Events and training activities under PC3 have women participation targets and women's training needs will be considered following consultations with local women's organizations. Women participation in these events will be incentivised by the PMU, and iv) In PC4, an annual gender-responsive training will be delivered.

- Specific guidelines to ensure that all communication material and knowledge products use a gender- and youth-sensitive, unbiased and inclusive language and to fully mainstream Environmental and Social Safeguards.

Environmental and Social Safeguards

As per UNIDO Environmental and Social Safeguards Policies and Procedures (ESSPP), this project has been categorized as a Category B project. Category B projects are likely to have, although limited in scope and scale, some potentially adverse impacts on human populations or environmentally important areas. As a result, an Environmental and Social Management Plan (ESMP) will be developed during the project inception phase. Additionally, the project will fully mainstream ESS considerations into its design. This is achieved through the development of an Environmental and Social Management Framework (ESMF), a project-level tool that includes an E&S risk Scorecard which will form an integral part of the methodology and framework for the selection of projects that will be supported under the V20 Funding Program. The ESMF, which has been developed during the PPG phase, and is included as Annex J to this document. will guide the E&S risk screening (incl. climate risk assessment) of the selected projects under Component 2. This approach will maximize positive impacts and ensure that supported infrastructure projects avoid, minimize, and/or mitigate any potential adverse E&S impacts that may emerge from their interventions/activities across all stages of their respective project cycles.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women's empowerment? (yes /no) If yes, please upload gender action plan or equivalent here.

The table shows the approach to gender mainstreaming that will be adopted by the project. A more detailed draft gender mainstreaming strategy and action plan is included in Annex I. It will be finalised at the inception phase and the final version will be approved at the first PSC meeting. As overall aim during project activities' execution, the PEE will aim at tracking women participation as much as possible, for a target of 40% women participation. In addition, where possible the project will aim at having 30% youth participation.

TABLE 10: APPROACHES TO GENDER MAINSTREAMING

| Component or Phase | Proposed gender equality measure |
|--|--|
| Project Governance | Consideration of gender dimensions in all decision-making processes (e.g., efforts to achieve gender balance/representation in such processes), including PSC meetings, PMU meetings, etc.; providing opportunity for women and men to equally lead, participate in and contribute to the project activities. |
| Identify existing funding projects supporting the locally-led innovative climate adaptation technologies, products and services (TPS) and increase the resilience of vulnerable people and communities in the V20. | Gender-sensitive, unbiased and inclusive language is used in the communication materials as well as the guidelines for application submission and the evaluation framework, produced by the PMU/Fund Management Team. Women are encouraged to apply for funding through the VFP by including specific incentives for women-led projects. |
| Establish and strengthen channels ensuring that communities, associations, and cooperatives access adaptation technologies and diversified livelihoods. | Awareness raising and information sharing events are conducted with special focus on gender empowerment organisations among others, gathering sex-disaggregated data of the stakeholders attending. Training workshops for Financial Service Providers are conducted, aiming at least 50% female participation and including specific gender-related topics in the curricula (e.g., gender lens investment). Workshops and events are delivered by a gender balanced panel of experts. Specific guidelines will be disseminated to ensure that all communication material and knowledge products use a gender-sensitive, unbiased and inclusive language. |
| M&E: Data collection and gender-disaggregated information | The PMU will collect gender-disaggregated information to track gender participation and engagement throughout each phase of the project. Specific examples include: Gender composition of internal governance and management structures. Gender composition of gender empowerment organisations. Gender composition of participants in workshops and events. Gender composition of intended project beneficiaries. |

If possible, indicate in which results area(s) the project is expected to contribute to gender equality:

closing gender gaps in access to and control over natural resources;
improving women's participation and decision making; and or
generating socio-economic benefits or services for women.

Does the project's results framework or logical framework include gender-sensitive indicators? (yes /no)

Private sector engagement

During project implementation the private sector is expected to be involved in the implementation of all PCs and will directly benefit from them. In practical terms, the private sector will be engaged in the following activities: i) organisation representing their common interests, will be invited to participate in VFP Committee meetings and in stakeholders' consultation meetings carried out by the proposed GEF/UNIDO Project; ii) MSMEs will receive support from the VFP to implement their proposed demonstration projects, through PC2; iii) the Fund Mobilisation Strategy and Plan will consider mobilising different sources of funding, including private investors, if possible (e.g., corporate contributions, private banks, etc.); iv) as part of PC3, FSP (including private ones) will be trained in the development of innovative funding instruments to be included in their product portfolio.

The project will benefit from UNIDO's extensive experience and the ability to leverage investment from private sector actors, through the establishments of a sectoral approach.

Further details on the expected involvement of private sector stakeholders can be found on Section 2. Stakeholders and on the SEP (Annex K).

Consistency with National Priorities

The proposed GEF/UNIDO project is fully consistent with all the relevant national strategies and policy documents outlined in the description of the baseline scenario as well as with related assessments carried out in the sectors of relevance.

- - National Action Plan for Adaptation (NAPA) under LDCF/UNFCCC
- - National Action Program (NAP) under UNCCD
- - ASGM NAP (Artisanal and Small-scale Gold Mining) under Mercury
- - Minamata Initial Assessment (MIA) under Minamata Convention
- - National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD
- - National Communications (NC) under UNFCCC
- - Technology Needs Assessment (TNA) under UNFCCC
- - National Capacity Self-Assessment (NCSA) under UNCBD, UNFCCC, UNCCD
- - National Implementation Plan (NIP) under POPs
- - Poverty Reduction Strategy Paper (PRSP)
- - National Portfolio Formulation Exercise (NPFE) under GEFSEC
- - Biennial Update Report (BUR) under UNFCCC

- Others

As outlined in Section 2.1.2, which describes the policy baseline and adaptation frameworks across the V20, from this analysis, the project is aligned with the UNFCCC National Determined Contributions (NDCs), National Adaptation Plans (NAPs) and National Adaptation Programme of Action (NAPA). Furthermore, the selected demonstration projects must demonstrate direct synergies and/or influence with relevant international frameworks and strategies, as well as with any updates communicated through the UNFCCC National Communications (NC) and UNFCCC Biennial Update Reports (BUR). Alignment with national adaptation priorities (as defined by NDC and NAPs and NAPAs) will be incorporated in the VFP design process and will be part of the selection criteria of projects, as explained under Output 2.1.1.

Knowledge Management

According to the 2023 *GEF Strategy for Knowledge Management and Learning*^[22], the GEF vision is to become an efficient knowledge driven and learning entity for investing in the planet. The goal is to improve and enhance knowledge capture, sharing and learning processes across the GEF Partnership. This is based on the fact that knowledge is a key asset of the GEF Partnership, and plays a fundamental role in achieving sustainability, systems transformation and scale-up of results for impactful outcomes.

The VFP's approach to knowledge management and learning is aligned to the three strategic objectives of the overarching GEF strategy:

- Embedding cutting-edge knowledge into investments
- Increase knowledge flows through platforms
- Create and enable the environment for learning and capacity building

The Knowledge Management (KM) Component of the project, i.e., PC3, will develop knowledge platforms and hubs which focus on raising the awareness of local stakeholders on the selected adaptation TPS with loss and damage co-benefits, including innovative financial products available for them to acquire or support those adaptation TPS. At a broader level, the KM activities all contribute towards stimulating further national and international adaptation investment. By capturing, disseminating, and amplifying project impacts alongside lessons learned and good practices across national and international platforms the project will create a space and enabling environment for consultative processes, knowledge capture and expertise development surrounding the thematic area of supportive finance for MSMEs, CSOs, NGOs, and community-level stakeholders.

Several aspects of the project incorporate KM into the fabric of project design. Including:

During the inception and design phase the project will draw on the expertise and experience of similar projects and initiatives to help enhance the KM development of the project, including other GEF-funded projects, as captured in Table 12. The project will identify previous GEF, UNIDO and other relevant interventions which may be of benefit to project implementation through lessons learned.

The project will develop a comprehensive communications strategy to ensure that progress and experiences of the VFP across the V20 are well-communicated and disseminated. At the start of the project, a GEF/UNIDO Project Communication Strategy will be crafted with one of the overarching goals being to increase the visibility of the project.

An online platform will be established by the GEF/UNIDO Project primarily used for the dissemination of information and knowledge, for releasing the calls for proposals for MSME/CSOs to submit their funding request in the form of demonstration projects proposals as well as to support the implementation of several project activities.

The online platform will also host relevant information and materials related to the GEF/UNIDO Project including educational and training materials, webinar recordings, amongst other. Selected project proponents will be encouraged to disseminate experiences as a VFP beneficiary and share the results of the implementation of their work, including appropriate financing. Successful knowledge sharing and learning is critical in influencing the understanding and awareness to mobilise further and sustained investment from different sources.

These components will be integrated at project start and delivered through the PMU which will be tasked with establishing the **Project’s Communication Strategy (Output 3.1.3)**, to guide KM activities/materials and communications. All information and knowledge generated by the project will follow the project’s communication guidelines including the “brand” that the project will adopt in all its communications, and the processes for overseeing and making sure that all disseminated content follows the strategy. The Strategy will be employed to utilise the most effective outreach and communication actions to reach the stakeholders and target audiences of the GEF/UNIDO Project activities.

All knowledge management activities (such as workshops, trainings, awareness raising) will be gender- and youth-responsive. Women and youth will be encouraged to participate in these events. Gender and youth dimensions will be integrated into project documents (including action plans), publications, for instance presenting sex- and age-disaggregated data, gender sensitive language in publications, photos showing both women and men, and avoid presenting stereotypes, as well as assuring that community organisations, advocacy groups, women, men and the youth have access to and benefit from the knowledge created.

Continuous monitoring will be conducted throughout the project lifetime. Up-to-date reports will be shared with the main stakeholders. The following table provides a general overview of the main deliverables relevant for knowledge management.

TABLE 13: OVERVIEW OF DELIVERABLES RELATED WITH KNOWLEDGE MANAGEMENT

| Deliverables | Timeline |
|--|---|
| Case studies and knowledge materials regarding the VFP, pilot demonstration project descriptions, IFIs, regional and local donors and investors produced and disseminated | Undertaken from year two (2) with operations ongoing throughout the lifetime of the project. |
| The Project website/online platform created and operationalized | Established within year one (1) of the project with regular maintenance undertaken during the lifetime of the project |
| Project’s Communication Strategy | Completed within year one (1) of project implementation |
| Knowledge Materials produced and disseminated during the implementation of the project: including communication and visibility materials and assets, brochures, webinars, distributed through briefing sessions, online webinars and workshops, press releases, social media presence, advertising | Undertaken from project inception with continuous implementation/execution throughout the lifetime of the project |

| | |
|--|--|
| Events to encourage knowledge and exchange launched and hosted | Launched and hosted by year two (2) of the project with operations ongoing throughout the lifetime of the project. |
| Five (5) regional hubs established and operationalised | Established from project inception with operations ongoing throughout the lifetime of the project. |
| Training briefs, courses and other types of training materials developed | Developed within the first six (6) months of the project |

[1] V20 refers to the 58 member states as of July 2023.

[2] The CVF is the international forum for countries most threatened by climate change. Composed of 58 members from Africa, Asia, the Caribbean, Latin America and the Pacific, it represents some 1.5 billion people worldwide. It was founded in November 2009 by the Maldives at Male', together with 10 other countries. The Forum is led by a rotating chair for an ordinary period of two years, with Ghana currently chairing for the period 2022-2024. Ghana is the second African nation to lead the CVF after Ethiopia. [About - CVF \(thecvf.org\)](#)

[3] [Coalition for Disaster Resilient Infrastructure \(cdri.world\)](#)

[4] [The Coalition for Private Investment in Conservation is a global multi-stakeholder initiative - CPIC \(cpicfinance.com\)](#)

[5] [About IUCN | IUCN](#)

[6] [Glasgow Financial Alliance for Net Zero \(gfanzero.com\)](#)

[7] [AOSIS – Alliance of Small Island States](#)

[8] [About the Network - NAP Global Network](#)

[9] While contributions to the VFP would be recorded separately, expenses would be met in a pooled form and would not be tracked separately for each donor, like all the UN pooled funding arrangements

[10] https://lightsmithgp.com/wp-content/uploads/2020/09/asap-adaptation-solutions-taxonomy_july-28-2020_final.pdf. This framework although geared towards MSEs can also be extended to MSMEs.

[11] Adapted from the Adaptation Solutions Taxonomy https://lightsmithgp.com/wp-content/uploads/2020/09/asap-adaptation-solutions-taxonomy_july-28-2020_final.pdf Definition of MSME, SME etc, can be found on the Annex M: Abbreviations, Acronyms and Definitions.

[12] There is no formal definition of Adaptation CSO. The definition provided was developed based on available sources, including:

Adaptation Solutions Taxonomy https://lightsmithgp.com/wp-content/uploads/2020/09/asap-adaptation-solutions-taxonomy_july-28-2020_final.pdf,

[Civil society organizations | UNCCD](#)

[Home > UNCCD CSO panel](#)

[Las organizaciones de la sociedad civil y su papel en la adaptación al cambio climático en México \(scielo.org.mx\)](#)

[13] LDCF/SCCF resources will focus on adaptation technologies and services and the co-financing mobilized by V20 will focus on loss and damage aspects.

