

Annual Work Plan (Cover Page)

Country: Philippines

Project Title: **Scaling Up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines – Project Preparation Phase**

UNDAF Outcome: **Outcome Area 4: Resilience toward disasters and climate change.**
By 2016, adaptive capacities of vulnerable communities and ecosystems will have to be strengthened to be resilient toward threats, shocks, disasters and climate change.

Expected CPD Output(s):

Output 1: Increased capacities of key duty bearers to provide an enabling environment for claim holders' improved access to an enhanced natural resources base, sustainable energy and a cleaner environment

Output 2: Increased capacities of key duty bearers and claimholders to lead and support a sustainable national anticipatory climate change adaptation process

Output 3: Increased capacities of key duty bearers and claimholders at national and local levels to prevent disasters by managing environmental risks

Implementing Partner(s): **UNDP Philippines**

Other Partners:

Narrative

(this portion should highlight/present 2013 targets)

The Project Preparation Phase was extended to finalize the complete set of documentary requirements necessary for a UNDP-GEF compliant submission to the Special Climate Change Fund (SCCF). For this period, key stakeholders will be engaged in the conduct of the various preparatory activities that will inform the formulation of the Project Document of the Project in view of the comments received from the GEF Council Members. Activities for this period include finalizing the results framework, firming up the specific sites for intervention; clarifying additionality of proposed outcomes and interventions; ensuring integration with development plans, policies and complementary projects; and settling management arrangements for project implementation in accordance with UNDP and GEF policies and procedures and the GEF LDCF/SCCF/NPIF Trust Fund.

Programme Period: 2013
Programme Component: Energy and Environment
Intervention Title: **Scaling Up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines-Project Preparation Phase**
Budget Code: 00066836
Duration: 12 months

Estimated annualized budget: US\$25,003.00
Co-financing Government
Allocated resources: US\$
• Government _____
• Regular _____
• Other – SCCF-GEF: 25,003.00
UNDP TRAC US\$
Unfunded budget: _____

Agreed by:
(UNDP)



TOSHIHIRO TANAKA *Mr.*
Country Director



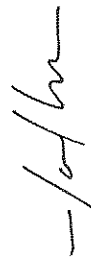
ANNUAL WORK PLAN

Empowered lives.
Resilient nations.


Award ID: : 00066836
 Project ID : 00082867
 Project Title : Scaling Up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines - PPG
 Year : 2013

Key Activities	Timeframe		Fund	Donor	Planned Budget		Amount US\$
	Start	End			Budget Description		
1. Preparation of project document	January 2013	December 2013	62000	GEF 10003	71300	Local Consultants	10,000.00
					75700	Meetings/Workshops	10,003.00
					71600	Travel	5,000.00
TOTAL							25,003.00

Prepared by:


 Michael Joseph Jaldon
 Programme Assistant

Recommending Approval:


 AMELIA D. SUPETRAN
 Team Leader, Energy and Environment Unit
 Date:



**INITIATION PLAN
FOR A GEF PROJECT PREPARATION GRANT (PPG) OR
PROGRAMME COORDINATION BUDGET (PCB)**

Country: Philippines

Relevant UNDAF Outcome(s) and Indicator(s): By 2018, capacities of vulnerable communities to adapt to climate change will have been enhanced. Indicators: % mortalities, morbidities and economic loss from extreme meteorological/met-induced events; % of productivity of sectors affected by climate change

Relevant CP/CPAP Outcome(s) and Indicator (s): Adaptive capacities of vulnerable communities and ecosystems are strengthened to be resilient to threats, shocks, disasters and climate change. Indicator: Percentage of local development plans incorporating and budgeting disaster risk reduction and climate change adaptation measures; percentage of degradation rates of critical environmental and natural resources; percentage decrease in mortalities, morbidities and economic losses from natural hazards and environmental degradation

Relevant UNDP Strategic Plan 2008-2011 Key Result Area: Environment and Sustainable Development

