PROJECT IDENTIFICATION FORM (PIF) [1]

PROJECT TYPE: Full-sized Project
TYPE OF TRUST FUND:SCCF

PART I: PROJECT IDENTIFICATION

Project Title:	Scaling up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines		
Country(ies):	Philippines	GEF Project ID:[2]	
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	5076
Other Executing Partner(s):	International Labour Organisation, Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE), Philippine Crop Insurance Corporation	Submission Date:	17 April 2012
GEF Focal Area (s):	Climate Change	Project Duration (Months)	36 months
Name of parent program (if applicable): ➢ For SFM/REDD+ ☐	N/A	Agency Fee ($):	105,000

A. FOCAL AREA STRATEGY FRAMEWORK[3]:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Co-financing ($)
CCA-1 (select)	Reduced vulnerability in development sectors	Vulnerable physical, natural and social assets strengthened in response to climate change impacts, including variability	SCCF	750,000	6,530,409
CCA-2 (select)	Strengthened awareness and ownership of adaptation and climate risk reduction processes at local level	Targeted population groups participating in adaptation and risk reduction awareness activities.	SCCF	250,000	2,312,333
(select) (select)			SCCF		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)	Others		(select)		
		Sub-Total		1,000,000	8,842,742
		Project Management Cost[4]	SCCF	**50,000**	463,583
		Total Project Cost		1,050,000	9,306,325

B. PROJECT FRAMEWORK

Project Objective: Poverty reduction through strengthening the resilience of vulnerable farming communities to climate risks in the North of Mindanao, including measures to promote greater productivity, sustainability and increased certainty.						
Project Component	**Grant Type**	**Expected Outcomes**	**Expected Outputs**	**Trust Fund**	**Indicative Grant Amount ($)**	**Indicative Cofinancing ($)**
Policy, advocacy and knowledge	TA	Regulatory and fiscal incentive structures	Updated Policy Paper contributing towards the	SCCF	200,000	920,917

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1 It is very important to consult the PIF preparation guidelines when completing this template.
2 Project ID number will be assigned by GEFSEC.
3 Refer to the reference attached on the Focal Area Results Framework when filling up the table in item A.
4 GEF will finance management cost that is solely linked to GEF financing of the project. PMC should be charged proportionately to focal areas based on focal area project grant amount.

		adjusted to stimulate private sector engagement in climate risk reduction for farming households.	development of national incentives, standards and guidance to promote national uptake of climate risk transfer mechanisms for vulnerable farming communities, including private sector engagement . 4 case studies disseminated and 5 national and province level learning events conducted, to promote understanding and uptake of climate risk transfer mechanisms to 30 national institutions, 20 provincial authorities, and 25 private sector organisations. Policy Guidelines released at Provincial Level on government and private sector role and engagement in risk reduction and transfer for vulnerable farming communities			
Climate risk financing and transfer	TA	Innovative financial mechanisms developed and applied to strengthen climate resilience in the agriculture sector in North Mindanao	Pre-tested, customized Integrated Financing Package (IFP) delivered to at least 500 farming households (particularly female headed), to include credit and loans, training on savings, financial literacy and climate risk literacy) Pre-tested,customized Weather Index Based Insurance (WIBI) delivered to at least 500 farming households (particularly female headed) to include low and excess rainfall cover for both corn and rice cultivation Financial Assessment of the Integrated Financial Package undertaken by private sector establishing costs, distribution of risks, modes of engagement of public and private sectors and links to food production and security	SCCF	550,000	5,609,492

Community based adaptation learning and measures	Inv	Farmer organisations and other local stakeholders able to analysis climate risk, and develop and iimplement adaptation practices to enhance agricultural productivity and diversity livehihoods.	4 community level Vulnerability and Adaptation Assessments and Farming Value Chain Analyses covering 4 municipalities, including baseline assessments of existing coping and risk reduction strategies, through 4 farmer associations/municipal federations. 4 Municipal Early Warning System Plans prepared along with Early warning devices installed in CC vulnerable barangays covering 4 municipalities At least 4 barangayfarming associations each in 4 municipalities provided with training and orientation in green agricultural production practices, as well as demonstrations in green production systems.	SCCF	250,000	2,312,333
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
			Sub-Total		1,000,000	8,842,742
			Project Management Cost[5]	SCCF	50,000	463,583
			Total Project Costs		1,050,000	9,306,325

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, ($)

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount ($)
National Government	Department of Trade and Industry-Direct Contributions and through Microfinance Credit & Support and MicroEnterprise Promotion & Devt Programmes (US$355,000) Department of Labor and Employment through the Integrated Livelihood Programme (US$275,000)	In-kind	630,000

[5] Same as footnote #3.

National Government	Department of Science and Technology - Caraga Regional Office and PAGASA - Direct Contributions (US$350,000) Office of Civil Defense-Caraga Direct Contributions (US$62,500) Department of Agriculture- with Philippine Crop Insurance Corporation and ACPC - Insurance Premium Subsidy for the Traditional Insurance and WIBI Packages (US$424,825)	In-kind	837,325
GEF Agency	UNDP Country Programme contributions from the Securing a Climate Resilient Philippines Project and DRM component of the MDG-F Phoenix project.	Unknown at this stage	500,000
Other Multilateral Agency (ies)	ILO ROAP Green Jobs Programme & MDG-F JP on YEM	In-kind	701,500
Private Sector	Peoples' Bank of Caraga (Direct Contribution through Land Bank Value Chain Project (US$1,500,000) Baug CARP Beneficiaries Multipurpose Cooperative (Microfinance Programme) US$37,500	In-kind	1,537,500
Local Government	Provincial Governments of Agusan del Norte and Agusan del Sur or Surigao del Norte	Unknown at this stage	900,000
Local Government	City Governments of Butuan City and Cabadbaran or Surigao City	Unknown at this stage	900,000
Local Government	Municipal Governments (8)	In-kind	3,300,000
(select)		(select)	
(select)		(select)	
Total Cofinancing			9,306,325

D. GEF/LDCF/SCCF/NPIF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY[1]

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (a)	Agency Fee (b)[2]	Total c=a+b
UNDP	SCCF	Climate Change	Philippines	1,050,000	105,000	1,155,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
(select)	(select)(select)	(select)				0
Total Grant Resources				1,050,000	105,000	1,155,000

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

[2] Please indicate fees related to this project.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 the GEF focal area/LDCF/SCCF strategies /NPIF Initiative:

The project is aligned with Objective CCA-1 of the LDCF/SCCF Results-Based Management Framework: "Reduce vulnerability to the adverse impacts of climate change, including variability, at local, national, regional and global level". Within this Objective, it aims to reduce vulnerability in the agriculture sector specifically through the introduction and roll out of a package of financial and risk transfer products which makes it relate closely to Outcome 1.2 ("Reduce vulnerability in development sectors") and specifically to Output 1.2.1 which promotes climate resilient agricultural practices, including innovative insurance mechanisms. The project is also aligned with CCA-2 of the RBM: "Increase adaptive capacity to respond to the impacts of climate change, including variability, at local, national, regional and global levels" and within this objective to Outcome 2.3 on local level adaptation measures through the introduction of field based interventions via farmer associations.