[14] Back-up solutions can include: request support to the regional hubs and/or the V20 member institution in the country to allow/support the upload of demonstration projects proposals.

[15] This calculation was carried out having into account that on average a household across the V20 member countries has around 4 people, so by reaching to 1 person in the household, the GEF/UNIDO Project is also reaching out to the additional 3. The average number of people per household was extrapolated from the https://www.un.org/en/development/desa/population/publications/pdf/popfacts/PopFacts_2017-2.pdf

[16] GEF/C.40/08, Proposal for Enhancing the Visibility of the GEF,

[17] GEF/C.64/11, Improving the Visibility of the GEF: New Communication and Visibility Policy

[18] Strengthening M&E of Climate Change Adaptation, GEF STAP and UNEP, May 2017

[19] Adaptation Financing Tracking Report: The Philippines

[20] IMF (2022). Samoa: Climate Macroeconomic Assessment Program (CMAP). Available at: <https://www.imf.org/en/Publications/CR/Issues/2022/03/21/Samoa-Technical-Assistance-Report-Climate-Macroeconomic-Assessment-Program-515505>

[21] https://wphfund.org/wp-content/uploads/2021/02/beneficiary-tip-sheet_eng_final.pdf

[22] [GEF Strategy for Knowledge Management and Learning \(2023\)](#)

Institutional Arrangement and Coordination with Ongoing Initiatives and Project.

Please describe the Institutional Arrangements for the execution of this project, including financial management and procurement. If possible, please summarize the flow of funds (diagram), accountabilities for project management and financial reporting (organogram), including audit, and staffing plans. (max. 500 words, approximately 1 page)

Figure 11 illustrates the overall implementation arrangement to be applied to this project.

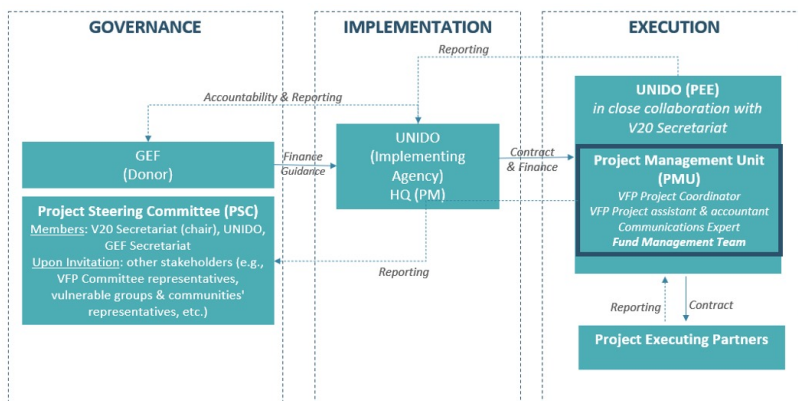


FIGURE 11: IMPLEMENTATION ARRANGEMENT FOR THE PROPOSED GEF/UNIDO PROJECT

The proposed project will be implemented by UNIDO as Project Implementing Agency (GEF Agency), which entails oversight of overall project execution to ensure that the project is being carried out in accordance with agreed standards and requirements. UNIDO, will be accountable to the GEF Council for the GEF-financed activities and will be responsible for project cycle management services and corporate activities, including all enquiries regarding the project implementation progress, project-level reporting, mid-term review, terminal evaluation and the achievement of the project's impacts on the global environment. UNIDO will also act as Project Executing Entity (PEE) for this project. They will execute the project in close collaboration and in coordination with the V20, who will keep UNIDO informed about project progress frequently with regards to those activities which are V20's responsibility (e.g., the Fund Mobilisation Strategy). The PEE will be responsible for the overall project execution in close coordination and under the guidance of the V20 as key strategic partner to this GEF/UNIDO Project. The PEE will be responsible for the management and disbursement of the funds as well as for contracting other Project Executing Partners (PEPs) and/or sub-contractors to support the execution of project activities where necessary. Any required services will be procured during implementation following an open and competitive process to select the most appropriate service providers, following any applicable legislation and rules, including GEF and UNIDO ones.

The Project Management Unit (PMU) will be hosted by the PEE. The PMU will include: i) the VFP Coordinator (PC), ii) a Project Assistant (PA) who will also act as the accountant for the overall project and the Fund (under the Fund Management Team), iii) a Communications Expert (CE); and iv) the Fund Management Team (FMT). The FMT will involve 3 (three) people, namely the Fund Manager, the Environmental Engineer and Adaptation Expert, and the accountant (same person acting as project assistant). In conclusion, the PMU will comprise 5 (five) people. Moreover, one of the PMU staff will need to be appointed as Gender Focal Point to ensure that gender topics are mainstreamed throughout the implementation of the project, following the suggestions detailed in the Gender Analysis Report (Annex I to the present RCE).

The PMU will be responsible for the day-to-day management of the project activities under PC1, PC2, PC3 and PC4, including implementation of the M&E plan and follow-up with UNIDO and other PEPs as necessary. Additional tasks of the PMU include: development of annual workplans, support the development of the Project Implementation Reports (PIRs) that the UNIDO PM needs to submit to GEF; ensure coordination and collaboration with other projects, report project progress and liaise with the PSC, implement M&E activities. These functions as well as others, will be specified in the inception phase report and workplan. The PMU will be the main point of contact with UNIDO PM and will take care of reporting to UNIDO headquarters.

A Project Steering Committee (PSC) will be formed at project start to ensure project oversight, coherence and institutional ownership, as well as to provide advisory inputs in key topics attaining the project. The PSC will be chaired by the V20 Secretariat and will additionally include UNIDO and the GEF Secretariat. Representatives from other organisations and institutions will be identified at project start and invited to participate in the PSC. These additional organisations will be identified and selected during the creation of the VFP Committee under Output 1.1.1, including for example representatives of vulnerable groups or organisations (e.g. NGOs or CSOs).

The PSC will approve the annual work plans and budgets, as well as the annual progress reports. The PSC will act as an advisory mechanism to ensure the successful design and implementation of the project by means of providing operational guidance as well as overall, high-level coordination. Any changes/amendments proposed by the PSC to the project and/or to the workplans and budgets are to be done in accordance with the approved project document, the GEF policy, and UNIDO rules and regulations. Minutes of meetings are to be signed by UNIDO and the PSC Chairperson(s). The primary roles of the PSC are: (1) to provide overall guidance to the execution of the project; (2) to ensure good coordination among participating agencies and other organizations and partners; and (3) to approve any substantial changes to the project outputs in response to the emerging needs and contexts.

Transfer of Assets

Full or partial ownership of equipment/assets purchased under the project may be transferred to national counterparts and/or project beneficiaries during the project implementation as deemed appropriate by the government counterpart in consultation with the UNIDO Project Manager.

Legal Context

It is expected that each set of activities to be implemented in the target countries will be governed by the provisions of the Standard Basic Cooperation Agreement concluded between the Government of the recipient country concerned and UNIDO or -in the absence of such an agreement- by one of the following: (i) the Standard Basic Assistance Agreement concluded between the recipient country and UNDP, (ii) the Technical Assistance Agreements concluded between the recipient country and the United Nations and specialised agencies, or (iii) the Basic Terms and Conditions Governing UNIDO Projects.

Will the GEF Agency play an execution role on this project?

Yes

If so, please describe that role here and the justification.

UNIDO will act as Project Executing Entity (PEE) for this project. UNIDO will execute the project in close collaboration and in coordination with the V20, who will keep UNIDO informed about project progress frequently with regards to those activities which are V20's responsibility (e.g., the Fund Mobilisation Strategy). UNIDO will be responsible for the overall project execution in close coordination and under the guidance of the V20 as key strategic partner to this GEF/UNIDO Project. UNIDO will be responsible for the management and disbursement of the funds as well as for contracting other Project Executing Partners (PEPs) and/or sub-contractors to support the execution of project activities where necessary. Any required services will be procured during implementation following an open and competitive process to select the most appropriate service providers, following any applicable legislation and rules, including GEF and UNIDO ones.

Background of the decision to have UNIDO act as PEE is as follows:

The V20 suggested CARE as potential PEE for the above-mentioned project. CARE has been involved in the project formulation since the beginning of the PPG phase. However, at the end of October 2023, CARE requested to increase the staff cost, covering three full time staff, to USD 1.1 million, out of total project cost of USD 4.8 million, which amounts to 23% of the project costs. Although UNIDO requested CARE to reduce the staff cost, there was no response as of 10 November. Even if CARE reduces the personnel costs, concerns will remain as CARE may deliver lower quality of work corresponding to the reduced budget for staff costs.

UNIDO has explored alternative PEE options, i.e., the V20 and other international NGOs. The V20 has not fully become a legal entity yet and it is still in the transition period. In this regard, the V20 does not have the capacity to be a PEE for the project. UNIDO has considered other international NGOs such as World Vision and Oxfam which have national or field offices world-wide, including in V20 countries. Their connections and networks at the local level would be a great advantage for the project, however to confirm their interest in becoming the PEE there is a need to undergo back and forth communications / negotiation process. Given that the submission deadline of the CEO endorsement document package is 2 December 2023, this would not be an option.

Considering the options above, UNIDO as PEE would be the best option. Reasons of proposing UNIDO as PEE include:

- Leveraging the presence of UNIDO field offices: UNIDO has 30 field offices, 19 regional hubs and 2 project offices across the world, including in the V20 countries. UNIDO’s field network will play a role in monitoring of activities at the national level. UNIDO field offices will also link the projects to key decision makers and the V20. Furthermore, UNIDO field offices will be key to support the V20 in identifying the 50 demonstration projects to be supported by the funding facility.

- Leveraging UNIDO’s relationship with SMEs: UNIDO has been working with great number of SMEs in various countries and regions. UNIDO’s good relationship with those SMEs and working experience with them in the past would provide good lessons and opportunities for synergies with the 50 demonstration projects.

- Supporting capacity building of the V20: Through the course of implementation of the project UNIDO, and working alongside the V20, would be in the best place to support V20 strengthening its implementation capacity, while the V20 works on becoming a legal entity.

Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing (max. 500 words, approximately 1 page)

This project will be conducted in coordination with ongoing GEF projects of relevance, as well as other projects and initiatives identified above in the Baseline Scenario (see Table 12) to build upon lessons learned, increase synergies, and avoid duplication of efforts. There are a number of planned activities and GEF-financed projects that present potential for synergies and collaboration with the proposed GEF/UNIDO project. A brief summary is provided in the following table.

TABLE 12: COORDINATION WITH GEF-FUNDED PROJECTS

| Name of the Programme/ Project | Duration Period / Budget | Short Description of the Programme / Project | Contribution (lessons learnt) / synergies with the proposed Project |
|---|---|--|---|
| Amplifying the impact of the “Challenge Programme for Adaptation Innovation” of the Global Environment Facility through learning and knowledge management | 2023-2025 Co-financing total: US\$ 4,150,000 GEF Project Grant: US\$ 2,208,105 GEF Agency Fees: US\$ 209,770 | The objective of this project is to accelerate innovation and private sector engagement in climate change adaptation, by identifying, sharing and disseminating learnings and the knowledge generated in this field, including those projects supported by the GEF-managed LDCF and SCCF through the Challenge Program for Adaptation Innovation, in the areas of (i) investment funds, (ii) MSME incubation and acceleration, and (iii) CCA impacts and measures. The link to the project information in GEF website is: https://www.thegef.org/projects-operations/projects/11303 | the V20 VFP would benefit from exchanging experiences on knowledge sharing and information dissemination. The project will develop and implement a “Knowledge Management Adaptation project communication strategy and plan”, from which learnings could be taken as example for the development and implementation of the proposed GEF/UNIDO Project Communication Strategy and Plan under Output 3.1.3. Other potential synergies could be explored such as for example stakeholders of the proposed GEF/UNIDO Project participating in the Communities of Practice involved in the listed project. |
| Adaptation Accelerator Program: Building Climate Resilience through Enterprise Acceleration (AAP) ^[1] | 2019-2023 Co-financing total: US\$ 1,317,880 GEF Project Grant: US\$ 1,025,046 | The proposed project addresses the key binding constraint of limited access to credit for SMEs in developing countries, with a focus on enterprises that are relevant to the goal of advancing adaptation and resilience. By building the information base needed to inform investors; linking enterprises to investors with appropriately matched risk appetites and portfolio interests; and providing technical support to strengthen enterprise-level ability to attract investors, the project will address the principal barriers identified. AAP foresees to build on the expertise of CI’s impact investing fund | AAP is designed to catalyse investment in adaptation-focused SMEs through adaptation accelerators in LDCs. The V20 VFP project will benefit through the exchange of experiences with the AAP and by knowledge and facilitating learning on private sector engagement to drive adaptation and resilience, especially with regards to MSME Incubation and Acceleration in SIDS and developing countries. |