Expected Project Outcome (s) and Indicator (s): Vulnerable physical, natural and social assets strengthened in response to climate change impacts, including variability; targeted population groups participating in climate change adaptation and disaster risk reduction awareness activities

Project Output(s) and Indicator(s): Regulatory and fiscal incentive structures adjusted to stimulate private sector engagement in climate risk reduction for farming households; innovative financial mechanisms developed and applied to strengthen climate resilience in the agricultural sector in North Mindanao; farmer organizations and other stakeholders able to analyze climate risk, and develop and implement adaptation practices to enhance agricultural productivity and livelihood diversification

Programme Period: 20 Jun 2012 – 20 Jun 2013
 Programme Component: _____
 PPG Title: Scaling up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines
 ATLAS Award/Project IDs: 00066836 / 00082867
 PIMS Project ID: 5076
 Duration: 12 months
 Management Arrangement: DIM

Total budget:	\$152,000
Allocated resources:	
• SCCF	\$50,000
• UNDP	\$102,000

AGREED BY UNDP RESIDENT REPRESENTATIVE / UNDP DIRECTOR:

Renaud Meyer, Country Director

Signature:

Date: 31/5/12

Brief Description of Initiation Plan

The International Labor Organization (ILO), Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE) and the Philippine Crop Insurance Corporation (PCIC) of the Philippines requested GEF assistance to carry out a full-sized project on scaling up risk transfer mechanisms for climate vulnerable farming communities in Southern Philippines. The Project aims to provide assistance to scale up an existing adaptation initiative that applies a local financing and risk insurance model to rice and corn producers in vulnerable parts of North Eastern Mindanao, Philippines.

This initiation plan will be implemented from June 20, 2012 to June 20, 2013. Within this period, consultation and data gathering will be done at the national and local level to analyze national and sub-national policies and institutional capacities for sustaining and enhancing agricultural productivity and incomes in the face of increasing climate-related hazard and extreme events and longer term variability and change. The plan also includes defining and extending partnerships to support the 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.

GEF PPG/PCB approved grant document and TBWP



PROJECT PREPARATION GRANT (PPG)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: SCCF

Submission date: 04/20/2012

GEF PROJECT ID:

GEF AGENCY PROJECT ID: 5076

COUNTRY(IES): Philippines

PROJECT TITLE: Scaling Up Risk Transfer Mechanisms For Climate Vulnerable Farming Communities In South Philippines

GEF AGENCY(IES): UNDP,(select), (select)

GEF FOCAL AREA(s): Climate Change

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	06/20/2012
Completion date of PPG	06/20/2013

B. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:

COMPONENT 1: Technical Definition and Capacity Needs Assessment

1. Project formulation will be based on guidance provided by UNDP's toolkit for the design adaptation initiatives (2010) as well as relevant ILO experience provided through the Climate Change Adaptation Project (CCAP). The lead project development specialist will be recruited by ILO as co-financing to this PPG grant request. PPG resources will be used to hire a counterpart national consultant to support development of a UNDP-GEF compliant submission, as well as cover costs of related travel, meetings and consultations.

(a) Definition of project baseline

2. A detailed review of existing climate risk information and analysis relating to the South of Philippines and Northeastern Mindanao, in particular, will be undertaken drawing on available local and national studies from the DOST including its weather bureau, PAGASA, and the CCAP. This analysis will take stock of the current state of community resilience to existing climate variability and projected climate change impacts. The baseline analysis will provide details about current and planned development initiatives in the target areas and outline climate-related challenges that they are already facing and need to be addressed in order to make Northeastern Mindanao's agricultural systems more resilient to climate risks.

3. The baseline analysis will include a review of relevant ongoing development projects and programmes and produce an inventory of policies, laws, executive regulations and decrees that the provision of financial services, credits and loans relating to the agriculture sector. The information collected will contribute to a detailed root-cause analysis of climatic and non-climatic drivers that exacerbate farmer level vulnerability.

