



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF TRUST FUNDS

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| GEF ID: | 4967 | | |
| Country/Region: | Philippines | | |
| Project Title: | Scaling up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines | | |
| GEF Agency: | UNDP | GEF Agency Project ID: | 5076 (UNDP) |
| Type of Trust Fund: | Special Climate Change Fund (SCCF) | GEF Focal Area (s): | Climate Change |
| GEF-5 Focal Area/ LDCF/SCCF Objective (s): | CCA-1; CCA-2; Project Mana; | | |
| Anticipated Financing PPG: | \$0 | Project Grant: | \$1,050,000 |
| Co-financing: | \$9,306,325 | Total Project Cost: | \$10,356,325 |
| PIF Approval: | | Council Approval/Expected: | June 01, 2012 |
| CEO Endorsement/Approval | | Expected Project Start Date: | |
| Program Manager: | Junu Shrestha | Agency Contact Person: | Angus Mackay |

| Review Criteria | Questions | Secretariat Comment at PIF (PFD)/Work Program Inclusion | Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP) |
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| Eligibility | 1. Is the participating country eligible? | Yes, Philippines is a non-annex I party to the UNFCCC. | |
| | 2. Has the operational focal point endorsed the project? | Yes. An OFP endorsement letter dated April 17, 2012 is attached to the submission. | |
| Agency's Comparative Advantage | 3. Is the Agency's comparative advantage for this project clearly described and supported? | Yes. The UNDP is leading a joint UN supported programme on strengthening the country's capacity to climate change adaptation. The UNDP has been working closely with a number of government agencies in determination of climate change risks in the country. The UNDP has a comparative advantage in influencing relevant planning and decision making process from a local to national level in developing countries. | |

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| | 4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it? | NA | |
| | 5. Does the project fit into the Agency's program and staff capacity in the country? | Yes. The project responds directly to the key elements of the UNDAF for the Philippines, which includes building resilience against climate change. The project complements other UNDP activities in the country that involve sustainable agriculture and livelihood support. The size and the capacity of the country team seem adequate for the project operations. | |
| Resource Availability | 6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply): | | |
| | • the STAR allocation? | | |
| | • the focal area allocation? | | |
| | • the LDCF under the principle of equitable access | | |
| | • the SCCF (Adaptation or Technology Transfer)? | Yes. The requested grant is within the resources available from the SCCF-Adaptation window. | |
| | • Nagoya Protocol Investment Fund | | |
| | • focal area set-aside? | | |
| Project Consistency | 7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework? | Yes. | |
| | 8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified? | Yes. The project will contribute towards CCA-1 and CCA-2 objectives. | |
| | 9. Is the project consistent with the recipient country's national | Yes. The project agrees well with the Philippines National Framework | |

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| | assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP? | focuses on building climate resilience in agriculture sector. It is also in line with the national Climate Change Action Plan that concentrates on building the adaptive capacities of communities, vulnerable sectors and ecosystems. | |
| | 10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes? | Yes. It is noted that private sector engagement in promotion of climate risk transfer mechanisms would contribute towards sustainability of project outcomes. | |
| Project Design | 11. Is (are) the baseline project(s), including problem (s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions? | <p>For farmers in Southern Philippines increasing frequency of extreme events and higher variability in weather patterns is a great economic risk. Climate change and variability impose a significant burden on the rural population in Philippines that are already living below the poverty line and have no capacity to deal with additional risks. Their limited access to credit and insurance make them more at risk of losing their assets and limit their ability to participate in high return activity.</p> <p>The baseline include a number of projects that support</p> <ul style="list-style-type: none"> -entrepreneurial undertaking -microfinance and credit support -community based emergency employment -Technical support on agriculture <p>The baseline projects provide an appropriate foundation for the adaptation activities to be supported through the proposed project.</p> | |
| | 12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project | | |