| Name of the Programme/ Project | Duration Period / Budget | Short Description of the Programme / Project | Contribution (lessons learnt) / synergies with the proposed Project |
|--|---|--|--|
| | GEF Agency Fees: US\$ 92,254 | Conservation International Ventures (CIV) and its Conservation Investment Partners (CIP) network, which have extensive financial expertise in enterprise development and impact investing. | |
| Adaptation SME Accelerator Project (ASAP) ^[2] | 2021-2024 Co-financing total: US\$ 500,000 GEF Project Grant: US\$ 1,995,497 GEF Agency Fees: US\$ 179,595 | The overall purpose of the project is to catalyse the markets for climate resilience and adaptation solutions in developing countries and promote greater use of these solutions by customers. The project will do this by building the ecosystem of SMEs involved in adaptation and climate resilience in developing countries through a program of market mapping, convening and network building, and incubation/acceleration. Project activities will include: refining the taxonomy of the range of climate resilience solutions and segments, mapping companies and markets, sharing market information with market participants, building networks and holding convenings of adaptation-focused SMEs regionally, and enabling existing incubator and accelerator programs to begin enrolling and supporting adaptation-focused SMEs | The ASAP will support the definition of MSMEs, SMEs and identify good practices, methods, tools, and recommendations related to investment funds and support and benefit from the identification of impact measurement in private sector operations. Under the Adaptation SME Accelerator Programs, the ASAP selected (M)SMEs will build networks and tools by working with industry experts and investors for which the VFP can learn from and share experiences. |
| Strengthening engagement and action by the Least Developed Countries Group on climate change ^[3] | 2022-2025 Co-financing total: US\$ 1,140,540 GEF Project Grant: US\$ 1,826,484 GEF Agency Fees: US\$ 173,516 | The project will strengthen the institutional structures of the LDC Group on climate change to enable them to enhance their participation and advocacy for LDC positions in UNFCCC processes and decision-making on climate change adaptation and mitigation, as well as to access climate finance. | This aims to enhance climate change knowledge and adaptive capacity of the LDC Group. All outputs of the VFP project will be important to share with the LDC Group. |
| Inclusive GEF Assembly Challenge Program | 2021-ongoing | The objective of the Challenge Program is to catalyse inclusive and innovative on-the-ground action, to be implemented by a wide range of partners, that addresses global environmental priorities and climate change challenges. This could cover topics such as climate action, nature-based solutions, sustainable land and water management, water security, sustainable livelihoods, institutional empowerment, knowledge management and other innovative solutions. | Synergies are expressed within the two programmes through their recognition of the importance of the roles being played by a range of community based/civil society organizations in delivering inclusive adaptation benefits for people and ecosystems; and advance the whole-of-society approach by providing resources and knowledge to scale up their initiatives. Lessons learned from implementation of the Inclusive GEF Assembly Challenge Program will assist in the design of the VFP and selection criteria as in PC1 and peer learning and knowledge and exchange as in PC3. |
| Reducing vulnerability and increasing resilience to climate change through promoting innovation, transfer and large-scale deployment of adaptation-oriented technologies in priority agriculture value-chains and creating jobs ^[4] | 2023-2029 Co-financing total: US\$ 36,258,000 GEF Project Grant: US\$ 8,932,420 | The project aims to reduce vulnerability and increase resilience to climate change by promoting innovation, transfer and large-scale deployment of adaptation-oriented technologies in priority agriculture value chains and creating jobs in the Democratic Republic of Congo. | This project will foster an environment of learning in terms of technology transfer in one of the priority socio-economic areas of the V20 – agriculture. This synergy will contribute to collective knowledge learning and sharing. |

| Name of the Programme/ Project | Duration Period / Budget | Short Description of the Programme / Project | Contribution (lessons learnt) / synergies with the proposed Project |
|---|---|---|---|
| | GEF Agency Fees: US\$ 848,580 | | |
| Acceleration of financial technology-enabled climate resilience solutions | 2023-ongoing Co-financing total: US\$ 10,965,000 GEF Project Grant: US\$ 863,242 GEF Agency Fees: US\$ 82,008 | The project accelerates startup-led solutions by providing philanthropic capital, tailored venture-building support, mentoring and networks for the startups with the goal of: 1) de-risking the startup investment for future investors, thus increasing the chances of companies raising capital and scaling, and 2) improving the value proposition offered by the companies to get them closer to product/market fit, thus increasing the likelihood of customers adopting and using their products. As a result, the program will fuel growth and value created by the companies, improving climate adaptation and resilience of users, thus positively increasing the wellbeing of vulnerable people in Africa. | Learnings and experiences as they relate to the development of de-risking instruments may be able to inform on financing and insurance opportunities for MSMEs and CSOs. This will align with the activities outlined in PC2 and PC3. |
| Promotion of climate adaptation technology and business model innovations and entrepreneurship in Sierra Leone ^[5] | 2023-2029 Budget: N/A Co-financing total: US\$ 26,987,500 GEF Project Grant: US\$ 8,932,420 GEF Agency Fees: US\$ 848,580 | The project aims at reducing vulnerability and increasing resilience of vulnerable populations by supporting MSME*-driven innovation, transfer and large-scale deployment of adaptation technologies, products and services (TPS) in the water, agriculture and energy sectors in Sierra Leone. | This project is designed to bolster the climate adaptation through the engagement, incubation and acceleration of MSMEs in adaptation at the community level in VFP sensitive sectors. This project can provide synergies with the VFP in the design, implementation and training and support delivery which encompass PC1, 2 and 3 of the VFP. |
| Building adaptation and resilience to climate change in the essential oil sector in Madagascar (ARCHE) ^[6] | 2023-2026 Co-financing total: US\$ 11,141,095 GEF Project Grant: US\$ 1,776,484 GEF Agency Fees: US\$ 168,766 | The project aims to address the main barriers related to building a climate resilient economy, including financial barriers, capacity building, knowledge and awareness about climate change TPS. This is achieved by engaging the private sector and tapping into the innovation potential, supporting the development of entrepreneurs, start-ups and MSMEs and facilitating the transformation of innovative and entrepreneurial ideas into market ready products for large-scale deployment of climate change adaptation-oriented technologies and solutions across the essential oils value chain. | This project is designed to bolster the climate adaptation through the engagement, incubation, and acceleration of adaptations MSMEs. The execution of this project will provide essential learnings and synergies with PC3 of the VFP project with regards to the involvement and requisite support to be provided to MSMEs. |
| Global Cleantech Innovation Programme (GCIP) ^[7] | 2011-ongoing Co-financing total: US\$ 137,960,110 GEF Project Grant: US\$ 17,972,633 | GCIP supports start-ups and SMEs with innovative ideas to transform them into investment-ready, market-competitive and scalable solutions. It brings about transformative change through two main interventions: (1) direct support to emerging SMEs offering innovative cleantech solutions and (2) development and strengthening of cleantech innovation and entrepreneurship ecosystems (CIEEs). | Although GCIP focuses more on mitigation, it also supports MSMEs with technologies, products and services that can be used for adaptation. Synergies should be created with GCIP and PC1, PC2, PC3 of the VFP in terms of leveraging design of potential adaptation TPS in projects |

| Name of the Programme/ Project | Duration Period / Budget | Short Description of the Programme / Project | Contribution (lessons learnt) / synergies with the proposed Project |
|--|--|---|---|
| | GEF Agency Fees: US\$ 1,617,537 | | as well as opportunities for the provision of support to MSMEs by regional hubs. |
| Introducing systemic resilience methodologies in infrastructure investment planning | 2022-2027 Co-financing Total 8,042,900 GEF Project Grant 1,137,214 GEF Agency Fees 108,035 | This proposal addresses this market failure: an inadequate integration of physical climate risks into investments, alongside mobilizing the needed constellation of public and private institutions and investors to (a) advance the use of practical tools and methodologies that systemically assess and manage PCRs at national and subnational levels, (b) prioritize infrastructure investments based on an understanding of maximizing the resilience benefits of every \$1 invested, and (c) mobilize capital for investments identified and designed through the use of these tools | The design of upcoming investments could be potentially influenced to take on systemic climate resilience attributes and consider physical climate risk (PCR) in infrastructure investments. The advancement of the use of practical tools and methodologies that systemically assess and manage PCRs at national and subnational levels can also be integrated into selected adaptation projects of MSMEs and CSOs as part of P2 and learning and exchange of PC3. |
| A private investment facility for nature-based coastal climate resilience in the Least Developed Countries | 2022-2025 Co-financing Total 31,753,000 GEF Project Grant 953,966 GEF Agency Fees 90,627 | This project addresses the critical need to secure private-sector funding for nature-based adaptation projects in LDCs. It focuses on identifying existing projects in LDCs in order to build their capacity to attract private sector funding, while on the other engaging and mobilising a series of global private sector companies to develop commitments to invest in these projects, in ways that are closely aligned with their business interests. | Both project interventions seek to showcase and build the capacity of MSMEs and local businesses to attract private sector investment, along with highlighting to global private sector companies the business benefits from supporting nature-based coastal adaptation projects. PC1, PC2 and PC3 express synergies with this project as it may inform coastal adaptation TPS, the design of selection criteria, as well as provide knowledge and exchange on credit, risk and insurance instruments for coastal adaptation projects |

[1] <https://www.thegef.org/projects-operations/projects/10435>

[2] <https://www.thegef.org/projects-operations/projects/10296>

[3] <https://www.thegef.org/projects-operations/projects/10994>

[4] <https://www.thegef.org/projects-operations/projects/10377>

[5] <https://www.thegef.org/projects-operations/projects/10680>

[6] <https://www.thegef.org/projects-operations/projects/10908>

[7] <https://www.thegef.org/projects-operations/projects/10408>

[1] <https://www.thegef.org/projects-operations/projects/10435>

[2] <https://www.thegef.org/projects-operations/projects/10296>

[3] <https://www.thegef.org/projects-operations/projects/10994>

[4] <https://www.thegef.org/projects-operations/projects/10377>

[5] <https://www.thegef.org/projects-operations/projects/10680>

[6] <https://www.thegef.org/projects-operations/projects/10908>

[7] <https://www.thegef.org/projects-operations/projects/10408>

Core Indicators

Indicate expected results in each relevant indicator using methodologies indicated in the GEF-8 Results Measurement Framework Guidelines. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCF.

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

META INFORMATION – LDCF

| | | |
|--|--|--|
| LDCF true | SCCF-B (Window B) on technology transfer false | SCCF-A (Window-A) on climate Change adaptation false |
| Is this project LDCF SCCF challenge program? false | | |
| This Project involves at least one small island developing State(SIDS). true | | |
| This Project involves at least one fragile and conflict affected state. false | | |
| This Project will provide direct adaptation benefits to the private sector. true | | |
| This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). false | | |
| This project will collaborate with activities begin supported by other adaptation funds. If yes, please select below | | |
| Green Climate Fund false | Adaptation Fund true | Pilot Program for Climate Resilience (PPCR) false |
| This Project has an urban focus. false | | |
| This project will directly engage local communities in project design and implementation true | | |
| This project will support South-South knowledge exchange false | | |
| This Project covers the following sector(s)[the total should be 100%]: * | | |
| Agriculture | 15.00% | |
| Nature-based management | 15.00% | |

| | |
|---------------------------------|---------|
| Climate information services | 15.00% |
| Coastal zone management | 15.00% |
| Water resources management | 15.00% |
| Disaster risk management | 10.00% |
| Other infrastructure | 0.00% |
| Tourism | 0.00% |
| Health | 0.00% |
| Other (Please specify comments) | |
| Climate adaptation finance | 15.00% |
| Total | 100.00% |

This Project targets the following Climate change Exacerbated/introduced challenges:*

| | | | |
|---------------------------------|--|---|--------------------------------|
| Sea level rise true | Change in mean temperature true | Increased climatic variability true | Natural hazards true |
| Land degradation true | Coastal and/or Coral reef degradation true | Groundwater quality/quantity false | |

CORE INDICATORS – LDCF

| | Total | Male | Female | % for Women |
|---|----------|-----------|-----------|-------------|
| CORE INDICATOR 1 | | | | |
| Total number of direct beneficiaries | 50,000 | 25,000.00 | 25,000.00 | 50.00% |
| CORE INDICATOR 2 | | | | |
| (a) Area of land managed for climate resilience (ha) | 7,500.00 | | | |
| (b) Coastal and marine area managed for climate resilience (ha) | 0.00 | | | |
| CORE INDICATOR 3 | | | | |
| Number of policies/plans/ frameworks/institutions for to strengthen climate adaptation | 0.00 | | | |
| CORE INDICATOR 4 | | | | |
| Number of people trained or with awareness raised | 9,180 | 4,590.00 | 4,590.00 | 50.00% |
| CORE INDICATOR 5 | | | | |
| Number of private sector enterprises engaged in climate change adaptation and resilience action | 16.00 | | | |

SUB INDICATOR 1

| | Total | Male | Female |
|--|-------|--------|--------|
| 1.1 Number of direct beneficiaries from more resilient physical and natural assets | 0 | 0 | 0 |
| 1.2 Number of direct beneficiaries with diversified and strengthened livelihoods and sources of income | 0 | 0 | 0 |
| 1.3 Number of direct beneficiaries from the new or improved climate information services including early warning systems | 50000 | 25,000 | 25,000 |

| | | | |
|--|---|---|---|
| 1.4 Number of youth (15 to 24 years of age) benefiting from the project | 0 | 0 | 0 |
| 1.5 Number of elderly (over 60 years of age) benefiting from the project | 0 | 0 | 0 |
| 1.6 Increased income, or avoided decrease in income (per capita in \$ across all relevant beneficiaries) | 0 | | |