(b) Identification of current and projected climate change risks

4. PPG resources will be used to identify the most vulnerable municipalities within the proposed project area based on the pilot CCAP experience and collect available materials on climatic projections for the upcoming decade. Building both on relevant national studies, including the Second National Communication to the UNFCCC, resources will be used to target additional analysis identifying the existing and likely biophysical impacts, where they are likely to occur, on what scale, the timing of expected changes, and the socio-economic implications of climate change on agricultural systems, with a focus on the rural poor. The analysis will reflect the available range of climate and socio-economic scenarios on which impacts are projected, and define knowledge gaps that need to be addressed in the full-sized project.

5. PPG resources will be used to undertake a review of community vulnerabilities in order to guide the formulation of project interventions to complement the Integrated Financial Package (IFP) and Weather Index-based Insurance (WIBI) to be applied at larger scale. In particular, resources will be used for the following:

- To outline a technically sound description of how climate change is projected to affect rural agricultural communities (taking into account gender disaggregation) in their current setup (i.e. without additional risk mitigation measures). This analysis will be based on existing climate change scenarios.
- To estimate the likely costs and benefits of proposed project interventions (including probability of success) to mitigate identified climate change risks. Associated with this, a detailed description of expected project implications on existing institutional/policy/legislative frameworks will be made. This includes a review of relevant laws, regulations, responsibilities, and financing provisions that have a bearing on a conducive structural environment for climate change adaptation.

6. Stakeholder consultations, taking into account gender specifics, and validation with relevant governmental and non-governmental agencies, the private sector and other bilateral donors, will supplement the findings of the climate change risk review and inform the technical feasibility and needs assessment for the proposed project.

(c) Identification of specific sites for intervention

7. Based on the information in (a) and (b), a selection will be made of specific locations that this project will focus on in addition to the original CCAP areas. An assessment of the location specific risks that this scaling up project will need to overcome will be clarified and inform the overall design of the project. A participatory stakeholder approach to site selection and definition of priority research needs (involving relevant local institutions, the private sector, research organisations and representatives of civil society) will be employed and outlined in the UNDP-GEF Project Document. The financial scope of the FSP will be aligned with the project's potential for wider regional impact and maximum replication of adaptation benefits.

(d) Clarifying additionality of proposed Outcomes and interventions

8. The additionality of the proposed project, relative to baseline development needs, will be clarified in the context of the proposed Outcomes as outlined in the PIF. A detailed description will be provided on how SCCF resources will be directed towards the additional cost of ensuring that baseline provision of financial services for the rural poor incorporate climate change concerns. Towards this end, stakeholder consultations will be undertaken to assess the current range of resilience-enhancing and/or mal-adaptive activities that are already taking place across the target areas, as a basis for building in additional adaptation measures.

9. This review will include an inventory of who is doing what, at which scale and in which municipalities. This information will ensure that the design of the full-size project document links to other, planned and ongoing activities. The inventory will contribute to explicitly describing specific urgent and immediate adaptation actions that require additional responses to account for climate change-induced risks. It will also inform key activities in alignment with UNDP and ILO's core competencies and comparative advantage.

10. The review and stakeholder consultations will facilitate discussions with other local and international institutions pursuing similar objectives/outcomes, and identify important partnerships including co-financing opportunities, for example the World Bank's PhilCCAP project.

(e) Integration with development plans, policies and complementary projects

11. A review of existing national and sub-national policies, procedures, guidance and other entry points for the delivery of financial services to rural farmers will be carried out, drawing on the experience of the pilot CCAP and the work relating to the Policy paper on Guidelines for Innovative Financing under the said project. This will help to identify some of the key policy linkages between existing conditions and the SCCF project which need to be addressed in the full scale project. These could include establishment of incentives for private sector engagement in climate financing for the rural poor, policy measures to promote improved flow, analysis and use of climate risk information in the design of financial service packages, or opportunities for the design of specific guidance on climate resilience and vulnerability to inform policy making .