A.1.2. For projects funded from LDCF/SCCF: the LDCF/SCCF eligibility criteria and priorities:

In alignment with programming guidelines for the Special Climate Change Fund (GEF/C.24/12), and in accordance with paragraph 2 of decision 7/CP.7, the proposed project is targeting climate change adaptation measures that are complementary and additional to those funded by the GEF or other bilateral and multilateral sources. The project focuses on adaptation measures in the context of strengthening the resilience of agricultural systems by introducing and incentivising innovative financial measures for vulnerable farming communities, which is in accordance with paragraph 8 of decision 5/CP.7 and eligible under SCCF guidelines.

The project is consistent with the eligibility criteria for the SCCF, as laid out in GEF/C.24/12 (paragraph 40), in that the project is:

- Country-driven, cost-effective and integrated into national sustainable development and poverty-reduction strategies; and
- Takes into account national communications and other relevant studies and information.

The project will serve as a catalyst to leverage additional resources, and efforts have been made to maximize co-financing from other sources (GEF/C.24/12, paragraph 25). The selected sectors (agriculture; infrastructure development) are in line with priorities outlined in paragraph 44 of the GEF/C.24/12 document.

A.1.3 For projects funded from NPIF, relevant eligibility criteria and priorities of the Fund:

N/A

A.2. national strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NIPs, PRSPs, NPFE, etc.:

The Project is aligned with the Philippines National Framework Strategy on Climate Change (NFSCC 2010-2022) , Section 9.4 of which puts forward Climate-Responsive Agriculture as a key Result Area for Adaptation as well as with the National Climate Change Action Plan (NCCAP 2011-2028) which ultimate goal is to build the adaptive capacities of women and men in their communities, increase the resilience of vulnerable sectors and natural ecosystems to climate change, and optimize mitigation opportunities towards gender-responsive and rights-based sustainable development. Both the NFSCC and NCCAP recognize the sensitivity of the Philippines' agricultural sector to the impacts of climate change. The objective of the NFSCC under Climate-Smart Agriculture is to "protect and enhance ecosystems and ecosystem services to secure food and water resources and livelihood opportunities. In alignment with the NFS-CC, the proposed project will work towards the following strategic priorities: Priority B- increased resilience of agricultural communities through development of climate sensitive technologies, climate-proof agricultural infrastructure and climate-responsive food production systems, and provision of support services to the most vulnerable; Priority E- strengthen crop insurance as an important risk transfer mechanism and implement weather-based insurance system; as well as Priority F- strengthen sustainable, multi-sectoral and community-based resource management mechanisms.

In alignment with the Philippines NCCAP, the project supports strategic towards Priority 1- Food Security, Priority 3- Environmental and Ecological Stability, Priority 4- Human Security, Priority 5- Climate Friendly Industries and Services, Priority 7- Knowledge and Capacity Development. Through the projects expected output on designed and implemented climate resilient structures in at least 4 of the targeted communities, the project is expected to contribute towards ecosystem resilience and environmental stability, protection and rehabilitation of critical ecosystems. With the project's work on customized and tested Integrated Financing Package (IFP) and Weather Index-based Insurance (WIBI), the human security agenda of reduced risks of women and men to climate change and disasters is addressed. Furthermore, the work towards training and promotion of green agricultural production practices and systems support the priority the Philippines NCCAP places on the creation of green and eco-jobs and sustainable consumption and promotion, as well as the development of sustainable cities and municipalities. Finally, the proposed project under the SCCF, supports and is aligned with the priorities of the NCCAP on knowledge and capacity development with its expected Focal area outcome of strengthened awareness and ownership of adaptation and climate risk reduction processes at local level.

It is relevant to note that the Government of the Philippines is in processes of finalizing its Second National Communication (SNC) to the UNFCCC. This GEF funded project will provide important assessments of national and sub-national vulnerability to and impact from climate change, information which will become available during the detailed design and early implementation phases of the proposed SCCF grant.

B. PROJECT OVERVIEW:

B.1. Describe the baseline project and the problem that it seeks to address:

A pilot risk transfer project for vulnerable farming communities – the Climate Change Adaptation Project (CCAP) - has been implemented in Agusan del Norte, a province in Northeastern Mindanao, Southern Philippines from 2009-2011, covering four priority municipalities namely: Buenavista, Jabonga, Las Nieves and Remedios T. Romualdez. This pilot was funded through a Government of Philippines and Joint UN system programme, with financing provided through the Philippines MDG Achievement Fund. With support from the SCCF, the Government now wishes to further replicate this previous initiative within Caraga Region (Region XIII) to cover four further municipalities within two provinces (Agusan del Norte and Agusan del Sur). It will tailor and deliver a successful existing financial and risk transfer mechanism to approximately 500 climate vulnerable farming households and cover up to 1,500 hectares of farmlands including aquaculture farms.

The Problem:

As a result of increasingly unpredictable weather and increasing frequency of extreme events (particularly drought, excessive rains and/or flooding), farmers in Southern Philippines are losing income and assets including access to community infrastructure and facilities critical to their livelihoods. Consequently they are becoming increasingly vulnerable and less and less able to move securely out of poverty. Baseline studies and Vulnerability and Adaptation Assessments conducted by CCAP in 2009 and 2010 show that extreme weather events have led to crop production losses ranging from 30 to 60% per annum. The data show that while flooding could be expected yearly based on historical trends, that over the past decade such events have started to come earlier and extend over longer periods. Events are also affecting larger portions of farmland, not only those in the low-lying areas. On the other end of the spectrum, drought events have also become an increasing risk factor, particularly over the past 5 years, which is a key concern for Mindanao where a large portion of rice paddy is rain fed.