SUB-INDICATOR 2

2.1 Hectares of agricultural land

7,500

2.2 Hectares of urban landscape

0

2.3 Hectares of rural landscape

0

2.4 Hectares of forests

0

2.5 Hectares of marine area

0

2.6 Hectares of freshwater area

0

2.7 Number of residential houses

0

2.8 Number of public buildings

0

2.9 Number of irrigation or water structures

0

2.10 Number of fishery or aquaculture ponds or cages

0

2.11 Number of ports or landing sites

0

2.12 Km of road

0

2.13 Km of riverbank

0

2.14 Km of coast

0

2.15 Km of stormwater drainage

0

2.16 Number of new adaptation technologies supported

0

SUB INDICATOR 3

3.1 Number of policies/plans developed and strengthened that will mainstream climate resilience

3.2 Number of systems and frameworks established for continuous monitoring, reporting and review of climate adaptation impacts

3.3 Number of national climate policies and plans enabled, including national adaptation planning processes

3.4 Number of institutional partnerships or coordination mechanisms established or strengthened

3.5 Number of institutions with increased capacity to plan, implement, monitor, and report for climate adaptation

3.6 Number of institutions with increased capacity to attract, and manage climate adaptation finance

3.7 Number of local community organizations benefitting from and/or engaged in institution strengthening, partnerships, or financing

3.8. Number of climate risk and vulnerability assessments conducted

SUB INDICATOR 4

| 4.1 Number of people trained or made aware of climate change impacts and appropriate adaptation responses | Total | Male | Female |
|---|-------|-------|--------|
| a) National government | 180 | 90 | 90 |
| b) Local government | 4000 | 2,000 | 2,000 |
| c) Local community organizations | 5000 | 2,500 | 2,500 |
| d) Extension services | 0 | 0 | 0 |
| e) Hydromet and disaster risk management agencies | 0 | 0 | 0 |
| f) School children, university students, and teachers | 0 | 0 | 0 |
| g) Youth | 0 | 0 | 0 |

SUB INDICATOR 5

| | Total | Male | Female |
|---|-----------|------|--------|
| 5.1 Amount of investment mobilized (US\$) from private sector sources | 1,850,000 | | |
| 5.2 Number of entrepreneurs supported for climate adaptation or resilience | 16 | 8 | 8 |
| 5.3 Total financial value of lines of credit and/or investment funds | 0 | | |
| 5.4 Number of MSMEs incubated/accelerated with technical assistance, financial matchmaking, and/or direct financing | 0 | | |

META INFORMATION – SCCF

| | | | |
|--|---|--|--------------------------------|
| LDCF false | SCCF-B (Window B) on technology transfer true | SCCF-A (Window-A) on climate Change adaptation false | |
| Is this project LDCF SCCF challenge program? false | | | |
| This Project involves at least one small island developing State(SIDS). true | | | |
| This Project involves at least one fragile and conflict affected state. false | | | |
| This Project will provide direct adaptation benefits to the private sector. true | | | |
| This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). false | | | |
| This project will collaborate with activities begin supported by other adaptation funds. If yes, please select below | | | |
| Green Climate Fund false | Adaptation Fund true | Pilot Program for Climate Resilience (PPCR) false | |
| This Project has an urban focus. false | | | |
| This project will directly engage local communities in project design and implementation true | | | |
| This project will support South-South knowledge exchange false | | | |
| This Project covers the following sector(s)[the total should be 100%]: * | | | |
| Agriculture | 15.00% | | |
| Nature-based management | 15.00% | | |
| Climate information services | 15.00% | | |
| Coastal zone management | 15.00% | | |
| Water resources management | 15.00% | | |
| Disaster risk management | 10.00% | | |
| Other infrastructure | 0.00% | | |
| Tourism | 0.00% | | |
| Health | 0.00% | | |
| Other (Please specify comments) climate adaptation finance | 15.00% | | |
| Total | 100.00% | | |
| This Project targets the following Climate change Exacerbated/introduced challenges:* | | | |
| Sea level rise true | Change in mean temperature true | Increased climatic variability true | Natural hazards true |

| | | |
|---------------------------------|--|--|
| Land degradation true | Coastal and/or Coral reef degradation true | Groundwater quality/quantity false |
|---------------------------------|--|--|

CORE INDICATORS – SCCF

| | Total | Male | Female | % for Women |
|--|------------------|----------|----------|-------------|
| CORE INDICATOR 1 Total number of direct beneficiaries | 10,000 | 5,000.00 | 5,000.00 | 50.00% |
| CORE INDICATOR 2 (a) Area of land managed for climate resilience (ha) (b) Coastal and marine area managed for climate resilience (ha) | 7,500.00 0.00 | | | |
| CORE INDICATOR 3 Number of policies/plans/ frameworks/institutions for to strengthen climate adaptation | 0.00 | | | |
| CORE INDICATOR 4 Number of people trained or with awareness raised | 1060 | 530.00 | 530.00 | 50.00% |
| CORE INDICATOR 5 Number of private sector enterprises engaged in climate change adaptation and resilience action | 14.00 | | | |

SUB INDICATOR 1

| | Total | Male | Female |
|--|-------|-------|--------|
| 1.1 Number of direct beneficiaries from more resilient physical and natural assets | 0 | 0 | 0 |
| 1.2 Number of direct beneficiaries with diversified and strengthened livelihoods and sources of income | 0 | 0 | 0 |
| 1.3 Number of direct beneficiaries from the new or improved climate information services including early warning systems | 10000 | 5,000 | 5,000 |
| 1.4 Number of youth (15 to 24 years of age) benefiting from the project | 0 | 0 | 0 |
| 1.5 Number of elderly (over 60 years of age) benefiting from the project | 0 | 0 | 0 |
| 1.6 Increased income, or avoided decrease in income (per capita in \$ across all relevant beneficiaries) | 0 | | |

SUB-INDICATOR 2

2.1 Hectares of agricultural land

7,500

2.2 Hectares of urban landscape

0

2.3 Hectares of rural landscape

0

2.4 Hectares of forests

0

2.5 Hectares of marine area

0

2.6 Hectares of freshwater area

0

2.7 Number of residential houses

0

2.8 Number of public buildings

0

2.9 Number of irrigation or water structures

0

2.10 Number of fishery or aquaculture ponds or cages

0

2.11 Number of ports or landing sites

0

2.12 Km of road

0

2.13 Km of riverbank

0

2.14 Km of coast

0

2.15 Km of stormwater drainage

0

2.16 Number of new adaptation technologies supported

0

SUB INDICATOR 3

3.1 Number of policies/plans developed and strengthened that will mainstream climate resilience

- 3.2 Number of systems and frameworks established for continuous monitoring, reporting and review of climate adaptation impacts
- 3.3 Number of national climate policies and plans enabled, including national adaptation planning processes
- 3.4 Number of institutional partnerships or coordination mechanisms established or strengthened
- 3.5 Number of institutions with increased capacity to plan, implement, monitor, and report for climate adaptation
- 3.6 Number of institutions with increased capacity to attract, and manage climate adaptation finance
- 3.7 Number of local community organizations benefitting from and/or engaged in institution strengthening, partnerships, or financing
- 3.8. Number of climate risk and vulnerability assessments conducted

SUB INDICATOR 4

| 4.1 Number of people trained or made aware of climate change impacts and appropriate adaptation responses | Total | Male | Female |
|---|-------|------|--------|
| a) National government | 60 | 30 | 30 |
| b) Local government | 400 | 200 | 200 |
| c) Local community organizations | 600 | 300 | 300 |
| d) Extension services | 0 | 0 | 0 |
| e) Hydromet and disaster risk management agencies | 0 | 0 | 0 |
| f) School children, university students, and teachers | 0 | 0 | 0 |
| g) Youth | 0 | 0 | 0 |

SUB INDICATOR 5

| | Total | Male | Female |
|---|-----------|------|--------|
| 5.1 Amount of investment mobilized (US\$) from private sector sources | 1,850,000 | | |
| 5.2 Number of entrepreneurs supported for climate adaptation or resilience | 14 | 7 | 7 |
| 5.3 Total financial value of lines of credit and/or investment funds | 0 | | |
| 5.4 Number of MSMEs incubated/accelerated with technical assistance, financial matchmaking, and/or direct financing | 0 | | |

Key Risks

| | Rating | Explanation of risk and mitigation measures |
|---------|--------|--|
| CONTEXT | | |
| Climate | High | <p>Risk: The risk of the incidence of extreme events and climate change induced hazards present an ever-increasing risk to the V20. This has the potential to delay the implementation of activities depending on the severity of impacts to countries and communities.</p> <p>Mitigation: The fast-track methodology to be employed under the VFP will expedite the project assessment, disbursement and implementation process. This will expedite the deployment of adaptation TPS that improve resilience and loss and damage response. During the PPG phase abridged CRVAs were conducted in order to identify climate risks and vulnerabilities in the target V20 regions. The CRVA were inter alia based on data from CCKP ThinkHazard!, national adaptation documents, as well as data from relevant IPCC reports. During the implementation phase, the adaptation innovations will be chosen based on the highest vulnerability priority regions and the most appropriate interventions for the local context, which should be part of the selection criteria under the VFP.</p> <p>Vulnerabilities will be quantified in order to guide the strategies and criteria for scoring adaptation innovations. Focusing on these regions with targeted adaptation TPS and innovations that emphasize an ecosystem-based approach will build resilience to climate shocks. This project will also strengthen</p> |

| | | |
|--------------------------|----------|--|
| | | <p>adaptation and resilience measures by enabling the most vulnerable to access adaptation innovations via tailored lending and insurance products developed and made available through the implementation of activities in PC2 and PC3. The implementation of adaptation TPS within the private sector and non-governmental community organisations will diversify income and ensure that essential ecosystem services to sustain the livelihoods of small-scale producers are maintained whilst improving response to climate change hazards and reducing loss and damage.</p> |
| Environmental and Social | Moderate | <p>Risk: expedited degradation of the environment due to increased anthropogenic and climate-induced impacts Mitigation: the project puts a strong emphasis on strengthening the use of adaptation TPS within the most vulnerable communities across the V20 in an effort to reduce community vulnerabilities and reduce the incidence and scale of loss and damage. Activities will not only aim to reach to the most vulnerable across, but also make services available to them to maintain and sustain the use of the adaptation TPS that they acquire through the engagement of extension service suppliers through the Regional Hubs. This also reduces the environmental impact of technology malfunction – which may have negative impacts on the way that they start using the natural resources – as well as reduces waste, by ensuring the equipment is repaired instead of becoming waste that is not properly managed. The project will make use of relevant learnings from previous interventions across the V20 and incorporation and</p> |

| | | |
|--------------------------|-----|--|
| | | <p>mainstream at the project design phase/development of screening criteria. Any adaptation innovation TPS supported by the project will need to meet strict environmental screening criteria and follow the local environmental legislation (e.g., disposal of hazardous waste such as batteries of PV systems). In addition, an Environmental and Social Management Framework (ESMF) was prepared alongside mitigation measures to treat with the environmental (and social) risks as well as to avoid maladaptation (see Annex J). Also, the selected pilot projects will contemplate the identification of environmental and social impacts and will be asked to be screened against the criteria set up in the ESMF of the project.</p> |
| Political and Governance | Low | <p>Risk: (1) Political instability within specific governments within the V20, (2) limited absorptive capacity and low participation Mitigation: (1) Notwithstanding that adaptation plans and programmes have been prepared and communicated across the V20, funded project interventions will be limited to those countries within the V20 which are free from political instability/ free from conflict. Notwithstanding the above, interventions which may bring tangible benefit to communities within conflict-zones/ marred by political instability will be showcased, as part of the knowledge management component, for their adaptation benefit, limitation of loss and damage and social protection advantages. Particular effort would be made to engage with relevant MSMEs, CBOs etc to highlight the adaptation TPS which may suitable to mitigate risk in local communities</p> |

| | | |
|-------------------------------------|-----------------|--|
| | | <p>(2) The project will involve private institutions (MSMEs), as well as CSOs and NGOs at critical entry stages as well as provide training opportunities and competency building activities to increase and improve knowledge and awareness and implementation capacity. The promotion and implementation of the VFP as a modality to narrow the adaptation financing gap, to increase private sector engagement in adaptation as well as community focused TPS is in line with the ethos and manage of the V20. There is an assumption that there will be sustained political will, interest and participation across the ministries of finance and institutions across the V20.</p> |
| <p>INNOVATION</p> | | |
| <p>Institutional and Policy</p> | | |
| <p>Technological</p> | | |
| <p>Financial and Business Model</p> | | |
| <p>EXECUTION</p> | | |
| <p>Capacity for Implementation</p> | <p>Moderate</p> | <p>Risk: Potential delays due to (1) supply chain challenges/price increases due to global trade and resource challenges, (2) low technical capacity for implementation Mitigation: (1) Procurement for preference over locally source/assembled technologies/products to circumvent logistics/supply-chain challenges. To include a contingency line item in financing such that project developers can address this risk during implementation. (2) Execution of activities to be implemented under this project will be carried out with the technical assistance support from regional hubs and the V20. Proven and high-</p> |

| | | |
|-------------|----------|--|
| | | <p>impact adaptation technologies will be considered as high priority to be piloted under PC2. Capacity building and enabling activities will pay special attention to further defining the existing baseline in order to develop effective tailored and well-targeted training programmes and curricula.</p> |
| Fiduciary | | |
| Stakeholder | | |
| Other | Moderate | <p>Risk: (1) low level of women and youth involvement in MSMEs, CSOs and NGOs in the project and low participation rates of women in workshops and events, (2) lack of stakeholders' interest in promoting gender equality and the empowerment of women. Mitigation: To mitigate these risks, the project will pursue thorough and gender-responsive communication showing the benefits of gender equality for both women and men and ensuring stakeholder involvement at all levels, with special regard to involving both women and men in MSMEs, CSOs and NGOs as well as in workshops and events conducted by the project. This shall mitigate social and gender-related risks, promote gender equality, create a culture of mutual acceptance and understanding, and maximize the project's potential contribution to improving gender equality in the climate change adaptation field. In addition, these risks will be mitigated through specifically targeting women and youth through the regional hubs as well as through the capacity building actions and stakeholders' engagement processes of the project. Furthermore, in order to ensure</p> |

| | | |
|---------------------|----------|---|
| | | <p>gender and youth inclusiveness in all project components/activities, the UNIDO methodology for gender assessment and gender responsive communication showing the benefits of gender equality for both women and men will be applied in the development of the Communications Strategy. To mainstream gender dimensions and empower women, adequate and gender responsive communication strategy will be implemented, A full gender analysis was carried out during the PPG stage and its recommendations were incorporated into the project design. Lastly, sensitization webinars will be organized to create awareness and to encourage stakeholders to adopt and apply gender-responsive actions. The M&E system to be applied considers gender-related indicators and will track participation during project implementation. This will enable the PMU to take early corrective actions if women participation is low.</p> |
| Overall Risk Rating | Moderate | |