(f) Delivery of the Integrated Financing Package

12. An existing IFP product has already been developed and rolled out to rural farmers under the pilot CCAP. PPG resources will be used to initiate a process of tailoring and replicating, i.e. delivering these packages to selected new sites with considerations to conditions in the new municipalities and communities under the SCCF grant. This work will help to shape the IFP and WIBI for the new areas taking into account the need for new financing intermediaries, viable livelihood diversification options and a tailored menu of risk reduction and adaptation measures to suit locally felt climate hazards and risks.

(g) Additional measures

13. The proposed SCCF grant will help to identify and put in place the conditions to support additional community level resilience measures, such as Early Warning Systems and the provision of livelihood diversification linked to the green economy. PPG resources will be used to scope out practical measures needed for replicating the EWS to 4 additional municipalities (installation of physical devices, training of monitors and establishment of information protocols) based on CCAP experience and on community consultations, specialist technical inputs by other project stakeholders.

COMPONENT 2: Institutional arrangements, Monitoring and Evaluation

13. The outputs of Component 1 will be used as technical input for the formulation of a full-sized UNDP-GEF compliant Project Document for the proposed project. Technical assistance will be required by national and international consultants who are (i) experienced in GEF project formulation; (ii) familiar with UNDP project implementation requirements; (iii) technically competent in the analysis of climate change impacts and adaptation options in the context of the project scope outlined in the PIF; and (iv) familiar with the institutional setting in South Philippines.

(a) Finalization of a Strategic Results Framework and definition of monitoring and evaluation provisions

14. PPG resources will be invested into a participatory approach to finalize a detailed Strategic Results Framework, which includes revision and confirmation of the project goal, objective, outcomes, outputs, and their corresponding indicators of success. Qualitative and quantitative monitoring and evaluation indicators to measure and verify successful delivery of Project Objective and Outcomes will be communicated to stakeholders. The FSP will furthermore contain a work plan to guide the project implementation phase. A Monitoring and Evaluation strategy will be defined including clear identification of responsibilities and institutions, as well as an appropriate budget allocation (based on best practices and UNDP guidelines). This will also reflect the requirements of the Implementing Agency (ILO) vis-à-vis its standard reporting and evaluation mechanisms. The Monitoring Plan will make reference to the above described qualitative and quantitative indicators that will measure the state of adaptive capacity at various stages of project implementation. Provisions for independent evaluation and provisions to ensure learning of lessons from implementation will be included.

(b) Definition of project roles and responsibilities

15. A delivery strategy with clearly identified roles and responsibilities of specific institutions for the overall management of the project will be specified. A coarse capacity assessment will be undertaken with relevant Ministries and/or other appropriate local institutions that could support implementation of the full size project. Details on oversight of technical activities, including requisite reporting procedures, will be established. UNDP guidelines as articulated in the Results Based Management Framework will be followed in formulating and describing these details.

(c) Exit Strategy (Sustainability)

16. A detailed sustainability strategy will be defined in order to ensure replication of project benefits beyond the lifetime of the project. The PPG phase will focus on tangible milestones and agreements within the project cycle to ensure propagation of additional investment decisions for the replication of project benefits.

COMPONENT 3: Stakeholder Consultations

17. PPG resources will be utilized to engage key stakeholders at the national/sub-national and community level during the project design phase beginning with those involved in the CCAP pilot. In alignment with the approved project objective, a comprehensive stakeholder dialogue will be initiated to determine stakeholder needs vis-à-vis adaptation to potential climate change impacts, existing barriers to adaptation, expertise that might be helpful in designing and evaluating the project, and mapping of stakeholders who have been involved in similar initiatives or planning processes. The following activities will be undertaken:

(a) Mobilize and engage stakeholders

18. Participatory development of a general project framework will be followed by approval and endorsement by key stakeholders. The successful completion of the preparatory phase will require participation by a diverse range of number of key stakeholders:

- Public and international institutions that monitor and produce information related to climate change impacts in Philippines;
- National agencies, local authorities, private sector organisations (such as Banks), NGOs and international technical cooperation bodies, and communities will be consulted in order to establish an effective framework for the proposed project;
- A plan for project management during the implementation phase of the FSP will be discussed and

finalized .