Underlying causes:

Poverty in the Philippines has remained predominantly a rural phenomenon. Around three quarters of the poor living in the rural areas are to be found in the south, largely in Mindanao and the Visayas, where about 50% of the rural families live below the poverty line. In Agusan del Norte Province 2007 census data show that 57% of the households live below poverty line. Low productivity and household income among the poor result from their inability to access improved technology and production inputs, poor rural infrastructure and inadequate support services. Poverty is also closely correlated with low functional literacy and dearth of economic opportunities to provide gainful occupation to the poor and marginalized groups. Moreover, many of those living just above the poverty line, are vulnerable to shocks such as natural disasters, conflict, market fluctuations and others which can easily push them further and trapping them into poverty.

The ‘poverty trap’ phenomenon underscores the relation between risk and persistent poverty, as well as the opportunities afforded by innovations in risk management (Barnett et al. 2006). Limited access to credit and insurance, either formal or informal, aggravates the situation. Those with uninsured asset losses could sink even deeper into poverty from which they may have a difficult time re-emerging. Due to high uninsured risk exposure, households may adopt low-risk, low-return strategies for using productive assets, reducing the likelihood that they can accumulate the assets needed to escape poverty through savings and investment. Without effective means to transfer risk, adverse shocks can dramatically reduce the household’s stock of productive assets. Thus, those with few assets may have to struggle to climb out of poverty (Barnett et al. 2006).

This situation is exacerbated by the lack of access to affordable and responsive financing which could provide farmers opportunity to diversify their income sources. Moreover, there is the problem of lack of access to fast acting insurance mechanisms which can provide farmers with protection against losses and greater financial certainty in the face of increasing climatic uncertainty.

Long term solution and barriers to achieving it:

With the successful implementation of the proposed project’s components, vulnerable farmers in four municipalities in two provinces in Northeastern Mindanao will be able to sustain and enhance agricultural productivity and incomes in the face of increasing climate- related hazard and extreme events and longer term variability and change. This will be achieved through the introduction and widespread uptake of affordable and effective financing packages including weather index based insurance, together with investments in early warning systems and green economy based livelihoods diversification. On the basis of the successful implementation of these measures in Mindanao, the project will contribute to the development of sound and climate resilient national agricultural policies, with a focus on the introduction of incentives to stimulate private sector engagement risk transfer systems for rural livelihoods in the Philippines. There are significant current policy, institutional, individual, financial, technological and informational barriers that prevent this desired situation from emerging.

Policy barriers. The enabling environment for update of credit and risk financing is constrained by exiting government regulations (local to national) as well as private sector policies pertaining to delivery of credit, insurance and support services. Key 'supply-side' factors include: banks and other formal lenders' policies being too stringent, especially with regard to the need for collateral; a tendency to exclude high-risk production activities, such as agriculture, particularly in flood-prone or drought-prone areas; and the fact that costs of borrowing are too high across the board. At the same time there is insufficient government support/appropriation for credit and crop insurance projects as well as specific regulatory barriers in place which act as a disincentive for private sector entry, limiting their ability to reach out to under-served markets. Examples of these policy/regulatory constraints include the Know Your Customer (KYC) policy and rules which have been introduced to prevent money laundering, but which have raised the bar too high for poorer customers to be able to engage effectively with the banking system and services.

Institutional barriers. Institutional capacity barriers relate to current abilities in analysis of climate change risks, development and implementation of climate change adaptation measures, and the delivery of education and literacy activities linked to the provision of financial products and services, making them more attractive to poor farmers. Though focal units for climate change have been established in various departments (such as the DA, DOST, DTI and DOLE and some local government units in the targeted provinces), these units are not yet sufficiently well resourced, nor have specific staff been designated. Furthermore the reach of a number of key institutions at local level remains quite limited – for example the Philippine Crop Insurance Corporation (PCIC) does not have an office in Caraga Region, overseeing its operations from a neighboring region (Region X).

Individual barriers. The poor credit standing of many farmers, largely owing to unstable cash flow and lack of titled assets for security of loans, is a major individual barrier. Consequently small farmer continue to depend on traders/informal lenders for their financing needs. This in turn makes it less attractive for formal banks and MFIs to locate in the remote and poorer communities and offer savings packages which could help build assets. Individual farmer "low regard and aspiration"- not equating the farming activity to a business enterprise but simply to a subsistence activity, stands as a further barrier. In the case of insurance, low availment (2 to 3 percent) by farmers is caused by low capacity to pay, low literacy as well as negative perceptions regarding response time and accuracy of damage assessments.

Financial barriers. The cost of providing financial services bundled with non-financial services to vulnerable farmers located in remote and far-flung communities can be considerable. Firstly there is the actual loan which should cover a significant portion if not all of the production inputs. Updated farm production plans for rice and corn show that this ranges from Php25,000 to Php35,000 or US$625 to US$875 per hectare per cropping (for two crops per year). This funding, as the pilot has shown, needs to be provided in a timely manner within the production cycle. Then, there is the cost of providing non-financial services including financial literacy and farmer education on agri-technology, as well as marketing of the packages and monitoring of loan utilization. While government agencies and local government units (LGUs) have existing facilities and/or programmes which provide some capital for delivery of non-financial services, the amounts available are constrained and do not cover the costs of climate related financial services, this not being a regular item in the agency budget or LGUs' internal revenue allocation/appropriation.

Technological and informational barriers. Development of a climate change responsive Integrated Financial Package (IFP) requires accurate understanding of farmer needs, including profiling of financial structure and socio-economic conditions associated with their livelihood strategies, as well as good characterization of the natural and climatic risks, the latter on the basis of historical data and climate change scenarios. Types of information required include: agricultural crop cycle; the pattern of risks; how rural households earn, spend, save and borrow money; what risk management and risk coping strategies and instruments are used by households; the variety of farm and non-farm activities; and attempts to diversify household incomes. These data are not readily available for the proposed project. Furthermore there is a digital divide in farmers being able to effectively engage in monitoring weather and interact with EWS systems, so as to be able to better apply risk management strategies.

