

**GRANT ARRANGEMENT**

**BETWEEN**

**THE DEPARTMENT OF FOREIGN AFFAIRS TRADE AND  
DEVELOPMENT**

**AND**

**THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

**Accelerating Green and Climate Finance in the Philippines**

## GRANT ARRANGEMENT

**BETWEEN:** The Department of Foreign Affairs, Trade and Development (hereinafter referred to as "DFATD");

**AND:** The United Nations Development Programme/UNDP (hereinafter referred to as "the Organization");

Individually or together hereinafter referred to as the "Participant(s)".

DFATD wishes to provide a grant (hereinafter referred to as the "Grant") to support the Project/ entitled "Accelerating Green and Climate Finance in the Philippines", (hereinafter referred to as the "Project");

The Organization will implement the Project directly or enter into agreement(s) with implementing partner(s)/third parties as necessary to ensure the successful implementation of the Project;

The purpose of this Grant Arrangement (hereinafter referred to as the "Arrangement") is to set out the terms concerning the transfer and administration of the Grant;

The respect for human rights, democratic principles, the rule of law, gender equality and good governance, including the fight against corruption, and the promotion of global health security, are fundamental principles on which the cooperation between the Participants rests and which constitute essential elements of this Arrangement;

NOW THEREFORE, under this Arrangement, the Participants have reached the following understanding:

### **Paragraph I The Grant**

- 1.1. Upon signature of this Arrangement by both Participants, DFATD will make a total payment of an amount of four million five hundred thousand Canadian dollars (CDN \$4,500,000) based on the following installment schedule for the purpose of the Project described in Annex A:

	<b>Payment, no later than</b>	<b>Amount:</b>	<b>DFATD Fiscal Year</b>
1.	March 31, 2022	\$2.0M	2021-2022
2.	March 31, 2023	\$625,000	2022-2023
3.	March 31, 2024	\$625,000	2023-2024
4.	March 31, 2025	\$625,000	2024-2025
5.0	March 31, 2026	\$625,000	2025-2026

- 1.2. Any change to the installment payment schedule above will be made through an amendment to this Arrangement in accordance with the provisions of Paragraph XVI below.
- 1.3. DFATD will make the payment(s) to the Organization through bank transfer(s), in the Organization's bank account as follows:
- Bank Name: Bank of America, Canada  
Bank Address: 200 Front St. West, 26th Floor, Toronto, Ontario M5V 3L2, Canada.  
Account Name/Title: United Nations Development Programme  
Branch Number (Transit): 56792  
Financial Institution Number: 241  
Acct. Number: 711442252220
- 1.4. DFATD will inform the Organization when the Grant or any installment of the Grant is paid via an e-mail message with remittance information to [contributions@undp.org](mailto:contributions@undp.org). The Organization will confirm receipt of payment(s) and the value of the payment(s) to DFATD by email at [Jona.Cabaguio@international.gc.ca](mailto:Jona.Cabaguio@international.gc.ca).
- 1.5. The value of the Grant, made pursuant to this Arrangement, will be determined by applying the United Nations operational rate of exchange for US Dollars in effect on the date of payment(s). The Organization's commitments for implementation of the Project under this Arrangement are contingent upon receipt of the Grant and are limited by the value of the Grant.

## **Paragraph II Utilization of the Grant**

- 2.1. The Grant will be received, administered, used and expended by the Organization in accordance with the Organization's regulations, rules, policies and procedures, as well as the terms of this Arrangement.
- 2.2. The Organization will ensure that the Grant is utilized exclusively for the purpose of the Project.
- 2.3. DFATD may withhold payment or request reimbursement of the Grant, should DFATD reasonably determine that the Organization:

- a) Used the Grant for purpose other than the Project described in Annex A. The Participants acknowledge that “used the Grant for a purpose other than the Project described in Annex A” means when the Organization applies the Grant for a different project than the one described in Annex “A”;
  - b) Receives a payment made in error. The Participants acknowledge that “error” will mean (a) when the payment is sent to the Organization by mistake as it should have been sent to a different organization and/or (b) when the Organization applies the payment to a different country programme and/or a different project than the one agreed by the Participants.
- 2.4. Sub-paragraph 2.3 a) will not apply to the misuse of funds by implementing partner(s)/third parties, which will be governed by paragraph XIX. The Participants understand that DFATD will, before withholding any payment, consult with the Organization as per paragraph XII of this Arrangement.

### **Paragraph III Liability**

- 3.1. DFATD will not be held liable for any contractual commitments entered into by the Organization with any third party for the implementation of the Project.
- 3.2. DFATD will have no liability for any claims arising from the implementation of the Project or any infringements of intellectual property of others.

