



August 3, 2012

Dear Ms. Haji-Mohamud,

Subject: Regular Size, Djibouti: Developing agro-pastoral shade gardens as an adaptation strategy for poor rural communities – PIMS No.4683 - ATLAS BU: DJI10 - Proposal No.: 00066414 - Project No.: 00082602

I am pleased to delegate to you the authority to sign the above-mentioned Regular project. The project, which amounts to a total of **US\$ 4,293,600**, has received its final approval in accordance with the established Adaptation Fund (AF) procedures (AF Board Secretariat approval attached, Annex 1).

I am also pleased to provide a summary of the next steps in the process and to outline, for your easy reference, the mandatory AF-specific project financial and results management requirements. Please note that Annex 2 clarifies these in further detail.

Next steps and mandatory AF-specific requirements:

1. ***Project document signature:*** As the Resident Representative with the delegated authority for this project, we kindly request that you sign the above-mentioned Regular project document on behalf of UNDP. We would also appreciate your obtaining the signature of the representative of the Implementing Partner on the cover page (as well as signature by the representative of the Government of Djibouti, if necessary).
2. ***Annual Work Plan and Transfer of Income to Project:*** Once the project document is signed, please kindly ensure that the Atlas-generated multi-year *Annual Work Plans (AWPs)* based on the *Total Budget and Work Plans* in the attached project document, along with a copy of the signed cover page, is sent to Ms. Keti Chachibaia, Regional Technical Advisor in Bratislava. Please also ensure that the correct codes are used in the AWP Chart of Accounts:

Fund Code	Donor Code
62040	11602

Upon receipt and review of these documents, contributions received from the Adaptation Fund Trustee will be transferred by UNDP/GEF to the project according to the disbursement schedule detailed in the Memorandum of Understanding (MoU) between the Adaptation Fund Board and UNDP for this project (attached, Annex 3).

Ms. Hodan Haji-Mohamud
Resident Representative
UNDP Djibouti

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Any budget revisions should be forwarded to the UNDP/GEF Regional Coordination Unit (RCU) with an explanation of the changes proposed. In this connection, please note that UNDP/GEF is not in a position to increase the project budget above the amount already approved by the AF Board Secretariat. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

3. *Fee:* As a Multilateral Implementing Entity of the AF, UNDP earns a fee upon approval of each project. The fee is to be used to cover specific costs incurred by UNDP. For the Country Office, these services are related to supporting project development and providing oversight once the project is running, as detailed in Annex 2.

The total fee over the lifetime of the above mentioned project for these country offices support services will be **US\$ 128,808**. This fee will be paid directly by UNDP/GEF to the XB account of the Country Office. The fee will be paid in annual installments based on delivery and audit compliance.

In cases where preparatory funds were advanced by UNDP EF to the CO for the purpose of developing the project document, this amount has been deducted from the total allocation, as agreed in the related and attached DoA, dated 21 October 2011 (attached, Annex 4).

Please note that the fee is intended to cover the General Management Service (GMS) indirect costs of project support, supervision and oversight detailed in Annex 2. Where a government, as Implementing Partner, requests UNDP to provide services specific to project inputs, then the government party is responsible for reimbursing UNDP in accordance with UNDP policies on recovery of direct costs. In such a case, an appropriate separation between project oversight and direct project support should be maintained.

4. *Project management requirements:*

- The project should be audited according to UNDP policy.
- The AF Secretariat must be informed of any changes to the project objectives and outcomes in the results framework of the project document. As such, should you wish to make any such changes to the results framework, please discuss this with the UNDP/GEF RCU, as they will have to report these changes to the AF.
- An annual progress report on the status of project implementation, including the disbursements made during the relevant period or more frequent progress reports if requested by the AF Board.
- All AF-funded projects should undertake a mid-term evaluation. In addition, each project is required to undertake a final evaluation within 12 months of operational closure of the project. Each evaluation should have a corresponding management response. The specific requirements of these evaluations are available from the RCU.
- As specified in the project document, a detailed project management plan should be prepared by the Project Manager. It is strongly recommended that this management plan be reviewed at the inception workshop. Where possible, this workshop should be held within 3 months of project signature. To avoid any confusion during project implementation, we also recommend that the support activities to be undertaken by the Country Office, as listed in Annex 2, be confirmed at the inception workshop.
- Annex 2 includes a number of key UNDP/GEF management performance indicators that aim to improve the efficiency and effectiveness in the oversight and supervision services provided. Performance against these indicators will be monitored on an annual basis.