Learning from the Pilot Climate Change Adaptation Project (CCAP)

The province of Agusan del Norte is located in Northeastern Mindanao in southern Philippines, one of the four provinces in the Caraga Region. Four of its 10 municipalities were CCAP priority areas, selected on the basis of the results of the baseline study of farming communities conducted by CCAP in 2009. All four municipalities were found to have farming sectors which "contribute significantly to the provincial agricultural production' at the same time, possessing unique environmental and locational characteristics which increased exposure and vulnerability of populations to extreme weather events. Access to pertinent productive and financial resources needed by the farming populations were also found difficult and challenging in these priority municipalities. The CCAP developed and tested three (3) models of an Integrated Financial Package (IFP), a "Rural Bank", a "Cooperative" and a "Local Government Unit" Loan Facility. The IFP bundles and rolls out critical financial and non-financial services, including increased access to credit together with formal and informal insurance (social protection and weather index based systems). Important lessons learned from the pilot include the following:

- There is significant potential for savings and capacity development of farmers. Savings mobilization has enabled poor farmers to weather shocks to their income and lessen the effect of crop damage, emergencies and other family crises. FIs can also benefit from the savings deposited by the farmers by using them for their loan funds.
- Uncertain weather conditions, pests and disease as well as fluctuating and unpredictable market prices demonstrate that agricultural is a risky business. In most cases, these hazards involve common or covariant risks which mean that if drought, floods, typhoons, disease or unfavorable market conditions occur, a large number of farmers will be at risk at the same time and will face the same repayment problems. A menu of social protection mechanism/insurance packages to include: crop insurance (traditional and WIBI), credit life or loan repayment package, life and health insurance and mortuary fund, can strengthen the confidence of farmers in facing risks in the face of unpredictability in their production activities.
- Farmer education plays a critical role in the success of any scheme. The Financial Literacy sessions which includes budgeting, farm planning, managing credit and savings helped farmers understand the benefits and risks of financial products and their specific terms (e.g. interest rates, premiums), as well as their rights and responsibilities in the use of the loans. Awareness translates to changes in their behaviors and practices.

- Most small holder farmers do not have assets that can be used as collateral and have difficulty in finding somebody willing to act as a guarantor. The rural bank and cooperative bank models can facilitate a "solidarity group approach" where the group accepts the responsibility for repaying the loans taken out by its members. Organizing the farmers into small groups or associations is crucial process in this approach. Mutual benefit scheme practiced by the coop ensure risk sharing. The LGUs can make use of the existing barangay clusters (minimum of 5) for group formation and guarantee.
- Institutional sustainability is fundamental for an FI's capacity to grow and continue to provide essential services to farmers, beyond the period of initial donor or investor support. FIs have to be able to cover the cost of funds, administrative costs, and loan losses, and allow for a profit margin by setting appropriate interest rates. Partnerships with other agencies should be continued to cover for some of the costs. LGUs can use their livelihood development funds or disaster management fund in this endeavor.
- Provision of financial services for farmers in remote and high climate risk areas can only be successful when combined with specific risk reduction and adaptation strategies, such as insurance schemes and new farming methods. A comprehensive package of measures should always be designed for farmers to effectively adapt to the effects of climate change.

Baseline projects that the proposed project will build on

The proposed scaling up of the risk transfer mechanisms will build on the gains of the CCAP and integrate climate change adaptation principles into the following baseline programmes:

The Rural Micro Enterprise Promotion Programme (RuMEPP) and DTI.
Co-financing: US$355,000

Implemented by the Department of Trade and Industry (DTI) with assistance from the International Fund for Agricultural Development (IFAD) for a total programme budget of US$ 22.826M, this is a programme with focus on 19 provinces in the five poorest regions of the Philippines. It offers services to rural micro entrepreneurs, business development services providers and microfinance institutions through capacity building, financing assistance and consultancies. It has two components, (1) microfinance credit and support and (2) Micro Enterprise Promotion and Development. The first is aimed at enhancing the volume of financing available to microenterprises and upgrading the institutional capacity to make credit available to the sector, while the second component is aimed at providing business development services to existing and prospective micro enterprises in rural areas with potential for growth and employment generation. RuMEPP complements other DTI initiatives such as the One Town One Product (OTOP) and links some of its activities with the Gender Responsive Economic actions for Transformation of Women (GREAT Women) Project. RuMEPP is expected to end by 2013. While it targets the poor and promotes entrepreneurship among them, considerations of Climate Change and adaptation to its risks and impacts have yet to be integrated in RuMEPP's services.

DOLE Integrated Livelihood Programme Towards Community Enterprise Development
Co-financing: US$275,000

This programme was instituted March 2011 in line with the thrust of the Philippine government to generate community employment. It aims to enhance and transform existing livelihood projects in the barangays into community enterprises and/or to set up community enterprises to be managed by community groups. It also aims to put into operation a convergence scheme of related programs and services of government agencies and private organization that will effectively assist and provide complete support to community enterprises. Major interventions include: (a) capacity building of community groups in terms of entrepreneurial attitude and skills, including retooling in vocational skills and other necessary skills which could be utilized for entrepreneurial undertaking; and (b) partnerships and alliance building with other government agencies for the conduct of value formation, workplace health and safety, work environment improvement, productivity enhancement, product development, marketing assistance, product diversification and other relevant services. This programme is implemented nationwide including in the Caraga region and the province of Agusan del Norte.

ILO-ROAP Community based Emergency Employment and Reconstruction Programme Co-Financing: US$134,000

The Community-based Emergency Employment (Cash-for-Work) and Reconstruction Project is in response to the damage caused by Typhoon 'Sendong'. ILO is responding to the need to develop the capacity of local communities and local government units (LGUs) to respond to and reduce the impacts of future disasters and develop a process that can be applied by national agencies such as the Department of Social Welfare and Development (DSWD) and DOLE in future disaster response.

ILO MDG-F Joint Programme on Alternatives to Migration: Decent Work for Filipino Youth, Employment and Migration (YEM):
Co-Financing: US$567,500

This programme is being implemented in four provinces of the Philippines including the targeted site for the proposed project in Agusan del Sur. The programme aims to improve youth employment through measures to strengthen policy coherence and build public-private partnerships to generate decent and productive employment for young people. Components include: Support to the National Action Agenda on YEM, mainstreaming of programmes focusing on youth employment in local economic development strategies; establishment of local one-stop shop and reintegration centers; development of model mechanisms to channel remittances; establishing public-private partnerships for provision of training; capacity building and employment services for the youth; mainstreaming gender-sensitive entrepreneurship education in secondary schools; and development of skills database and tracking systems for training graduates. In Agusan de Sur YEM provides a crucial starting point for the proposed SCCF grant working with youth from vulnerable farming communities expected to play a role in the various project activities including conduct of assessments, promotion of green production systems, early warning systems and others. Proposed scaling up will be able to work effectively through the organized youth groups and their households in the integration of climate change adaptation principles.