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Explain how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this. (max. 500 words, approximately 1 page)

Priority Area 1: Scaling-up local finance mechanisms

The adaptation financing gap is a ubiquitous challenge across the V20. The estimated costs of adaptation for developing countries could reach US\$ 280-500 billion per year by 2050. Yet, it is estimated that climate finance inflows to developing countries (both mitigation and adaptation) reached only US\$ 79.6 in 2019^{[1]⁵⁰}.

Moreso there is opportunity to support the delivery of innovative, restorative and resilient projects which impact the most vulnerable and those stakeholders which may not typically benefit from donor and financing processes. Resultingly this, project foresees to establish the VFP, an innovative context-driven financial mechanism, geared towards further reach and inclusion of MSMEs, CSO and NGOs which represent the most vulnerable in key sectors across the V20. The VFP will also be used to motivate and encourage commercial microfinance and financing partners to track climate change adaptation and resilience impacts into their decision-making and results monitoring systems, which can in turn strengthen design of increasingly localized actions by FSP. Amplifying knowledge by sharing successful experiences and methodologies among relevant actors across regions and countries will be a conduit for impact and scaling-up. Initial public funding support is to be principally drawn from climate adaptation resources (specifically the LDCF/SCCF), while initial philanthropic funding will span addressing climate adaptation and development/reconstruction/humanitarian/disaster risk reduction funds (to be leveraged by V20 through a Fund Mobilisation Strategy to be developed as part of the GEF/UNIDO Project).

Priority Area 2: Strengthening private sector involvement and innovation for resilience building

The project directly supports innovative TPS for adaptation through the private sector (MSMEs) and non-government sectors including CSOs and NGOs. The direct impacts and consequences are borne by the most vulnerable communities and economic sectors across the V20. This is particularly relevant to MSMEs, which are hampered by their lack of access to capital, size and understanding and knowledge of physical climate risks and impacts. Complementary activities through this project, will enable conditions for private sector action by alleviating typical challenges of low adaptive capacity through (i) the VFP's Fund Mobilization Strategy and (ii) awareness raising (iii) competency strengthening for community-level private sector including MSMEs, CSO and NGOs.

Priority Area 3: Fostering Partnership for Inclusion and Whole-of-Society Approach

The VFP also embeds decision making at the local level through partners and local communities. It takes a needs-based approach to administering adaptation finance. The approach will also reduce the transaction cost of deploying climate finance effectively to remote areas. More importantly, by intervening at community level, the project ensures that its interventions benefit all stakeholders at community levels to include youth, women and indigenous peoples, where possible.

The project concept was developed taking into account the international development objectives and priorities stated in main international strategic documents including: the Paris Agreement, the 2030 Agenda for Sustainable Development, the IPCC Sixth Assessment Report and the Adaptation Gap Report 2021.

Furthermore, the project has been developed based on the V20's mandate, fulfilling the Climate Vulnerable Forum's Costa Rica Action Plan (2013-2015) in strengthening economic and financial responses to climate change. More specifically, the project mobilizes catalytic funding for high-impact and transformation demonstration projects that will serve as best-practice cases that the V20 can use to mobilize further financing.

The proposed interventions are aligned and will ensure the support of NAPs, NAPAs, NDCs and other adaptation strategies and goals of the target countries. Notably this will be stipulated through the selection process of the supported demonstration projects under component 2, during which the relevance and response of the proposed interventions to national and regional strategies and goals in the target countries will be assessed. By supporting innovative technologies for adaptation through the private sector MSMES/CSOs, the project will make a case on how the private sector can contribute to national adaptation planning processes and targets.

[1] <https://www.unep.org/resources/adaptation-gap-report-2021>

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment

We confirm that gender dimensions relevant to the project have been addressed during Project Preparation as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

1) Does the project expect to include any gender-responsive-measures to address gender gaps or promote gender equality and women's empowerment?

Yes

If the project expects to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment, please indicate in which results area(s) the project is expected to contribute to gender equality:

Closing gender gaps in access to and control over natural resources;

Yes

Improving women's participation and decision-making; and/or

Yes

Generating socio-economic benefits or services for women.

Yes

2) Does the project's results framework or logical framework include gender-sensitive indicators?

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during Project Preparation as required per GEF policy, their relevant roles to project outcomes has been clearly articulated in the Project Description (Section B) and that a Stakeholder Engagement Plan has been developed before CEO endorsement.

Yes

Select what role civil society will play in the Project

Consulted only; Yes

Member of Advisory Body; Contractor;

Co-financier;

Member of project steering committee or equivalent decision-making body ;

Executor or co-executor;

Other (Please explain)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in section B project description?

Yes

Environmental and Social Safeguards

We confirm that we have provided information regarding Environmental and Social risks associated with the proposed project or program, including risk screenings/ assessments and, if applicable, management plans or other measures to address identified risks and impacts (this information should be presented in Annex E).

Yes

Please provide overall Project/Program Risk Classification

Overall Project/Program Risk Classification

| PIF | CEO Endorsement/Approval | MTR | TE |
|-----------------|--------------------------|-----|----|
| Medium/Moderate | Medium/Moderate | | |

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described during Project Preparation in the Project Description and that these activities have been budgeted and an anticipated timeline for delivery of relevant outputs has been provided.

Yes

Socio-economic Benefits

We confirm that the project design has considered socio-economic benefits to be delivered by the project and these have been clearly described in the Project Description and will be monitored and reported on during project implementation (at MTR and TER).

The proposed GEF/UNIDO Project is aimed at improving community response to climate change adverse effects, with main focus on the V20 LDCs and SIDS. These are countries which face significant structural challenges in accessing climate finance, increasing their capacities and ability to deploy TPS that support climate change adaptation and loss and damage reduction from extreme weather events. Therefore, the proposed GEF/UNIDO Project would bring the opportunity to implement locally-led demonstration projects and provide proof about the viability and feasibility of adaptation-oriented TPS in those geographies.

The project is expected to:

- Design a programme that encourages and supports MSMEs (as key private sector actors and drivers of local economies), CSOs and NGOs to propose adaptation solutions to improve resilience of their communities and reduce loss and damage caused by climate change, therefore supporting a sustainable socioeconomic and resilient development path;
- Capture, showcase and disseminate successful experiences, lessons and knowledge in order to foster expansion, adoption and scaling-up of tested adaptation TPS across the V20;
- Identify, select, and train regional hubs to build local capacities and raise awareness to accompany the development of demonstration projects, with special focus on the vulnerable segments of the local populations. This will also contribute to the project’s sustainability;
- Result in the increased and improved capacities of policymakers to understand the relationship between climate change hazards/risks/vulnerability and loss and damage, so they can take informed decisions;
- Result in the increased and improved capacities of financial services providers to accompany the demand for tailored financial products that respond to the needs of the most vulnerable, so they can access adaptation TPS to improve their resilience to climate change.

The proposed GEF/ UNIDO Project will work as a dedicated platform for promoting and supporting adaptation innovation, which will result in an enhancement of human capital, thereby leading to job creation and poverty reduction as well as to an increased women and youth participation in the adoption of adaptation TPS and reduction of loss and damage. Locally-led proposals and development of adaptation TPS will likely result in lower costs (i.e., increased accessibility) benefiting both the TPS developers and end-users.

The proposed GEF/UNIDO Adaptation Project aims at actively involving the youth and encouraging women-led applications and businesses, resulting in socioeconomic benefits in the form of youth and women unemployment reductions.

In addition, the increased use of adaptation innovation TPS supported by the GEF/UNIDO Project may also result in GHG emission reductions (as part of the GEBs).

The proposed GEF/UNIDO Project will highlight the need for a stronger support at the national level for adaptation innovations, particularly those promoted by local MSMEs, CSOs and NGOs. It will provide added value by bridging the gap between adaptation innovators and investors, thereby paving the way for the creation of new business opportunities resulting in a value added for the economies across the V20.

ANNEX A: FINANCING TABLES

GEF Financing Table

Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

| GEF Agency | Trust Fund | Country/ Regional/ Global | Focal Area | Programming of Funds | Grant / Non-Grant | GEF Project Grant(\$) | Agency Fee(\$) | Total GEF Financing (\$) |
|---------------------------------|------------|---------------------------------|----------------|--------------------------------|-------------------|-----------------------|-------------------|--------------------------|
| UNIDO | SCCF-B | Global | Climate Change | SCCF-B Global/Regional support | Grant | 456,621.00 | 43,379.00 | 500,000.00 |
| UNIDO | LDCF | Global | Climate Change | LDCF Global/Regional support | Grant | 4,416,210.00 | 419,540.00 | 4,835,750.00 |
| Total GEF Resources (\$) | | | | | | 4,872,831.00 | 462,919.00 | 5,335,750.00 |

Project Preparation Grant (PPG)

Was a Project Preparation Grant requested?

true

PPG Amount (\$)

150000

PPG Agency Fee (\$)

14250

| GEF Agency | Trust Fund | Country/ Regional/ Global | Focal Area | Programming of Funds | PPG(\$) | Agency Fee(\$) | Total PPG Funding(\$) |
|------------------------------|------------|---------------------------------|-------------------|-----------------------------------|-------------------|-------------------|--------------------------|
| UNIDO | LDCF | Global | Climate Change | LDCF Global/Regional support | 136,500.00 | 12,968.00 | 149,468.00 |
| UNIDO | SCCF-B | Global | Climate Change | SCCF-B Global/Regional support | 13,500.00 | 1,282.00 | 14,782.00 |
| Total PPG Amount (\$) | | | | | 150,000.00 | 14,250.00 | 164,250.00 |

Please provide Justification

Sources of Funds for Country Star Allocation

| GEF Agency | Trust Fund | Country/ Regional/ Global | Focal Area | Sources of Funds | Total(\$) |
|----------------------------|------------|---------------------------------|------------|------------------|-------------|
| Total GEF Resources | | | | | 0.00 |

Focal Area Elements

| Programming Directions | Trust Fund | GEF Project Financing(\$) | Co-financing(\$) |
|---------------------------|------------|---------------------------|---------------------|
| CCA-1-2 | LDCF | 4,416,210.00 | 4512093 |
| CCA-2-2 | SCCF-B | 456,621.00 | 187907 |
| Total Project Cost | | 4,872,831.00 | 4,700,000.00 |

Confirmed Co-financing for the project, by name and type

Please include evidence for each co-financing source for this project in the tab of the portal

| Sources of Co-financing | Name of Co-financier | Type of Co-financing | Investment Mobilized | Amount(\$) |
|-------------------------|----------------------|----------------------|----------------------|------------|
|-------------------------|----------------------|----------------------|----------------------|------------|

| | | | | |
|---------------------------|-------|-------------------|------------------------|---------------------|
| GEF Agency | UNIDO | Grant | Investment mobilized | 100000 |
| GEF Agency | UNIDO | In-kind | Recurrent expenditures | 100000 |
| Others | V20 | Grant | Investment mobilized | 400000 |
| Others | V20 | In-kind | Recurrent expenditures | 400000 |
| Others | V20 | Public Investment | Investment mobilized | 3700000 |
| Total Co-financing | | | | 4,700,000.00 |

Please describe the investment mobilized portion of the co-financing

- PIF: Initial investment mobilization has been conducted at PIF stage through consultation with stakeholders on funding priorities and according to the existing and forecast pipeline of projects. Each of the project's four components requires funds to be mobilized. A reasonable proportion of the funds will be used to support the project with vital technical assistance.
- PPG: During the PPG stage carried out between February and November 2023, the identified contributions at PIF stage were validated and additional contributions were identified from the V20, as shown in the co-finance table. The V20 will be the main partner responsible for conducting a Fund Mobilisation Strategy. This Fund Mobilisation Strategy will be designed during the first year of project implementation and is intended to mobilise US\$ 3,700,000 from private and public sector investment (including for example grants from the V20's Joint Multi Donor Fund, national banks, microfinancing institutions, MSMEs, CSOs, community groups, etc.), throughout the project implementation period. The process to identify suitable co-financing sources will be designed as part of the Fund Mobilisation Strategy and will look at identifying potential sources from the local, regional and global scenes. The co-financing that will be mobilized during the implementation of the project will be monitored and reported through regular reporting mechanisms to the GEF. Moreover, private sector entities such as participating MSMEs/CSOs are expected to raise additional equity funding into their businesses and projects.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

| GEF Agency Type | Date | Project Contact Person | Phone | Email |
|------------------------|------------|------------------------|-------|---------------------|
| GEF Agency Coordinator | 11/24/2023 | Ganna Onysko | | g.onysko@unido.org |
| Project Coordinator | 11/24/2023 | Haruka Yoshida | | h.yoshida@unido.org |

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Please attach the Operational Focal Point endorsement letter(s) with this template.

| Name of GEF OFP | Position | Ministry | Date (MM/DD/YYYY) |
|-----------------|----------|----------|-------------------|
|-----------------|----------|----------|-------------------|

ANNEX C: PROJECT RESULTS FRAMEWORK

Please indicate the page number in the Project Document where the project results and M&E frameworks can be found. Please also paste below the Project Results Framework from the Agency document.