5. *AF Operational Policies and Guidelines:*

In addition to the above project management requirements, please note that the Agreement states that UNDP should follow the AF Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (AF Operational Policies and Guidelines). These are provided Schedule 1 of the Agreement (see Annex 3). If during the course of the project you become aware of any material inconsistency between the AF Operational Policies and Guidelines and UNDP regulations, rules, policies and procedures, please immediately notify Ms. Keti Chachibaia, Regional Technical Advisor in Bratislava.

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In concluding, I would like to assure you of UNDP/GEF's and my personal commitment to a successful implementation of the project. The Regional team in Bratislava is at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me.

Yours sincerely,



Yannick Glemarec
UNDP/GEF Executive Coordinator
and UNDP Director, Environmental Finance

cc: Ms. Amat Alsoswa, Assistant Administrator and Regional Director, RBAS
Ms. Keti Chachibaia, UNDP/GEF Regional Technical Advisor, Bratislava, Slovakia
Ms. Idriss Ahmed Hared, UNDP/AF Operational Focal Point, UNDP Djibouti

Annexes

Annex 1 AF Board Secretariat approval



ADAPTATION FUND

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Ref: 2012/45

11 July 2012

Mr. Yannick Glemarec
Director
Environment Finance
UNDP
Yannick.glemarec@undp.org

Re: Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities

Dear Mr. Glemarec,

I am writing with regard to the fully-developed project document "Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities" for Djibouti that your organization submitted to the Adaptation Fund. After conducting a technical review on the proposal, and taking note of the comments provided by your organization to the findings of the initial review, the secretariat forwarded the project proposal to the Project and Programme Review Committee (PPRC) of the Adaptation Fund Board for a review based on the criteria approved by the Board.

I have the pleasure to inform you that the Adaptation Fund Board, at its 18th meeting which took place on 28-29 June 2012 in Bonn, Germany, decided to approve the above mentioned proposed project in accordance with the operational policies and guidelines. Please find attached the advanced text of the Board decision B.18/13 in the Annex.

The Board would like to request your organization to transmit the observations referred to above to the government of Djibouti.

The secretariat will contact you as soon as the legal agreement between the Adaptation Fund Board and UNDP for the implementation of the proposed project has been prepared for signature.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marcia Levaggi', written over a horizontal line.

Marcia Levaggi
Manager
Adaptation Fund Board secretariat

Cc: Ms. Keti Chachibaia (LECRDS), UNDP, keti.chachibaia@undp.org
Mr. Dini Abdallah Omar, Directeur de l'Amenagement de Territoire et de l'Environnement,
Ministere De L'Habitat, De L'Urbanisme, De L'Environnement, Djibouti, adouale@yahoo.fr

Annex

Djibouti: Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities (Fully-developed project document) (UNDP) (DJI/MIE/Agri/2011/1, US\$4,658,556)

1. Having considered the comments and recommendations of the Projects and Programme Review Committee, the Adaptation Fund Board decided to:

- (a) Approve the project document, as supplemented by the clarification response provided by the United Nations Development Programme (UNDP) to the request made by the technical review;
- (b) Approve the funding of US\$4,658,556 for the implementation of the project, as requested by UNDP; and
- (c) Request the secretariat to draft an agreement with UNDP as the Multilateral Implementing Entity for the project.

(Decision B.18/13)

Annex 2: UNDP/GEF Project Support Services

Stage	UNDP Country Office ¹	UNDP/GEF
Identification, Sourcing/Screening of Ideas, and Due Diligence	Identify project ideas as part of country programme/CPAP and UNDAF/CCA.	<ul style="list-style-type: none"> • Technical input to CCA/UNDAFs and CPAPs where appropriate. • Input on policy alignment between projects and programmes. • Provide information on substantive issues and specialized funding opportunities (SOFs). • Policy advisory services including identifying, accessing, combining and sequencing financing. • Verify potential eligibility of identified idea.
	Assist proponent to formulate project idea / prepare project idea paper (e.g. GEF PIF/PPG).	<i>Technical support:</i> <ul style="list-style-type: none"> • Research and development. • Provide up-front guidance. • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Training and capacity building for Country Offices.
	<i>Appraisal:</i> <ul style="list-style-type: none"> • Review and appraise project idea. • Undertake capacity assessments of implementing partner as per UNDP POPP. • Environmental screening of project as and when included in UNDP POPP. • Monitor project cycle milestones. 	<ul style="list-style-type: none"> • Provide detailed screening against technical, financial, social and risk criteria. • Determine likely eligibility against identified SOF.
	<i>Partners:</i> <ul style="list-style-type: none"> • Assist proponent to identify and negotiate with relevant partners, cofinanciers, etc 	<ul style="list-style-type: none"> • Assist in identifying technical partners. • Validate partner technical abilities.
	<i>Obtain clearances:</i> <ul style="list-style-type: none"> • Government, UNDP, Executing Agency, LPAC, cofinanciers, etc. 	<ul style="list-style-type: none"> • Obtain SOF clearances.
Project Development	<i>Initiation Plan:</i> <ul style="list-style-type: none"> • Management and financial oversight of Initiation Plan • Discuss management arrangements 	<ul style="list-style-type: none"> • Technical support, backstopping and troubleshooting. • Support discussions on management arrangements • Facilitate issuance of DOA