The Peoples Bank of Caraga, ISAPA PLUS, Land Bank – Food Supply Chain Project and the Baug CARP BMPC:
Co-Financing: US$1,537,500

The People's Bank of Caraga, Inc. (PBC) is a rural bank established in 1972 and operating in North Eastern Mindanao with head office in Agusan del Sur and branches in Agusan del Norte. It offers a loan program called Isa-Isang, Sama-Samang Pag-Unlad, Pangsakahan at Palaisdaan Project ("Together Toward Success, for Farmers and Fisherfolk"), or ISAPA-PPP. The program targets spouses of regular microfinance clients who are engaged in farming or fishing, providing them loans for production inputs, purchase fixed assets, farm equipment, or livestock. Through its partnership with the ILO under the CCAP, PBC established 'ISAPA Plus +" with the Plus signifying additional features including the provision of expanded financial literacy, crop insurance and continuing education, particularly for farmers on appropriate technology.

The Peoples Bank of Caraga works with the Land Bank of the Philippines under the latter's programme: The Food Supply Chain Program. Launched in 2011 with a total allocation of US$1.15 Billion, the program's objective is to increase farmers' income by providing financial and technical support along the value-added chain of a commodity or industry, whether crop, livestock and fishery. The Land Bank provides financing to all the players along the value chain system, consisting of a full range of activities that are undertaken in turning a particular product into a form that is sold and consumed. As a participant to the LBP programme, the Peoples Bank of Caraga can pass on loans to participating farmers for a selected value chain in Agusan del Norte and Agusan del Norte. The Baug Comprehensive Agrarian Reform Programme (CARP) Beneficiaries Multipurpose Cooperative is registered with the Cooperative Development Agency since 1995. It has five branches in Agusan del Norte and Surigao City with the latest branch opened in Las Nieves, Agusan del Norte as a result of their involvement in the pilot- CCAP in Agusan del Norte. A nationally recognized cooperative, it specializes in loans for rice production, aquaculture and the provision of working capital for alternative livelihoods for farming households.

Local Government Investments in Integrated Financial Package (IFP) Implementation Agusan del Norte and Sur Provinces:
Co-Financing: US$5,100,000

The two targeted provinces, Agusan del Norte and del Sur, cities of Butuan and Cabadbaran, as well as the total of eight municipalities (including the original four CCAP municipalities) are mobilizing personnel, existing facilities, equipment and funds for the implementation of the Integrated Financial Package. These include contributions to the costs of establishing, training and operating the LGU implementation teams tasked with the delivery and monitoring of financial and non-financial services. Mobilizing resources from their Enterprise Offices, Cooperative and Livelihood Development Offices and/or their Disaster Risk and Reduction Funds, the LGUs cover at least 20% of the financial services costs (in the case of the provinces and cities) and 10% of the financial services costs in the case of the municipalities. The Local Government Units moreover, working through their Municipal Agriculture Office and in close coordination with the Department of Agriculture, spearhead and provide for the conduct, monitoring and assessment of the "Farmers Field School"- a cropping cycle long course providing continuous technology education on recommended agriculture technology.

Department of Agriculture-Food Staples Sufficiency Programme, Agriculture Credit Policy and Insurance Subsidy Investments:
Co-Financing: US$424,825

The proposed SCCF grant will build on the work that the Department of Agriculture does through its Caraga Regional Office, the Philippine Crop Insurance Corporation (PCIC) and the Agricultural Credit Policy Council (ACPC), under the Food Staples Sufficiency Programme (FSSP), which focuses on providing a more responsive agriculture credit policy for the poor farmers and extending crop insurance to the poor and marginalized sectors. The program (2011-16) envisions a food secure Philippines where small farmers earn decent incomes and experience a better standard of living. Its goal is to achieve food security in the long term, and for the Department of Agriculture to serve as a catalyst to increase rural productivity, raise farm income, and achieve food staples self-sufficiency.

B. 2. incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund/NPIF) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

Component 1: Policy Advocacy and Knowledge

Baseline situation:
There is considerable work being done already towards the provision of a policy environment conducive to effective functioning of financial markets for the agricultural sector and rural livelihoods in the Philippines. Specifically in the case of microfinance, the Philippines regulatory framework encompasses all types of microfinance institutions, whether banks or non-banks. The Cooperative Development Administration (CDA) is the authority for credit cooperatives, while the Bangko Sentral ng Pilipinas (BSP) supervises microfinance operations. NGOs, which are not regulated, come under the Microfinance Council of the Philippines Inc. (MCPI) as their repository of information. Agricultural credit policy is regulated by the Agricultural Credit Policy Council (ACPC). The regulatory framework for microfinance has enabled: clarification of roles, responsibilities and accountabilities of the main institutions providing microfinance services; competition among the microfinance players; improved performance standards in governance and operations; and the commercialization of microfinance. More work is being done to extend micro-finance to poor and vulnerable communities, for example through the Department of Agriculture's Food Staples Sufficiency Programme. However new considerations have emerged in the face of increasing climate change risks and adaptation needs of vulnerable poor farmers which are not be taken into account in the baseline situation. Firstly there is the need to incentivize credit institutions in this regard, such as the Peoples Bank of Caraga, as most have little familiarity and knowledge of climate related risks. Furthermore poor and vulnerable rural communities continue to be excluded from the use of market-based instruments, as highlighted in previous sections. Although there is an emerging debate on how the rural poor can achieve improved access to climate related risk transfer mechanisms there are, at this time, few practical examples to support the policy reform process. This is particularly important in relation to increasing incentives for unlocking private sector finance, recognizing that the bulk of the necessary financing for addressing climate related risks could come from non-public resources in the future.

Adaptation Alternative:
Under the alternative scenario, the SCCF support will contribute towards adjusting current national regulatory and fiscal incentive structures for microfinance in order to stimulate private sector engagement in climate risk reduction and adaptation among vulnerable farming households. The proposed SCCF grant will build upon the results of the pilot in Agusan del Norte which has among its outputs a Policy Paper on Guidelines for Innovative Financing for Climate Vulnerable Farming Communities along with eight (8) case studies. The SCCF funding will be used to update and promote this paper, through a series of events and case study publications, among targeted policy making institutions both government and private sector. In the case of the government, key institutions would include the Department of Agriculture's Agricultural Credit Policy Council (ACPC), the Climate Change Commission and Philippines Central Bank. In the case of the private sector, advocacy would be taken to the policy making forums of the Microfinance Councils, the Rural Bankers Associations as well as regional and national federations of cooperatives. The grant will also support the issuance of province level policy guidance targeting local governments with an interest in establishing public private partnerships for climate risk reduction and risk transfer. The evidence provided under Components 2 and 3 will ensure that the guidance provided can stimulate reform minded LGs and private sector entities to expand the provision of financial support services towards

vulnerable rural communities.