Project Results Framework:

| Project Strategy | KPIs/Indicator | Baseline | Target ^{[1][5]} | Means of Verification | Assumptions |
|--|---|----------|---|---|---|
| Objective: To boost adaptation by building resilience at the community level to avert and minimize impacts from climate change amongst members of the V20 | Number of beneficiaries reached by the project (sex- and age-disaggregated) | None | Number: at least 10,240 beneficiaries by end of project Women target: 50% Youth target: 30% | Project M&E System Project Annual Reports Project communication and marketing materials developed | There is continuous support for and participation by member states across V20. Financial investors and sources are interested in supporting adaptation solutions in the form of TPS demonstration projects. National environments and conditions in the V20 enable and encourage the development of demonstration projects. |
| | Total investment leveraged for adaptation projects through the VFP (in USD) disaggregated by project | None | Commitments for funding reach approximately US\$ 2.5 million in investments by end of project | | |
| | Number of supported demonstration projects from MSMEs/CSOs with proven and high impact innovative climate change adaptation TPS, with indication of percentage of projects led by women | None | Number: at least 50 demonstration projects supported across the project's lifetime, with main focus on LDCs and SIDS, with indication of how many are women-led projects and how much investment was leveraged for each (USD). | | |
| Component 1: Design and management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation projects | | | | | |
| Outcome 1.1: VFP established to support impactful and innovative locally led adaptation action in V20 | | | | | |
| Output 1.1.1: An institutional mechanism with strong linkages to global adaptation planning processes is established to govern the VFP | Institutional mechanism established (Yes/No) | None | Yes, the institutional mechanism is established in the form of the VFP Committee, within the 1 st year of implementation. | Project M&E System records Project Annual Reports VFP Committee annual meeting minutes and any other formal documentation where the VFP Committee is constituted PSC meeting minutes | There is continuous support for and participation by member states across V20. National environments and conditions in the V20 enable and encourage the development of |
| | Number of members and composition of the VFP Committee (sex-disaggregated) | None | Number of members: 10, with 2 countries per region represented each year, on a rotating basis. Additional members to include at least 2 regional and international public and private sector participation (e.g., networks, coalitions, alliances, etc.) with 50% women participation target. | | |
| | VFP Governance mechanism designed and approved (Yes/No) | None | Yes, the VFP Governance mechanism is designed and approved by the PSC and the VFP Committee, within the 1 st year of | | |

| Project Strategy | KPIs/Indicator | Baseline | Target ^{[1][51]} | Means of Verification | Assumptions |
|---|---|----------|---|---|--|
| | | | implementation. The VFP Governance mechanism should involve the PSC, the VFP Committee, the Fund Management Team, the VFP Proposals Evaluation Committee, the Technical Experts Pool. | | demonstration projects. PSC has been formed. |
| Output 1.1.2: VFP Framework to promote adaptation, innovation and entrepreneurship developed | VFP Sustainable Strategic Framework designed (Y/N) | None | Yes, VFP Sustainable Strategic Framework is designed and approved within the 1 st year of project implementation | Project Annual Reports Project M&E System records | There is continuous support for and participation by member states across V20. National environments and conditions in the V20 enable and encourage the development of demonstration projects. VFP Committee and PSC are formed. |
| | VFP allocation plan and long-term vision of the scale of impact (Y/N) | None | Yes, the VFP allocation plan and the long-term vision of the scale of impact is developed alongside the VFP Sustainable Strategic Framework within the 1 st year of project implementation. Annual reviews of the plan will be done too. | Various documents and reports delivered and developed during the GEF/UNIDO project execution. | |
| | Report on V20 climate vulnerability and list of potential TPS (Y/N) | None | Yes, a report on the climate change vulnerabilities across the V20 and a list of innovative TPS that could be implemented to address them is developed within the 1 st year of operation and updated twice (a priori in Y3 and Y5). | | |
| | Exit Strategy (Y/N) | None | Yes, an Exit Strategy is developed and approved by the VFP Committee and the PSC, to ensure sustainability after project closure, within the last year of implementation. | | |
| Output 1.1.3: VFP monitoring and evaluation system developed to continuously assess climate vulnerability and appropriate adaptation solutions in the form of Technologies, Products and Services (TPS) | VFP M&E system (Y/N) | None | Yes, the VFP M&E system is developed alongside the VFP Sustainable Strategic Framework, within the 1 st year of implementation. | Project Annual Reports Project M&E System records Various documents and reports delivered and developed during the GEF/UNIDO project execution. | There is continuous support for and participation by member states across V20. National environments and conditions in the V20 enable and encourage the development of demonstration projects. VFP Committee and PSC are formed. |
| Output 1.1.4: Plan to mobilize more resources for VFP developed and implemented | Fund Mobilization Strategy and Plan (Y/N) | None | Yes, the VFP Fund Mobilisation Strategy and Plan is developed within the 1 st year of implementation and updated as necessary | Project Annual Reports Project M&E System records Various documents and reports delivered and developed during the GEF/UNIDO project execution. | There is continuous support for and participation by member states across V20. National environments and conditions in the V20 enable and encourage the development of demonstration projects. VFP Committee and PSC are formed. |
| Component 2: Operationalization of the VFP | | | | | |
| Outcome 2.1: Proven impactful and innovative locally led adaptation projects implemented | | | | | |
| Output 2.1.1: Innovative financing mechanism (VFP) from LDCF/SCCF used to | Documents to support the VFP calls for | None | Yes, the documents to support the VFP calls for proposals are developed, approved and available, | GEF/UNIDO Project Online | There is continuous support for |

| Project Strategy | KPIs/Indicator | Baseline | Target ^{[1][5]} | Means of Verification | Assumptions |
|--|--|----------|---|---|---|
| support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits | demonstration projects proposals (Y/N) | | including the communication materials, the guidelines for applications submission, and the evaluation framework, before the first call for proposals is conducted. | Platform (website) Project M&E System records Project Annual Reports Information posted by V20 member countries through their own dissemination channels at national level. MSMEs/CSOs websites or information dissemination actions about their demonstration projects | and participation by member states across V20. National environments and conditions in the V20 enable and encourage the development of demonstration projects. There is interest from MSME/CSOs to submit demonstration project proposals. |
| | Number of calls for demonstration projects proposals released per year | None | Number: at least 1 (one) call for proposals is done per year, from Y2 to Y5. | | |
| | Number of supported demonstration projects from MSMEs/CSOs with proven and high impact innovative climate change adaptation TPS, disaggregated by gender | None | Number: at least 50 demonstration projects supported across the project's lifetime, with indication of how many are women-led projects | | |
| Output 2.1.2: Results and experiences from demonstration projects documented and widely disseminated | Documentation of experiences from the demonstration projects, with gender perspectives and approaches taken into account (Y/N) | None | Yes, experiences and results from the demonstration projects compiled and disseminated at least through the following means: GEF/UNIDO Project Online Platform, brochures or reports highlighting successful case studies, videos or similar digital resources, locally held fairs or events, among other means. The experiences and results compiled include gender perspectives and approaches. | | |
| Component 3: Learning and knowledge management | | | | | |
| <i>Outcome 3.1: Lessons from the project documented and widely disseminated</i> | | | | | |
| Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations, and cooperatives, including women and youth, of the V20, access adaptation technologies and diversified livelihoods | Number of regional hubs selected and established | None | Number: at least five (5) regional hubs are selected through competitive processes and established by the end of the project. | GEF/UNIDO Project Online Platform (webs ite) Project M&E System records Project Annual Reports Regional Hubs information dissemination and events | There is continuous support for and participation by member states across V20. National environments and conditions in the V20 enable and encourage the development of demonstration projects. There is interest from regional organisations to operate as regional hubs. |
| | Number of regional hubs that offer capacity building services, technical training and repairing services or networks, for vulnerable groups | None | Number: all the selected regional hubs must offer capacity building, technical training and TPS repairing services/networks, including specific services addressed to vulnerable groups. | | |
| | Number of gender-responsive training courses delivered to train the regional hubs | None | Number: three (3) training courses delivered to train the regional hubs on climate change adaptation and related topics, during the first and second year of project implementation. The training materials and related information is updated regularly and available online and should include gender perspectives and approaches. | | |
| | Number of trained people through the training courses delivered for the regional hubs (sex | None | Number: at least 60 people trained through the three (3) training courses, with 50% women, and 30% youth participation target. | | |

| Project Strategy | KPIs/Indicator | Baseline | Target ^{[1][51]} | Means of Verification | Assumptions |
|---|--|----------|--|--|---|
| | and age disaggregated) | | | | |
| | Number of gender-responsive awareness raising / information sharing events conducted by the regional hubs per year | None | Number: two (2) awareness raising / information sharing events will take place per year, from Y2 to Y5 of the project implementation period, in each of the regional hubs and offering both virtual and physical attendance alternatives. | | |
| | Number of stakeholders reached by the regional hubs through the conduction of awareness raising and information sharing events (sex and age disaggregated) | None | Number: at least 10,000 stakeholders directly reached by the regional hubs through events (approximately 250 stakeholders per event), until the end of the project implementation period, with 50% women, and 30% youth participation targets. | | |
| Output 3.1.2: Online platform to showcase adaptation technologies, their benefits and suppliers established and managed by the PMU | Number of online platforms developed for the GEF/UNIDO Project | None | Number: one (1) GEF/UNIDO Project Online Platform available and fully operative within 1 st year of implementation. | GEF/UNIDO Project Online Platform (webs ite) Project M&E System records Project Annual Reports | There is continuous support for and participation by member states across V20. National environments and conditions in the V20 enable and encourage the development of demonstration projects. |
| Output 3.1.3: Knowledge materials and documentation on best-practices developed and disseminated widely | GEF/UNIDO Project Communication Strategy (gender-responsive) (Y/N) | None | Yes, GEF/UNIDO Project Communication Strategy developed and adopted within 1 st year of implementation. Specific communication activities and materials addressing gender should be included in the strategy. | Project M&E System records Project Annual Reports GEF/UNIDO Project Online Platform (webs ite) Impact Evaluation report | There is continuous support for and participation by member states across V20. National environments and conditions in the V20 enable and encourage the development of demonstration projects. |
| | Number of annual reports developed by the PMU | None | Number: at least one (1) annual report produced comprising project progress, and to document knowledge on adaptation innovation best practices, lessons learned and success stories. | | |
| | Impact evaluation (Y/N) | None | Yes, one Impact Evaluation developed by end of project | | |
| Outcome 3.2: Key stakeholders increase awareness on climate change vulnerability and availability of climate adaptation technologies | | | | | |
| Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change | Number of gender-responsive, specialised education and training courses | None | Number: three (3) specialised education and training courses developed and delivered to train policy-makers, ideally one course | Project M&E System records | There is continuous support for and |

| Project Strategy | KPIs/Indicator | Baseline | Target ^{[1][51]} | Means of Verification | Assumptions |
|---|--|----------|---|--|---|
| adaptation TPS are developed and provided to relevant policy makers (at least 40% female participation) | delivered for policy makers | | per region, by the end of project implementation period (gender-responsive) | Project Annual Reports Training courses / workshops records | participation by member states across V20. National environments and conditions in the V20 enable and encourage the participation of policymakers and FSPs |
| | Number of stakeholders (policymakers) trained (sex-disaggregated) | None | Number: at least 30 people trained per course, with 50% women participation target, i.e., total of 90 people. | | |
| Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS (at least 50% women participation) | Number of gender-responsive training workshops delivered for financial service providers | None | Number: three (3) training workshops targeting financial service providers are delivered by end of project, including a gender-less investment approach and considering the needs of vulnerable groups. Ideally, one workshop per V20 region will be done. | | |
| | Number of FSPs stakeholders trained (sex-disaggregated) | None | Number: at least 30 people trained per workshop (for a total of 90 people), with 50% women participation target. | | |
| Component 4: Monitoring and Evaluation | | | | | |
| Outcome 4.1. Regular project monitoring and documentation for learning | | | | | |
| Output 4.1.1: Regular project monitoring and data collection for impact tracking conducted | M&E System and Plan availability (Y/N) | None | Yes, a M&E System and Plan is developed by the PMU and made available for project tracking during the 1 st year of implementation | Project M&E System records Project Annual Reports Training records | There is continuous support for and participation by member states across V20. |
| | Annual gender-responsive training delivered to relevant stakeholder on the M&E System and Plan | None | Number: at least one (1) initial training is provided to key project partners about the M&E System and Plan and their responsibilities and contributions expected from them, including gender perspectives. Yearly “refreshers” of the training course will be delivered. | | |
| Outcome 4.2: Project Evaluation | | | | | |
| Output 4.2.1: Mid-term Evaluation | Mid-term review (Y/N) | None | Yes, one MTR is conducted | Project M&E System records Project Annual Reports Evaluation Reports | There is continuous support for and participation by member states across V20. |
| Output 4.2.2: Terminal Evaluation | Terminal Evaluation (Y/N) | None | Yes, one TE is conducted | | |

M&E Framework:

The monitoring and evaluation (M&E) will be conducted in accordance with established UNIDO and GEF procedures. The overall objective of the M&E is to ensure successful and quality implementation of the project by: i) tracking and reviewing project activities execution and actual accomplishments against targets; ii) providing visibility into progress as the project proceeds so that the implementation team can take early corrective actions if performance deviates significantly from original plans; and iii) adjusting and updating project strategy and implementation plans to reflect possible changes on the ground, results achieved and corrective actions taken.