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| | alternative approaches to achieve similar benefits? | | |
| | 13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning? | Yes. The SCCF will support private sector engagement in climate risk reduction among vulnerable farming households through a) policy advocacy and knowledge transfer b) adoption of tested integrated financial package c) use of community level participatory V and A assessments to design the necessary financial package for vulnerable communities. | |
| | 14. Is the project framework sound and sufficiently clear? | Yes. The project is composed of three complimentary components namely, -Policy, advocacy and knowledge management -Climate Risk Financing and Transfer -Community based adaptation learning and measures The expected outputs and outcomes are appropriate. | |
| | 15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate? | Yes. Additional benefits that would be obtained through implementation of each component is clear. | |
| | 16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits? | Yes. The project is geared towards making vulnerable and economically disadvantaged populations of the Southern Philippines resilient to climate change through replication of proven financial and risk transfer mechanisms. Focus will be on farmers in the community and gender considerations will be integrated in design and delivery of the project. | |
| | 17. Is public participation, including CSOs and indigeneous people, taken | Yes for the PIF stage. The project will include the government | |

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| | <p>identified and addressed properly?</p> | <p>training and financial service providers, NGOs, and CSOs mainly the farmer associations that have been involved in the baseline programmes.</p> <p>Recommended Action by CEO Approval:</p> <p>Please describe role of various stakeholders in detail and their expected interactions with each other.</p> | |
| | <p>18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)</p> | <p>Yes. Political dynamics, the existing gap between public and private sector, perceptions about local government units, and timing and availability of cash from government are stated as potential risks.</p> <p>Adequate mitigation measures have been identified and also integrated into the project framework.</p> | |
| | <p>19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p> | <p>Yes.</p> <p>Recommended Action by CEO Approval: Please provide appropriate information regarding which project components will benefit through the related initiatives and how the coordination between the related activities and the proposed project will occur.</p> | |
| | <p>20. Is the project implementation/ execution arrangement adequate?</p> | <p>Yes for the PIF stage.</p> <p>Recommended Actions by CEO Approval: Please describe role of DTI and DOLE and Philippine Crop Insurance Corporation for each component. Please explain how their actions will be integrated to achieve the project goals.</p> | |

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| | 21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes? | | |
| | 22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included? | | |
| Project Financing | 23. Is funding level for project management cost appropriate? | Yes. Requested PMC is appropriate. | |
| | 24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs? | Yes. | |
| | 25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided. | The National Government, the UNDP, and the involved private entities are providing co-financing for the proposed project. The total estimated co-financing is \$9.3 million but it has not been confirmed at this stage. Recommended Action by CEO Approval: Please confirm the co-financing for the proposed project from the identified sources. | |
| | 26. Is the co-financing amount that the Agency is bringing to the project in line with its role? | The UNDP is bringing \$500,000 to the project. The form of the co-financing has not been specified yet. Recommended Action by CEO Approval: Please specify the type of co-financing UNDP is bringing to the project. | |
| Project Monitoring and Evaluation | 27. Have the appropriate Tracking Tools been included with information for all relevant indicators. as applicable? | | |

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| | 28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets? | | |
| Agency Responses | 29. Has the Agency responded adequately to comments from: | | |
| | • STAP? | NA | |
| | • Convention Secretariat? | NA | |
| | • Council comments? | | |
| | • Other GEF Agencies? | NA | |
| Secretariat Recommendation | | | |
| Recommendation at PIF Stage | 30. Is PIF clearance/approval being recommended? | Yes. | |
| | 31. Items to consider at CEO endorsement/approval. | Please see sections 17, 20 and 26. | |
| Recommendation at CEO Endorsement/ Approval | 32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG? | | |
| | 33. Is CEO endorsement/approval being recommended? | | Please see comments |
| Review Date (s) | First review* | April 25, 2012 | |
| | Additional review (as necessary) | | |
| | Additional review (as necessary) | | |
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| | Additional review (as necessary) | | |

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**

REQUEST FOR PPG APPROVAL

| Review Criteria | Decision Points | Program Manager Comments |
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| PPG Budget | 1. Are the proposed activities for project preparation appropriate? | Yes. The PPG will support detailed analysis of current and planned development in the selected regions with special focus on policies and laws that dictate |

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| | | support identification of specific sites for project intervention. As a whole, PPG will facilitate development of the project that would support rural agricultural communities in the Philippines through appropriate financing and risk transfer measures. |
| | 2. Is itemized budget justified? | Yes. It constitutes budget for local consultants, associated travel and workshops. |
| Secretariat Recommendation | 3. Is PPG approval being recommended? | Yes. |
| | 4. Other comments | |
| Review Date (s) | First review* | April 25, 2012 |
| | Additional review (as necessary) | |

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