Component 2: Climate Risk Financing and Transfer

Baseline situation:
A number of pro-poor credit and guarantee programs focused on agriculture were started in the 1970s. These programs, with all good intentions to alleviate rural poverty, did not fare well in so far as outreach was limited, financial sustainability was poor and the fiscal cost to the government was enormous. Consequently many were terminated by the mid 1980s and access to finance remained a challenge for small farmers. While a number of financing institutions supported by various development programmes, such as the DTI Rural Micro Enterprise Promotion Programme and the DOLE Integrated Livelihoods Project, operate in the proposed project area, few directly target climate vulnerable populations. The latter are generally categorized as high risk sector and excluded from most credit programmes. Baseline studies in the project area show that currently farmers obtain financing from traders who provide loans rapidly and without documentary requirements and at very high rates of interest, further trapping farmers and their families into loan dependency and poverty. Furthermore, while varied support is available (to those that are credit worthy) in terms of (a) credit, (b) training and or technology, and (c) equipment and infrastructure, these services are not yet packaged as a single product which, the evidence suggests, is what farmers need to be able to cope and with and adapt to climate change. The credit is most often provided in a piecemeal manner, for supplemental income generating activities and not provided to support the farmer in developing sustainable livelihoods by engaging in "viable options" designed after careful analysis of climate change risks. The bundling of financial services (including credit, savings programmes and weather index based insurance) and non-financial services (including agritech training, financial literacy, entrepreneurship and marketing assistance) has not yet been done in the proposed project area, nor in the Philipppines more widely.

Adaptation alternative:
Under the alternative scenario SCCF resources will be used to facilitate the roll out of a tried and tested Integrated Financial Package (IFP) which targets climater vulnerable rural communities in 4 municipalities across two provinces, with a particular focus on female headed households. At least 500 remote households will be covered with a package which includes credit and loans, training on savings, financial literacy, climate risk literacy, and a customised Weather Index Based Insurance (WIBI) product - providing low and excess rainfall cover for both corn and rice cultivators. Although tried and tested, customisation of the package will be required in order to select appropriate alternative production technologies or, in the case of financial products, to identify suitable locally based mediators and aggregating institutions. This component will also provide a financial assessment aimed at engaging greater private sector investment, which will look at establishment costs, risk distribution curves and pooling mechanisms, and possible modes of engagement for public private partnerships. This work will link closely to the policy and advocacy elements under Component 1 targeting wider policy discussion as a pre-cursor to national up-scaling.

Component 3: Community-based Adaptation Learning and Measures

Baseline Situation:
Existing programmes being implemented in the project area, including the RuMEPP, DILP and YEM programmes, have conducted community level assessments (socio-economic profiles, market assessments, rapid economic analyses) and training which aim to identify opportunities, risks and threats for enterprise development. Work towards organizing microentrepreneurs, women, youth and farmers is ongoing and has achieved much in terms of developing capacities of necessary the community organizations, understanding new production technologies and in

asset building. However very little work has been done at the community level in addressing climate change as a specific risk areas, even though a solid stock of baseline information is now available. The development of climate- smart agriculture and/or green agricutural production systems is hinged on good understanding of the natural and climatic characterisitice of the area as well as climate scenarios along with socio-economic considerations. This would require greater awareness of the naure and frequency of climate risks among farmers and community groups, as well as an ability to conduct simple and periodic analysis. For example strengthening capacity in Vulnerability and Adaptation Assessments along with value chain mapping for climate-responsive production systems would significantly increase community resilience to climate hazards. Moreover, community based disaster preparedness and early warning systems have not been put in place in the proposed project areas, and farmers associations, women and youth need training and support in weather monitoring and recording.

Adaptation Alternative:
Under the alternative scenario SCCF resources will be used to complete four community level participatory V&A assessments and farming value chain analyses. These assessments will cover existing coping and risk reduction strategies and lead to increased awareness and technical understanding of the nature of climate risks among selected farmer associations, as well as organisational reforms to support community based disaster risk reduction measures. The assessments will be used in a very direct sense to help tailor the Integrated Financial Package to be rolled out under Component 2, for example through the identification of major crops at risk as well as their existing growing conditions and risk management regimes. They will also help to build the capacity and knowledge of communities in risk management thereby strengthening long term resilience. Planning for the establishment of Early Warning System will be undertaken in 4 municipalities, targeting the most vulnerable Barangays, based on the outputs of the V&A assessments. The EWS will combine assessment, a planning process, training and outreach, as well as the provision and installation of physical assets. Finally selected farming associations in each of the 4 target municipalities with be provided with training and orientation in green agricultural production practices, as well as demonstrations in green production systems.

B.3. Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF). As a background information, read Mainstreaming Gender at the GEF.":

The proposed replication of a tested financing and risk transfer mechanisms for climate vulnerable communities in Southern Philippines is expected to enhance adaptation and resilience of these communities through sustainable and diversified livelihoods resulting from access to the Integrated Financial Package and WIBI, through the reduction of risks resulting from establishment of early warning systems, and through strengthened awareness and ownership of the adaptation and risk reduction mechanisms.

The CCAP pilot has shown the economic effects of the introduction of a full package of both financial and no-financial measures on local communities, effects which can be expected to be replicated with the proposed SCCF grant. For example participating farmers reported increases in net income due to lower interest payments (from the previous high interest of 6% per month paid to traders down to only 2.3% for the rural bank model, 1% for the coop model and 0.83% with the LGU loan facility). Lower costs of production inputs were also reported (use of organic fertilizers procurement facilitated by the financial service providers themselves). These along with the additional income obtained from alternative livelihoods not only went towards meeting daily needs but for a number of farmers enabled them to rent additional and/or alternative farm lots on higher ground (away from high flooding risk). Rent and purchase second-hand vehicles was also possible leading to better access to markets and better prices for produce.

While the baseline study showed that farmers in Agusan del Norte generally do not have savings, a significant amount of savings were reported at the end of the test run for both the rural bank and the coop models. Farmer participants to the Coop model were able to save Php458,764 (US$10,427) along with members' capital build-up of Php252,978 (US$5,750). The rural bank model also reported considerable savings from beneficiaries amounting to Php106,000 (US$2,409). These savings spelt for many, readily available money for emergencies, including climate-related disasters. Furthermore the savings led to less loan dependencies for some farmers who opted not to borrow at the second cycle and to use their own savings for the needs of the next cropping cycle.