According to the M&E policy of the GEF and UNIDO, follow-up studies like Country Portfolio Evaluations and Thematic Evaluations can be initiated and conducted. All project partners and contractors are obliged to: (i) make available studies, reports and other documentation related to the project and (ii) facilitate interviews with staff involved in the project activities.

The Project Result Framework (Annex A) provides performance and impact indicators for project implementation/execution along with their corresponding means of verification (plus baseline and targets). The actual progress will be reported against the workplan

approved by the PSC at the inception phase as well as other potential deviations and updates (approved by the PSC). In case there are significant deviations between the forecasted workplan and actual implementation, corrective measures will need to be taken.

The M&E Plan (developed as part of PC4) will include time-bound milestones and deliverables. The PMU will also draft progress review reports every six months and will update the PSC before each meeting.

There will be an external mid-term review (MTR) of the project conducted halfway through project implementation, and a terminal evaluation to be started three months before project expected finalisation date (implemented as part of PC4).

The environmental and social consideration, gender and youth dimensions and baseline for gender related targets will be appropriately captured in the project's M&E plan, in the progress review reports, as well as in the collection and assessment of relevant data. The M&E plan will encompass monitoring of the Environmental and Social Management Framework, the Stakeholder Engagement Plan, the Gender Analysis Report, and a Risk Analysis.

The methodology for impact assessment of the project should be drafted as part of the M&E framework in PC4, to inform the estimation, tracking, and reporting activities of the project regarding impact. The methodology will enable assessment of social, economic, and environmental impacts, and at a minimum, it will account for global environmental adaptation benefits (e.g., number of beneficiaries, area of land improved, etc.), job creation, gender mainstreaming, and investment leveraged.

Monitoring and Evaluation will include to the extent possible the collection of sex- and age-disaggregated data and will be gender-sensitive. The gender targets at the inception phase of the project will be participatively established to consistently measure the project's impact in terms of gender dimensions.

An overview of indicative costs of M&E activities is provided in **Table 14** below. UNIDO will be responsible for the M&E implementation.

Table 14: M&E Activities

| M&E activity | Timeframe | GEF Budget (USD) | UNIDO in-kind co-financing (USD) | Responsible parties |
|---|--|------------------|----------------------------------|---|
| M&E Framework and Plan design | First 6 months after implementation start date | 60,000 | 10,000 | PMU |
| Periodic progress reports | Every 6 months | - | 10,000 | PMU |
| Project Implementation Review (PIR) reports | Every fiscal year the project is under implementation, to be submitted to GEF by 15 September each year. | - | 20,000 | PMU to provide feedback and UNIDO PM at HQ to finalize and submit the GEF |
| Mid-term review | At 3 years after implementation start date | 45,000 | 30,000 | External evaluator, submission to UNIDO |
| Terminal Evaluation | Start 3 months prior to estimated project end date | 59,500 | 30,000 | External evaluator, submission to UNIDO |
| Total | | 164,500 | 100,000 | |

¹⁴ Definition of "youth": in accordance with UNIDO Integrated Results Performance Framework (IRPF), the United Nations, for statistical purposes, defines 'youth' as persons between the ages of 15 and 24 years. Where relevant and different, national definitions of 'youth' may also apply.

ANNEX D: STATUS OF UTILIZATION OF PROJECT PREPARATION GRANT (PPG)

Provide detailed funding amount of the PPG activities financing status in the table below:

| Project Preparation Activities Implemented | GETF/LDCF/SCCF Amount (\$) | | |
|--|----------------------------|----------------------|------------------|
| | Budgeted Amount | Amount Spent To date | Amount Committed |
| | | | |

ANNEX F: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

Attach agency safeguard datasheet/assessment report(s), including ratings of risk types and overall project/program risk classification as well as any management plans or measures to address identified risks and impacts (as applicable).

Title

Annex_J_ESMF_VFP_v1

ANNEX G: BUDGET TABLE

Please upload the budget table here.

Please explain any aspects of the budget as needed here

| PC/ Outputs / Cost categories | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Subtotal |
|---|---------------|---------------|---------------|---------------|---------------|----------------|
| Component 1: Design and management of the V20 Funding Program (VFP) to support impactful and innovative locally led adaptation projects | | | | | | |
| Outcome 1.1: VFP established to support impactful and innovative locally led adaptation action in V20 LDCs | | | | | | |
| Output 1.1.1: An institutional mechanism with strong linkages to global adaptation planning processes is established to govern the VFP | | | | | | |
| Activity 1.1.1.1: Establishment of the VFP Committee | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company | | | | | | - |
| Training / Workshops / Meeting | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 50.000 |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 50.000 |
| Activity 1.1.1.2: Design of the VFP governance mechanism | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company | | | | | | - |
| Training / Workshops / Meeting | | - | - | | - | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | - | - | - | - | - | - |
| Output 1.1.2: VFP Framework to promote adaptation, innovation and entrepreneurship developed | | | | | | |
| Activity 1.1.2.1: Design of the VFP Sustainable Strategic Framework | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - PEE/ Subcontractor | 50.000 | | | | | 50.000 |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 50.000 | - | - | - | - | 50.000 |
| Activity 1.1.2.2: Development of the VFP allocation plan and long-term vision of scale of impact | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - PEE/ Subcontractor | 30.000 | | | | | 30.000 |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 30.000 | - | - | - | - | 30.000 |
| Activity 1.1.2.3: Identification of the existing innovations and or organizations to involve in the project | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company/PEE | 60.000 | | 30.000 | | 30.000 | 120.000 |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 60.000 | - | 30.000 | - | 30.000 | 120.000 |
| Activity 1.1.2.4: Systematic analysis of innovation funding mechanisms and improvement of the VFP sustainable strategic framework | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company / V20 | | | - | - | - | - |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | - | - | - | - | - | - |
| Activity 1.1.2.5: Development of the exit strategy for the VFP | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company/ PEE | | | | | 30.000 | 30.000 |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | - | - | - | - | 30.000 | 30.000 |
| Output 1.1.3 VFP monitoring and evaluation system developed to continuously assess climate vulnerability and appropriate adaptation solutions in the form of Technologies, Products and Services (TPS) | | | | | | |
| Activity 1.1.3.1: Development and implementation of the VFP monitoring and evaluation (M&E) system | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company | | | | | | - |
| Training / Workshops / Meeting | | | | | | - |

| | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | | | | | | | - |
| Output 1.1.4: Plan to mobilize more resources for VFP developed and implemented | | | | | | | |
| Activity 1.1.4.1: Development and implementation of the Fund Mobilization Strategy and Plan | | | | | | | |
| International Consultant | | | | | | | - |
| Local Consultant | | | | | | | - |
| Consultancy Services - Company (V20) | 100.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 220.000 |
| Training / Workshops / Meeting | | | | | | | - |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | 100.000 | 30.000 | 30.000 | 30.000 | 30.000 | 30.000 | 220.000 |
| Total PC1 | 250.000 | 40.000 | 70.000 | 40.000 | 100.000 | | 500.000 |
| Component 2: Operationalization of the VFP | | | | | | | |
| Outcome 2.1: Proven impactful and innovative locally led adaptation projects implemented | | | | | | | |
| Output 2.1.1: Innovative financing mechanism (VFP) from LDCE/SCCF used to support at least 50 demonstration projects from MSMEs/CSOs with proven and high-impact innovative climate change adaptation-oriented technologies and solutions and have loss and damage co-benefits | | | | | | | |
| Activity 2.1.1.1: Preparation and launch of the calls for VFP calls for proposals | | | | | | | |
| International Consultant | | | | | | | - |
| Local Consultant | | | | | | | - |
| Consultancy Services - Company (PEE) | 100.000 | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 140.000 |
| Training / Workshops / Meeting | | | | | | | - |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | 100.000 | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 140.000 |
| Activity 2.1.1.2: Selection and implementation of at least 50 demonstration projects from MSMEs/CSOs to receive financing from the VFP | | | | | | | |
| International Consultant | | | | | | | - |
| Local Consultant | | | | | | | - |
| Consultancy Services - Company / Grants | 250.000 | 562.500 | 562.500 | 562.500 | 562.500 | 562.500 | 2.500.000 |
| Consultancy Services - Evaluation Technical Experts | 50.000 | 50.000 | 50.000 | 50.000 | 50.000 | 50.000 | 250.000 |
| Training / Workshops / Meeting | | | | | | | - |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | 300.000 | 612.500 | 612.500 | 612.500 | 612.500 | 612.500 | 2.750.000 |
| Output 2.1.2: Results and experiences from demonstration projects documented and widely disseminated | | | | | | | |
| Activity 2.1.2.1: Compilation of the results and experiences from the demonstration projects widely disseminated | | | | | | | |
| International Consultant | | | | | | | - |
| Local Consultant | | | | | | | - |
| Consultancy Services - PEE | | 7.500 | 7.500 | 7.500 | 7.500 | 7.500 | 30.000 |
| Training / Workshops / Meeting | | | | | | | - |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | - | 7.500 | 7.500 | 7.500 | 7.500 | 7.500 | 30.000 |
| Total PC2 | 400.000 | 630.000 | 630.000 | 630.000 | 630.000 | 630.000 | 2.920.000 |
| | | | | | | <i>LDCE</i> | <i>2.506.895,00</i> |
| | | | | | | <i>SCCF-B</i> | <i>413.105,00</i> |
| Component 3: Learning and knowledge management | | | | | | | |
| Outcome 3.1: Lessons from the project documented and widely disseminated | | | | | | | |
| Output 3.1.1: Distribution and support channels established, strengthened, and showcased to ensure that communities, associations, and cooperatives, including women and youth, of the V20, access adaptation technologies and diversified livelihoods | | | | | | | |
| Activity 3.1.1.1: Establishment of at least five (5) regional hubs bringing together key stakeholders and organisations to support sustainable and inclusive capacity building and training on adaptation TPS | | | | | | | |
| International Consultant | | | | | | | - |
| Local Consultant | | | | | | | - |
| Consultancy Services - Company / for the regional hubs to operate (15K each/year) | 90.000 | 90.000 | 90.000 | 90.000 | 90.000 | 90.000 | 450.000 |
| Training / Workshops / Meeting | | | | | | | - |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | 90.000 | 90.000 | 90.000 | 90.000 | 90.000 | 90.000 | 450.000 |