(b) Definition and extension of partnerships

19. The PPG phase will include discussions with local communities and stakeholders to map existing adaptation requirements and knowledge gaps. Partnership requirements for support and co-funding at various levels (including government, private sector, NGO, and bilateral partnership arrangements) will be explored and outlined in the project document. Involvement of the media will be clarified and summarized under a defined communication strategy aimed at performing policy advocacy and dissemination of lessons learned.

(c) Community Mobilization

20. A work plan based on a participatory stakeholder approach will be developed to mobilize local communities to contribute to the definition, implementation, monitoring and evaluation of relevant project components. This may include community participation in tracking the delivery of specific project Outcomes.

COMPONENT 4: Financial planning and co-financing definition

(a) Facilitation and support of Government negotiations and consultations on project-related issues

21. PPG resources will be used to finance the cost of facilitating and supporting the national government and Caraga region to reach agreement on project objective, outcomes, outputs and indicators and finalize government contributions and partnerships for support and co-funding of the envisaged project results.

(b) Exploration of Multilateral and Bilateral co-funding opportunities

22. PPG resources will be used to finance the cost of partnership development and the pursuit of co-financing opportunities at various levels with bilateral, multi-lateral funding institutions and domestic formal and non formal financing institutions. The PPG will enable networking at the global and national level in order to ensure a coherent and sustainable financing approach with perspectives beyond the project lifetime.

(c) Preparation of official endorsement letters and guarantees

23. An official endorsement letter will be prepared by the GEF Operational Focal Point of the Government of Philippines. Co-financing guarantees will be collected from participating government institutions, bilateral development partners, multilateral development partners, financing organisations and NGOs who provide in cash or in kind contributions to this project.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Trust Fund	Grant Amount (a)	Co-financing (b)	Total c = a + b
Technical definition and capacity needs assessment	1. Project goal, objective, outcomes, outputs and activities defined. 2. Description of geographical breakdown of project	SCCF	24,500	32,000	56,500

	<p>across provinces and municipalities.</p> <p>3. Specification of all adaptation activities to be financed by SCCF and their adaptation rationale, based on an assessment of existing financial services provision for rural farmers.</p> <p>4. Collation and synthesis of supporting documentation to justify project interventions</p> <p>5. Review and analysis of current and past government, private sector and donor projects relating to strengthening resilience in Mindanao.</p> <p>6. Clear description of baseline activities and related sources of co-financing</p>				
Institutional arrangements, monitoring and evaluation	<p>1. Project management and reporting arrangements defined</p> <p>2. Workplan with detailed roles, responsibilities and timeline for project implementation</p> <p>3. Strategic results framework and M&E system defined with quantifiable and verifiable impact indicators.</p> <p>4. Review and summary of policy and regulatory framework for financial services provision and climate risk management.</p>	SCCF	8,000	12,000	20,000
Stakeholder	1. Stakeholder	SCCF	12,500	25,500	38,000

consultations	involvement plan with focus on community level beneficiaries 2. Detailed list of all stakeholder consultations during PPG				
Financial planning and cofinancing	1. Endorsement letters and letters confirming co-financing commitments obtained 2.	SCCF	5,000	7,500	12,500
PPG Management	1. List of all PPG activities including financial reconciliation 2. UNDP-GEF compliant full-sized project document for submission to SCCF including AMAT framework.	SCCF		25,000	25,000
		(select)			0
		(select)			0
		(select)			0
		(select)			0
		(select)			0
		(select)			0
		(select)			0
Total Project Preparation Financing			50,000	102,000	152,000

C. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

	Project Preparation	Agency Fee
Grant Amount	50,000	5,000
Co-financing	102,000	
Total	152,000	5,000

D. PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)'

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
SCCF	UNDP	Climate Change	Philippines	50,000	5,000	55,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0

(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total PPG Amount			50,000	5,000	55,000	

¹ No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

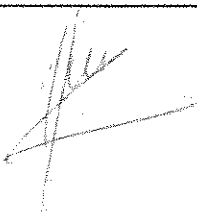
E. PPG BUDGET

Cost Items	Total Estimated Person Weeks for Grant (PW)	Grant Amount (\$)	Co-financing (\$)	Total(\$)
Local consultants *	21.00	26,250	5,250	31,500
International consultants*			41,750	41,750
Travel		10,000	8,000	18,000
Workshops		13,750	22,000	35,750
Management			25,000	25,000
				0
Total PPG Budget		50,000	102,000	152,000

* Annex A for Consultant cost details should be prepared first before completing this table. See notes on Annex A for the required detailed information. This table is the sum of all local and international consultants presented in Annex A.

F. GEF AGENCY(IES) CERTIFICATION

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

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Yannick Glemarec, UNDP/GEF		April 20, 2012	Angus Mackay Gr-LECRDS	+6622882784	angus.mackay@undp.org

Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Type of Consultant	Position / Titles	\$/ Person Week ¹	Estimated PWs ²	Tasks to be Performed
Local	National Project Development And Climate Change Specialist	1500	21.00	<p>The consultant will support the ILO lead project development specialist in compiling a full GEF compliant submission. Specific tasks include the following:</p> <ul style="list-style-type: none"> - Compile and collate existing baseline data, including available climate scenarios and impact information, both current and projected for the South of the Philippines. - In consultation with ILO project development specialist identify vulnerable sites to climate related risks. - Prepare problem analysis and identify adaptation options to promote resilience to climate change in the agriculture sector. - Assess options for establishment of EWS and related DRM investments at community level. - Assess options for livelihood diversification linked to green economy and green jobs. - Carry out baseline assessment of specific project sites contributing to AMAT development. - Support project development specialist to prepare project documentation.
(Select)				
(Select)				
(Select)				
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(Select)				
(Select)				

¹ Provide dollar amount per person week.

² Provide person weeks needed to carry out the task

Total Budget and Workplan

Award ID:	00066836	Project ID(s):	00082867
Award Title:	PIMS 5076 PPG: Scaling up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines		
Business Unit:	PHL10		
Project Title:	Philippines: Scaling up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines		
PIMS no.	5076		
Implementing Partner (Executing Agency)	UNDP		

GEF Outcome/Atlas Activity	Responsible Party/Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount 20012 (USD)
Project Preparation Grant to formulate a full size project - Scaling up Risk Transfer Mechanisms for Climate Vulnerable Farming Communities in Southern Philippines	UNDP	62180	SCCF	71300	Local Consultants	26,250
				75700	Workshop	13,750
				71600	Travel	10,000
					sub-total	50,000



Annual Work Plan

Philippines - Manila

Award Id: 00066836

Award Title: Scaling Up Risk Transfer Mechs for Farming CommunitiesPHL

Year: 2012

Report Date: 5/29/2012

Project ID	Expected Outputs	Key Activities	Timeframe		Responsible Party	Planned Budget				
			Start	End		Fund	Donor	Budget Descr	Amount US\$	
00082867	Scaling Up Risk Transfer Mechs	PPG: Scaling up risk transfe			UNDP	62180	GEF Trustee	71600	Travel	10,000.00
					UNDP	62180	GEF Trustee	71300	Local Consultants	26,250.00
					UNDP	62180	GEF Trustee	75700	Training, Workshops and Confer	13,750.00
TOTAL										
GRAND TOTAL										
50,000.00										