Gender considerations are integrated in the whole IFP and special focus is provided to women in its design and delivery. For one, the "rural bank model" starts with the "woman farmer" and provides affordable capital for microenterprise. While this could be viewed initially as supplemental, the loan provided is sufficient to operate at small scale and be able to provide not only to basic needs for family but allows for savings and insurance. Furthermore, while taking care not to trap the family into over-indebtedness, loans are also provided to husbands for crop their production, as such allowing for use of the women's income to be further invested into the business. The cooperative model and LGU loan facilities also especially promote access of loans from women not only for their alternative livelihoods but also for actual crop production. These, along with the training and other non-financial services accessed by women and their organization, are expected not only to result in economic empowerment but also political empowerment, providing better control of their income and ensure participation in decision-making.

B.4 Indicate risks, including climate change risks that might prevent the project objectives from being achieved, and if possible, propose measures that address these risks to be further developed during the project design:

The CCAP pilot project in Agusan del Norte has exposed several of the risks pertaining to this type of undertaking at the same time provided the implementers first- hand experience and workable solutions to address these risks. These include: (a) the political dynamics and working relationship between public and private sector; (b) the general perception of LGU assistance as being dole-outs and not necessitating payments; and (c) the timing and availability of cash from government. Constant dialogue and the establishment of a well-coordinated multi-sectoral implementing team easily responds to the first risk mentioned. The second can best be addressed by promoting financial literacy and value formation which places premium on "valuing money, savings and "debt repayment", coupled by a low key participation of government sector in the private sector-run models such as the rural bank and cooperative models. The third risk can be addressed by identifying more strategic, in-kind and less in-cash contributions and counterparts particularly in the case of the local governments.

In addition, the unpredictability and increasing frequency of extreme weather events pose risks to agriculture, and this is the basis for this undertaking which actively seeks out vulnerable farming communities. This is a risk that the farmers face as do financial service providers and insurers involved in the delivery of the IFP. A first set of measures to take to ensure sustained production and repayment of the loans, piloted under the CCAP, includes adjustment of the cropping calendar, switching to more appropriate crops, and as much possible, transferring to less vulnerable farmlands. The latter strategy, in particular, has become more possible as a by-product of greater savings and assets for farmers delivered through their participation in the IFP, some have been able to seasonally rent or lease farmland on higher ground to reduce the risk of flooding.

B.5. Identify key stakeholders involved in the project including the private sector, civil society organizations, local and indigenous communities, and their respective roles, as applicable:

Multi-sectoral public-private partnerships were forged under the pilot (CCAP) involving government agencies, local government units, training service providers, financial service providers and non-governmental organizations/community organizations particularly farmers associations as presented earlier in the document. Key mandated agencies such as the Department of Trade and Industry and municipal government units worked with rural banks and cooperatives for the conduct of the test runs of the three models of the innovative financing schemes. Mandated agencies like the Philippine Crop Insurance Corporation (PCIC) and the Department of Science and Technology (DOST) led in the development and implementation of the WIBI packages ably supported by the Department of Agriculture (DA), the Municipal Agricultural Offices running the LGU Loan Facilities and the financial service providers who act as insurance mediators/aggregators to include the Peoples Bank of Caraga and the Baug CARP Beneficiaries Multipurpose Cooperative.

These partnerships remain relevant and will be maintained in the proposed replication with SCCF resources. New organizations and additional financial service providers will however be brought in to cover new areas and additional implementation requirements. Additional local mediators/aggregators maybe needed as new areas are covered. A partnership with a reinsurer, preferably, an international reinsurer, needs to be forged as the number of the farmers enrolled in the social protection mechanisms and especially the WIBI is expected to increase. Exploratory talks conducted under CCAP with Swiss Re, Munich Re and others would be followed through.

The International Labour Organization will be the executing agency for the proposed project, engaging both its regional capacity, under the leadership of the Regional Green Jobs Programm, and the ILO Country Office for the Philippines. The ILO Micro-insurance Innovation Facility under the Social Finance Programme is also expected to support the undertaking.

B.6. Outline the coordination with other related initiatives:

An ILO Project Manager will be supported technically by a Project Advisory Committee (PAC) drawn from the project partners, ILO Experts and UNDP. The PAC will be chaired on a rotational basis by the principals of the core partners including DTI, DOLE and the Provinces of Agusan del Norte and Agusan de Sur. Project Coordination will be achieved through a team of designated focal persons from partners organisations, including DTI, DOLE, and the Provinces of Agusan del Norte and Agusan del Sur, interacting on a regular basis. The ILO will provide secretariat functions for both of these project structures and ensure continuity of project management arrangements.

The proposed project will ensure that no duplication with other related initiatives occurs. For example there is a WIBI component in another GEF project- Philippine Climate Change Adaptation Programme (PhilCCAP) which aims to pilot weather index-based insurance in two other regions, one in Luzon and in Visayas. Initial discussions had already been undertaken between the ILO and the World Bank for collaboration and for the exchange of learning, bearing in mind that PhilCCAP is still in the early stages of developing a weather index while the CCAP pilot supported by ILO already has a working index against low and excess rainfall.

The proposed project, through its DOST partners, will work in close coordination with the Philippine Real Time Environment Data Acquisition and Interpretation for Climate Related Tragedy Prevention and Mitigation (PREDICT) project. This nationwide initiative of the

Department of Science and Technology (DOST) is implemented through the Advanced Science Technology Institute and the DOST Regional Offices. It consists of a network of automated weather stations that gather and transmit observation data to a central server through the cellular network. The observation stations are rugged devices equipped with sensors for the various required parameters such as temperature, pressure, humidity, wind direction, wind speed, and rainfall. It is also equipped with a GSM/GPRS modem to transmit data to the central server.

PREDICT also includes design and production of the automated weather station (AWS) units, development of the server software, and deployment of the AWS in the selected sites. The environmental parameters that will be acquired and stored by the units will be used for weather forecasting and real-time environmental monitoring. These data are applicable to agricultural planning, disaster mitigation, and for general research. In particular, PREDICT aims to (1) develop a system for a nationwide remote but real-time acquisition of agricultural meteorological data that will help prevent and mitigate any weather-related disaster as well as provide information that can help local farmers increase the productivity of their crops; and (2) collaborate with other institutions that focus on weather monitoring such as PAGASA, disaster mitigation such as NDCC, and agricultural research institutions such as PHILRICE. It is expected that a number of automated weather stations and related weather devices will be installed in selected sites including a few of the targeted sites for the scaling up. The project PREDICT then will make a major direct contribution to the proposed project through which the Weather Index-based Insurance Package and the Early Warning Systems and Preparedness activities of the scaling up can build upon.