| Activity 3.1.1.2. Three (3) training courses for the regional hubs on climate change adaptation and related topics | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|----------------|
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company | 45.000 | | - | | - | 45.000 |
| Training / Workshops / Meeting | | | - | | - | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 45.000 | | - | - | - | 45.000 |
| Activity 3.1.1.3. Organisation and conduction of events by the regional hubs to reach out to 10,000 stakeholders directly | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | - | | - | - |
| Consultancy Services - Company (hub to organize and pay the panel) | | 40.000 | 40.000 | 40.000 | 40.000 | 160.000 |
| Training / Workshops / Meeting | | | | | 40.000 | 40.000 |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | - | 40.000 | 40.000 | 40.000 | 80.000 | 200.000 |
| Output 3.1.2: Online platform to showcase adaptation technologies, their benefits and suppliers established and managed by the PMU | | | | | | |
| Activity 3.1.2.1 Establish and maintain the Online Platform | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | 10.000 | 2.500 | 2.500 | 2.500 | 2.500 | 20.000 |
| Consultancy Services - Company | | | | | | - |
| Training / Workshops / Meeting | | - | - | | - | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 10.000 | 2.500 | 2.500 | 2.500 | 2.500 | 20.000 |
| Output 3.1.3: Knowledge materials and documentation on best-practices developed and disseminated widely | | | | | | |
| Activity 3.1.3.1 Develop the Communication Strategy to increase the visibility of the project across the V20 countries | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | - | | - | - |
| Consultancy Services - Company (PEE) | 20.000 | | | | | 20.000 |
| Training / Workshops / Meeting | | - | - | | - | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 20.000 | - | - | - | - | 20.000 |
| Activity 3.1.3.2. Wide dissemination of knowledge materials, documented lessons learnt and best-practices | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | - | | - | - |
| Consultancy Services - Company (PEE) | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 50.000 |
| Training / Workshops / Meeting | | - | - | | - | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 50.000 |
| Activity 3.1.3.3. Impact Evaluation of the contribution of the innovative adaptation TPS to address climate impacts and risks | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | - | | - | - |
| Consultancy Services - Company | | | | | 80.000 | 80.000 |
| Training / Workshops / Meeting | | - | - | | - | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | - | - | - | - | 80.000 | 80.000 |
| Outcome 3.2: Key stakeholders increase awareness on climate change vulnerability and availability of climate adaptation technologies | | | | | | |
| Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change adaptation TPS are developed and provided to relevant policy makers (at least 50% female participation) | | | | | | |
| Activity 3.2.1.1 Designing the training curriculum and delivering the training courses to policy-makers | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | - | | - | - |
| Consultancy Services - Company | 40.000 | | | | | 40.000 |
| Training / Workshops / Meeting | | - | - | | - | - |

| Activity 3.1.1.2. Three (3) training courses for the regional hubs on climate change adaptation and related topics | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|----------------|
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company | 45.000 | | - | - | - | 45.000 |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 45.000 | | | | | 45.000 |
| Activity 3.1.1.3. Organisation and conduction of events by the regional hubs to reach out to 10,000 stakeholders directly | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company (hub to organize and pay the panel) | | 40.000 | 40.000 | 40.000 | 40.000 | 160.000 |
| Training / Workshops / Meeting | | | | | | 40.000 |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | | 40.000 | 40.000 | 40.000 | 80.000 | 200.000 |
| Output 3.1.2: Online platform to showcase adaptation technologies, their benefits and suppliers established and managed by the PMU | | | | | | |
| Activity 3.1.2.1 Establish and maintain the Online Platform | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | 10.000 | 2.500 | 2.500 | 2.500 | 2.500 | 20.000 |
| Consultancy Services - Company | | | | | | - |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 10.000 | 2.500 | 2.500 | 2.500 | 2.500 | 20.000 |
| Output 3.1.3: Knowledge materials and documentation on best-practices developed and disseminated widely | | | | | | |
| Activity 3.1.3.1 Develop the Communication Strategy to increase the visibility of the project across the V20 countries | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company (PEE) | 20.000 | | | | | 20.000 |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 20.000 | | | | | 20.000 |
| Activity 3.1.3.2. Wide dissemination of knowledge materials, documented lessons learnt and best-practices | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company (PEE) | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 50.000 |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 50.000 |
| Activity 3.1.3.3. Impact Evaluation of the contribution of the innovative adaptation TPS to address climate impacts and risks | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company | | | | | 80.000 | 80.000 |
| Training / Workshops / Meeting | | | | | | - |
| Travel | | | | | | - |
| Office Supplies | | | | | | - |
| Sub-Total | | | | | 80.000 | 80.000 |
| Outcome 3.2: Key stakeholders increase awareness on climate change vulnerability and availability of climate adaptation technologies | | | | | | |
| Output 3.2.1: Three (3) specialized education and training courses on climate change and climate change adaptation TPS are developed and provided to relevant policy makers (at least 50% female participation) | | | | | | |
| Activity 3.2.1.1 Designing the training curriculum and delivering the training courses to policy-makers | | | | | | |
| International Consultant | | | | | | - |
| Local Consultant | | | | | | - |
| Consultancy Services - Company | 40.000 | | | | | 40.000 |
| Training / Workshops / Meeting | | | | | | - |

| | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | 40.000 | | | | | | 40.000 |
| Output 3.2.2: Three (3) training workshops for Financial Service Providers (FSPs) on viability and financing of adaptation TPS (at least 50% women participation) | | | | | | | |
| Activity 3.2.2.1 Designing the training curriculum and delivering the training workshops to FSPs | | | | | | | |
| International Consultant | | | | | | | - |
| Local Consultant | | | | | | | - |
| Consultancy Services - Company | 40.000 | | | | | | 40.000 |
| Training / Workshops / Meeting | | | | | | | - |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | 40.000 | | | | | | 40.000 |
| Total PC3 | 255.000 | 142.500 | 142.500 | 142.500 | 142.500 | 262.500 | 945.000 |
| | | | | | | <i>LDCF</i> | <i>945.000,00</i> |
| | | | | | | <i>SCCF-B</i> | <i>-</i> |

| | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| Component 4: Monitoring and Evaluation | | | | | | | |
| Outcome 4.1. Regular project monitoring and documentation for learning | | | | | | | |
| Output 4.1.1: Regular project monitoring and data collection for impact tracking conducted | | | | | | | |
| Activity 4.1.1.1: Development and implementation of the M&E System & Activity 4.1.1.1: Capacity building delivered for the appropriate use of the M&E System | | | | | | | |
| International Consultant | | | | | | | - |
| Local Consultant (M&E) | 12.000 | 12.000 | 12.000 | 12.000 | 12.000 | 12.000 | 60.000 |
| Consultancy Services - Company | | | | | | | - |
| Training / Workshops / Meeting | 2.331 | 500 | 500 | 500 | 500 | 500 | 4.331 |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | 14.331 | 12.500 | 12.500 | 12.500 | 12.500 | 12.500 | 64.331 |
| Outcome 4.2: Project Evaluation | | | | | | | |
| Output 4.2.1: Mid-term Evaluation & Output 4.2.2: Terminal Evaluation | | | | | | | |
| Activity 4.2.1.1: Mid-term review commissioned and developed & Activity 4.2.2.1: Terminal Evaluation commissioned and developed | | | | | | | |
| International Consultant | | | | | | | - |
| Local Consultant | | | | | | | - |
| Consultancy Services - MTR & TE | | | | 45.000 | | 59.500 | 104.500 |
| Training / Workshops / Meeting | | | | | | | - |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | | | | 45.000 | | 59.500 | 104.500 |
| PC4 Subtotal | 14.331 | 12.500 | 57.500 | 12.500 | | 72.000 | 168.831 |
| | | | | | | <i>LDCF</i> | <i>148.146,00</i> |
| | | | | | | <i>SCCF-B</i> | <i>20.685,00</i> |
| Sub-total without PMC | | | | | | | 4.533.831 |

| | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| PMC / PMU | | | | | | | |
| Activity 4.1.1.1. Effective monitoring of the project & Activity 4.1.1.2. Build national capacity on the implementation of the M&E system | | | | | | | |
| National Consultant - Project Coordinator | 19.200 | 19.200 | 19.200 | 19.200 | 19.200 | 19.200 | 96.000 |
| National Consultant - Fund Management Team / Fund Manager | 18.000 | 18.000 | 18.000 | 18.000 | 18.000 | 18.000 | 90.000 |
| National Consultant - Fund Management Team / Technical Assistant Environmental Engineer | 12.000 | 12.000 | 12.000 | 12.000 | 12.000 | 12.000 | 60.000 |
| National Consultant - Assistant / Accountant | 6.600 | 6.600 | 6.600 | 6.600 | 6.600 | 6.600 | 33.000 |
| National Consultant - Communication Expert | 12.000 | 12.000 | 12.000 | 12.000 | 12.000 | 12.000 | 60.000 |
| Travel | | | | | | | - |
| Office Supplies | | | | | | | - |
| Sub-Total | 67.800 | 67.800 | 67.800 | 67.800 | 67.800 | 67.800 | 339.000 |
| | | | | | | <i>LDCF</i> | <i>316.169,00</i> |
| | | | | | | <i>SCCF-B</i> | <i>22.831,00</i> |

| | | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Total of the Project GEF | 987.131 | 892.800 | 967.800 | 892.800 | 1.132.300 | 4.872.831 |
|---------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|

Appendix A: Indicative Project Budget Template

| Expenditure Category | Detailed Description | Component (PDOs) | | | | | | Sub-Total | M&E | PMC | Total (PDOs) | Responsibility Entity (Accessing Entity receives funds from the GEF. See Annex I) | | |
|-----------------------------------|---|------------------|--------------|-------------|-------------|-------------|-------------|--------------|------------|------------|--------------|--|-------------|--|
| | | Component 1 | | Component 2 | | Component 3 | | | | | | | Component 4 | |
| | | Outcome 2.1 | Outcome 2.2 | Outcome 3.1 | Outcome 3.2 | Outcome 4.1 | Outcome 4.2 | | | | | | | |
| Contractual Services - Company | Consultancy services (company to be procured by PET to support with different activities) | 600.000,00 | 170.000,00 | 70.000,00 | | | | 840.000,00 | | | 840.000,00 | UNIDO | | |
| | Goods for Activity 2.1.2 | | 2.500.000,00 | | | | | 2.500.000,00 | | | 2.500.000,00 | UNIDO | | |
| International Consultants | Regional team operation | | | 600.000,00 | | | | 600.000,00 | | | 600.000,00 | UNIDO | | |
| | Technical expert support | | | 80.000,00 | 80.000,00 | | | 160.000,00 | | | 160.000,00 | UNIDO | | |
| | Technical Experts | | 250.000,00 | | | | | 250.000,00 | | | 250.000,00 | UNIDO | | |
| Local Consultants | MTR & TE | | | | | | | 104.500,00 | | | 104.500,00 | UNIDO | | |
| | Local Consultant - Program Coordination | | | 20.000,00 | | | | 20.000,00 | | | 20.000,00 | UNIDO | | |
| | National Consultant - Fund Management Team / Fund Manager | | | | | | | 90.000,00 | | | 90.000,00 | UNIDO | | |
| | National Consultant - Fund Management Team / Technical Assistant Environmental Engineer | | | | | | | 60.000,00 | | | 60.000,00 | UNIDO | | |
| | National Consultant - Assistant / Accountant | | | | | | | 33.000,00 | | | 33.000,00 | UNIDO | | |
| | National Consultant - Communication Expert | | | | | | | 60.000,00 | | | 60.000,00 | UNIDO | | |
| Salary and benefits / Staff costs | M&E Consultant | | | | | | | 60.000,00 | | | 60.000,00 | UNIDO | | |
| | Co-ordinator | | | | | | | | | | | UNIDO | | |
| Trainings, Workshops, Meetings | M&E - Project Management | 30.000,00 | | 40.000,00 | | | | 70.000,00 | 4.331,00 | | 74.331,00 | UNIDO | | |
| | Training / Workshops / Meetings | | 2.520.000,00 | 80.000,00 | 80.000,00 | | | 4.980.000,00 | 104.831,00 | 100.000,00 | 5.084.831,00 | UNIDO | | |
| Grand Total | | 900.000,00 | 2.520.000,00 | 850.000,00 | 80.000,00 | | | 4.980.000,00 | 104.831,00 | 100.000,00 | 5.084.831,00 | | | |

ANNEX I: RESPONSES TO PROJECT REVIEWS

From GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF.

Response to Germany: the V20 includes -at the date of ProDoc submission for CEO Endorsement- 58 countries, of which 12 are non-LDC SIDS. Please see below distinction between country categories.

| Africa and the Middle East: | | |
|--|---|---|
| Benin (LDC) Burkina Faso (LDC / LLDC) Chad (LDC / LLDC) Comoros (SIDS / LDC) Côte d'Ivoire Democratic Republic of Congo (LDC) Ethiopia (LDC / LLDC) Eswatini (LLDC) The Gambia (LDC) | Ghana Guinea (LDC) Kenya Lebanon Liberia (LDC) Madagascar (LDC) Malawi (LDC / LLDC) Morocco Niger (LDC / LLDC) | Palestine Rwanda (LDC / LLDC) Senegal (LDC) South Sudan (LDC / LLDC) Sudan (LDC) Tanzania (LDC) Tunisia Yemen (LDC) Uganda (LDC / LLDC) |
| Asia – Pacific: | | |
| Afghanistan (LDC / LLDC) Bangladesh (LDC) Bhutan (LDC) Cambodia (LDC) Fiji (SIDS) Kiribati (LDC / SIDS) Kyrgyzstan (LLDC) | Maldives (SIDS) Marshall Islands (SIDS) Mongolia (LLDC) Nepal (LDC / LLDC) Palau (SIDS) Papua New Guinea (SIDS) Philippines | Samoa (SIDS) Sri Lanka Timor-Leste (LDC / SIDS) Tuvalu (LDC / SIDS) Vanuatu (SIDS) Vietnam |
| Latin America and the Caribbean: | | |
| Barbados (SIDS) Colombia Costa Rica Dominican Republic (SIDS) | Grenada (SIDS) Guyana (SIDS) Guatemala Haiti (LDC / SIDS) | Honduras Nicaragua Saint Lucia (SIDS) |