¹ As per UNDP POPP with additional SOF requirements where relevant.

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Stage	UNDP Country Office ¹	UNDP/GEF
	<p><i>Project Document:</i></p> <ul style="list-style-type: none"> • Support project development, assist proponent to identify and negotiate with relevant partners, cofinanciers, etc. • Review, appraise, finalize Project Document. • Negotiate and obtain clearances and signatures – Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc. • Respond to information requests, arrange revisions etc. • Prepare operational and financial reports on development stage as needed. 	<p><i>Technical support:</i></p> <ul style="list-style-type: none"> • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Negotiate and obtain clearances by SOF • Respond to information requests, arrange revisions etc. • Quality assurance and due diligence. • Facilitate issuance of DOA
<p><i>Key UNDP/GEF management performance indicators/targets for AF Project Development:</i></p> <ul style="list-style-type: none"> • Time between AF proposal approval to project document approval where relevant should be 18 months or less • Time between AF project document approval and first disbursement for each project Target = 4 months or less 		
<p>Project Oversight</p>	<p><i>Management Oversight and support</i></p>	<p><i>Technical and SOF Oversight and support</i></p>
	<p><i>Project Launch/Inception Workshop</i></p> <ul style="list-style-type: none"> • Preparation and coordination. 	<ul style="list-style-type: none"> • Technical support in preparing TOR and verifying expertise for technical positions. • Verification of technical validity / match with SOF expectations of inception report. • Participate in Inception Workshop
	<p><i>Management arrangements:</i></p> <ul style="list-style-type: none"> • Facilitate consolidation of the Project Management Unit, where relevant. • Facilitate and support Project Board meetings as outlined in project document and agreed with UNDP RCU. • Provide project assurance role if specified in project document. 	<ul style="list-style-type: none"> • Technical input and support to TOR development. Troubleshooting support. • Support in sourcing of potentially suitable candidates and subsequent review of CVs/recruitment process.
	<p><i>Annual WorkPlan:</i></p> <ul style="list-style-type: none"> • Issuance of AWP. • Monitor implementation of the annual work plan and timetable. 	<ul style="list-style-type: none"> • Advisory services as required • Review AWP, and clear for ASL where relevant.
	<p><i>Financial management:</i></p> <ul style="list-style-type: none"> • Conduct budget revisions, verify expenditures, advance funds, issue combined delivery reports, ensure no over-expenditure of budget. • Ensure necessary audits. 	<ul style="list-style-type: none"> • Allocation of ASLs, based on cleared AWP • Monitor projects to ensure activities funded by donor comply with agreements/ProDocs • Oversight and monitoring to ensure financial transparency and clear reporting to the donor

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Stage	UNDP Country Office ¹	UNDP/GEF
	<p><i>Results Management:</i></p> <ul style="list-style-type: none"> • Alignment: link project output to CPAP Outcome in project tree in Atlas, link CPAP outcome in project tree to UNDP Strategic Plan Environment and sustainable Development Key Result Area as outlined in project document during UNDP work planning in ERBM. • Gender: In ATLAS, rate each output on a scale of 0-3 for gender relevance. • Monitoring and reporting: Monitor project results, track result framework indicators, and co-financing where relevant. Monitor risks in Atlas and prepare annual APR/PIR report where required by donor and/or UNDP/GEF. • Annual site visits – at least one site visit per year, report to be circulated no later than 2 weeks after visit completion. 	<ul style="list-style-type: none"> • Advisory services as required. • Quality assurance. • Project visits – at least one technical support visit per year.
	<p><i>Evaluation:</i></p> <ul style="list-style-type: none"> • Integrate project evaluations into CO evaluation plan. Identify synergies with country outcome evaluations. • Arrange mid-term, final, and other evaluations: prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports. • Participate as necessary in other evaluations. • Ensure tracking of committed and actual co financing as part of mid-term and final evaluations. • Prepare management response to project evaluations and post in UNDP ERC. 	<ul style="list-style-type: none"> • Technical support and analysis. • Quality assurance. • Compilation of lessons and consolidation of learning. • Dissemination of technical findings. • Participate as necessary in other SOF evaluations.
	<p><i>Project Closure:</i></p> <ul style="list-style-type: none"> • Final budget revision and financial closure (within 12 months after operational completion). • Final reports as required by donor and/or UNDP/GEF. 	<ul style="list-style-type: none"> • Advisory services as required. • Technical input. • Quality assurance. • Return of unspent funds to donor