C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

UNDP's comparative advantage in implementing this project is underpinned its country programme (2012 to 2016) which focuses on strengthening the capacity of local governments in poverty reduction, addressing disparity and reducing vulnerability, including climate change adaptation and disaster risk management as well as scaling up of successful initiatives in these areas. This is based on UNDP experience over the past 4 years in leading a joint UN supported programme on Strengthening the Philippines Capacity to Adapt to Climate Change funded by the MDG Achievement Fund in collaboration with the National Economic and Development Authority. This has included supporting the Philippine Government, through the concerned government agencies (OCD, CCC, PAGASA, MGB, PHIVOLCS, NAMRIA, NEDA) with characterizing the country's vulnerabilities to natural hazards and climate change, determine the level of risk faced by communities because of these vulnerabilities, and influence the relevant planning and decision-making processes by mainstreaming these concerns into the appropriate systems and procedures. This work started at the sub-national /regional level and is now being institutionalized at the provincial level and piloted at the city/municipality level. Tools and training modules have been developed and are already being used for this mainstreaming process resulting in such outputs as multi-hazard/risk maps; community-based early warning systems and contingency plans based on this vulnerability information; enhanced competencies of local planners on mainstreaming DRR/CCA in planning processes; and risk based land use and development plans at national, subnational and provincial levels.

C.1 Indicate the co-financing amount the GEF agency is bringing to the project:

UNDP Philippines will bring US$500,000 in co-financing to this Project over the course of the project cycle, mobilized from the Philippine Country Programme including a portfolio of relevant bilateral and multilateral-supported nationally-executed development interventions, such as the Securing a Climate Resilient Philippines Project, and the UNDP-BCPR component under the MDGF financed Phoenix Project.

C.2 How does the project fit into the GEF agency's program (reflected in documents such as

UNDAF, CAS, etc.) and staff capacity in the country to follow up project implementation:

The proposed project responds directly to key elements of the United Nations Development Assistance Framework (UNDAF) for the Philippines covering the period 2012-2018, specifically Outcome 4 in enhancing capacities of vulnerable communities to adapt to climate change and increasing the ability of these vulnerable communities as well as national and local governments to manage natural and human-induced disaster risks. This project will essentially contribute to the whole initiative of the UNDP Country Programme of supporting inclusive, sustainable and resilient development through the creation of innovative and diversified risk management mechanisms and scaling up of the integrated financial package and weather index-based insurance as a means toward enhancing adaptive capacity and increasing resilience of climate change-vulnerable farming populations.

In addition, the proposed project also complements UNDP-assisted biodiversity projects as the ongoing US$4.5 million GEF-supported “Partnerships for Biodiversity Conservation: Mainstreaming in Local Agricultural Landscapes” which seeks to, among others, develop a national policy to support biodiversity-friendly agricultural practices within and around Protected Areas/Key Biodiversity Areas (PA/KBAs); identify business opportunities that are compatible with conservation of PAs and KBAs; and develop and implement regulatory structures and incentive systems to attract private business enterprises to invest in biodiversity-friendly services and products and encourage them to shift away from destructive forms of livelihood and unsustainable agricultural practices. Other complementary initiatives include the early recovery and rehabilitation efforts in Mindanao under the UNDP Philippines’ crisis prevention and recovery portfolio, through the livelihood assistance component consisting of interventions that seek to increase income in agriculture-related sectors by supporting livelihood projects involving micro-finance, agricultural inputs and community enterprises; and strengthening the management capacity of the communities through technical assistance and access to financial schemes.

UNDP has undertaken a number of activities and projects that support national and local initiatives in the Philippines aimed at addressing prominent policy and capacity gaps through legislation on climate change, disaster risk reduction and management, renewable energy and their respective implementing rules and regulations, strategies and plans. UNDP Philippines delivers approximately US$15 million per year in overall development assistance, derived from a variety of sources including core UNDP programme funds, bilateral donors and multilateral mechanisms such as GEF and the MDG Achievement Fund.

The use of the results-based management approach has become central to UNDP in driving development, management and staff performance towards improved organizational effectiveness. A framework of results-based planning and performance management instruments that cascades from the global level to the regional, country-office and unit level ensure effective monitoring and evaluation functions and capacities at the project and programme tiers. The UNDP Philippines Country Office is well resourced to provide the necessary support to the ILO and Government of Philippines in implementing the proposed SCCF grant. The proposed project will primarily engage the environment and climate change practice area. The UNDP Resident Representative, Country Director and Unit Team Leaders comprise the senior management team, which provides programmatic oversight in UNDP’s development assistance framework for the Philippines toward achieving and fostering a) universal access to quality social services, with focus on the MDGs; b) decent and productive employment for sustained, greener growth; c) democratic governance, conflict prevention and peace-building and d) resilience toward disasters and climate change.

A team of 5 staff support the UNDP Philippines’ work on energy and environment, with 7 operations/procurement and financial management staff providing vital project implementation and monitoring support. Country office level operations are supported by regional advisory capacity based in the UNDP Asia Pacific Regional Centre in Bangkok. UNDP has dedicated Regional Technical Advisers focusing on supporting adaptation programming and implementation in a range of technical areas relevant to this project including climate change adaptation, disaster management, capacity development, and local governance reform. Our network of global Senior Technical Advisors provide additional technical oversight and leadership helping to ensure that programmes on the ground achieve maximum policy impact.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. 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. For SGP, use this OFP endorsement letter).

NAME	**POSITION**	**MINISTRY**	**DATE** *(MM/dd/yyyy)*
Atty. Analiza Rebuelta-Teh	Undersecretary and GEF Operational Focal Point	**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**	**04/20/2012**

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.

Agency Coordinator, Agency name	**Signature**	**DATE** *(MM/dd/yyyy)*	**Project Contact Person**	**Telephone**	**Email Address**
Yannick Glemarec, Executive Coordinator, UNDP/GEF		April 17, 2012	Angus Mackay Regional Technical Advisor Gr-LECRDS	+6622882784	angus.mackay@undp.org