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Stage	UNDP Country Office ¹	UNDP/GEF
<p><i>Key UND/GEF management performance indicators/targets for Project Oversight:</i></p> <ol style="list-style-type: none">1. Each project aligned with country outcomes and UNDP Strategic Plan Environment and Sustainable Development key results, and included in Country Office Integrated Work Plan in the ERBM:<ul style="list-style-type: none">• Target = 100%2. Quality rating of annual APR/PIRs: Once completed and submitted, the quality of each project APR/PIR is rated by an external reviewer<ul style="list-style-type: none">• Target = Rating of Satisfactory or above3. Quality rating of Terminal Evaluations: Once completed, the quality of each terminal evaluation is rated by an external reviewer<ul style="list-style-type: none">• Target = Rating of Satisfactory or above4. Quality of results achieved by project as noted in terminal evaluation: the independent evaluator assigns an overall rating to the project.<ul style="list-style-type: none">• Target = Satisfactory or above		

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21 October 2011

Dear Ms. Hodan Haji-Mohamud,

Subject: Adaptation Fund Regular-Size Project Djibouti: Developing Agro-pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities – PIMS No. 4683 - ATLAS BU: DJI10 - Proposal No.: 00062578 - Project No.: 00080106

I am pleased to delegate to you the authority to sign the Initiation Plan for the above-mentioned Project on behalf of UNDP, and to commence development of the main project. As per Rule 116.05 of the UNDP Financial Regulations and Rules (Executive Board Decision 2005/1), this document becomes effective when signed by the Resident Representative. The Initiation Plan, which amounts to a total of **US\$50,000**, has received its final approval by the UNDP Environmental Finance Unit based in New York.

As noted in the Request for Funds by the Government of Djibouti, the US\$50,000 advance from UNDP-EF for preparation of the main project will be recovered directly from the regular-sized project upon its approval by the Adaptation Fund Board.

I am also pleased to provide a summary of the next steps in the process and to outline, for your easy reference, the mandatory project financial and results management requirements.

Next steps and mandatory requirements:

1. ***Issuance of Authorized Spending Limit (ASL):*** To facilitate a quick start to the preparation phase, ASL will be issued by HQ once this letter is signed.

Once the Initiation Plan is signed, please kindly ensure that a copy is sent to Ms. Keti Chachibaia, Regional Technical Advisor in Bratislava.

Any budget revisions should be forwarded to the UNDP Regional Coordination Unit (RCU) with an explanation of the changes proposed. In this connection, please note that the total amount of the Initiation Plan cannot be increased above the amount that was approved. . Any over-expenditure during this initiation phase would have to be absorbed by other Country Office resources.

Ms. Hodan Haji-Mohamud
Resident Representative
UNDP Djibouti

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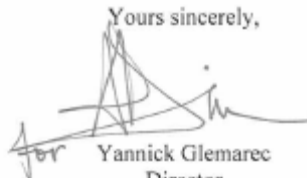
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2. *Project Management requirements:*

- Any changes contemplated with respect to the project objectives and outcomes will have to be discussed with and approved by the UNDP RCU.
- The final regular-size project proposal must be ready no later than **February 2012** as recorded in the Initiation Plan. The Regional Technical Advisor will advise you of the expected timeline for submission of the final proposal for the purpose of internal UNDP clearance prior to submission to the Adaptation Fund Secretariat.
- The final submission of the full project proposal that is prepared with this preparation grant, must be accompanied by a "Status Report". The template can be provided by the RCU.
- This preparatory phase must be operationally completed in Atlas once the main project is endorsed/approved by the Adaptation Fund Secretariat. Financial closure should follow within 12 months, but preferably within the same calendar year.

In concluding, I would like to assure you of UNDP Environmental Finance's and my personal commitment to a successful implementation of the project. The Regional team in Bratislava is at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me.

Yours sincerely,



Yannick Glemarec
Director
Environmental Finance

cc: Ms. Amat Alsoswa , Assistant Administrator and Bureau Director RBAS
Ms. Keti Chachibaia, UNDP-GEF Regional Technical Advisor, Bratislava, Slovakia