### **Paragraph IV Access to Information, Confidential Information and Intellectual Property**

- 4.1. The Participants acknowledge and agree that this Arrangement and information with respect to the Project described in Annex A and arising from the implementation of the Project will be disclosed in accordance with the Participants’ respective access to information and privacy disclosure regulations, rules, policies, procedures and laws.
- 4.2. The Participants will mutually ensure that any information of a confidential nature will be treated as confidential. Any documents that one Participant provides to the other and which it considers to be confidential in nature will be clearly marked as such. The Participants will use all reasonable efforts to protect the confidential information from disclosure to any third party. Such efforts will be governed by the Participants’ respective regulations, rules, policies, procedures and laws.
- 4.3. The Participants understand that any intellectual property resulting from the Project of the Organization undertaken under the Project set out herein will be vested in the Organization. The Organization agrees to allow DFATD use of such Intellectual Property, free of charge, for non-commercial Purposes. The Organization also acknowledges that the Project is part of an international assistance Program and that any Intellectual Property rights created by virtue of the Grant will only be asserted in a manner that promotes the interests and objectives of the Project of international assistance and where possible, maximizes the use of the products created by virtue of the Grant.

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- 4.4. The Organization will make reasonable efforts to ensure that any intellectual property rights provided under this Arrangement will not infringe on the intellectual property rights of others

**Paragraph V No employee or agency relationship**

- 5.1. This Arrangement is neither a contract for services nor a contract of service or employment. No provision in this Arrangement creates or may create a joint venture, an association, or a partnership, employment or agency relationship, mandate, representation or delegation between DFATD and the Organization.
- 5.2. The Organization is responsible to ensure its own security and the security of its personnel, in accordance with the Organization's regulations, rules, policies and procedures. DFATD assumes no responsibility for the security of the Organization or its personnel.

**Paragraph VI Equipment and Material Purchases**

- 6.1. Ownership of equipment, supplies and other properties financed from the Grant will vest in the Organization. Matters relating to the transfer of ownership by the Organization of such equipment, supplies and other properties will be determined in accordance with the relevant regulations, rules, policies and procedures of the Organization, unless otherwise agreed to and specified in Annex A. Procurement to be implemented by the Organization will be in accordance with the Organization's procurement regulations, rules, policies and procedures exclusively.

**Paragraph VII Administration and Reporting**

- 7.1. All financial accounts and statements will be expressed in United States dollars.
- 7.2. The Organization will provide DFATD with the following reports:
- 7.2.1. An annual results-based narrative report, within three (3) months of the end of each calendar year including an interim financial report, which provides an evidence-based assessment of progress on or toward the achievement of expected outputs, outcomes and impact. This annual results-based narrative report should provide evidence of performance using actual data on output, outcome and impact level performance indicators, identified in the relevant results framework for this Project, in comparison to baseline and targets.

The annual results-based narrative report should be accompanied by an annex providing actual data on each performance indicator as per its collection frequency.

The annual-results based narrative report will outline the following:

- a) an analysis of the key challenges and constraints internal and external to the Organization and which may influence the success of the Project as a whole, as well as explanations of variance between expected and actual results, lessons learned and mitigation measures. The organization will also describe the organization's efforts to ensure sustainability of results achieved and specify

whether the Project is on track to achieve the Project's expected outputs, outcomes and impact;

- b) if relevant, an assessment of how the Organization's gender equality strategy, if any, is being implemented by the Project and how it is contributing to the achievement of expected Project results;
  - c) if relevant, a summary of environmental issues that affect and or arise from the Project and how they are being addressed to ensure expected results are achieved;
  - d) if relevant, a summary of what governance and human rights issues affect the Project and description of how governance considerations (i.e. capacity and responsiveness; efficiency and effectiveness; transparency and accountability; equity, equality and non-discrimination; participation and inclusion) have been taken into account to address the issues in the design, implementation, results and monitoring of the Project.
- 7.2.2. An annual certified financial report as of December 31st of every year to be submitted within six (6) months of the end of each calendar year.

7.2.3. If relevant a final narrative report within three (3) months of the completion of the Project, the expiry or termination of this Arrangement including an interim financial report. The report will include an evidence-based analysis of cumulative outputs, outcomes, and impact achieved over the course of the Project. This final narrative report should provide evidence of performance using actual data on output, outcome and impact level performance indicators, identified in the relevant results framework for this Project, in comparison to baseline and targets.

The final narrative report should also be accompanied by an annex providing actual data on each performance indicator as per its collection frequency. The report should also outline challenges and lessons learned, and include a summary of considerations identified in above Paragraphs 7.2.1 b), c) and d), and how the Project is ensuring the sustainability of results achieved.

- 7.3. A final certified financial report to be submitted by 30 June of the following year of the completion of the Project, the expiry or termination of this Arrangement.
- 7.4. At DFATD's request and expense in consultation with the Organization, more frequent reports.

### **Paragraph VIII Administrative and Support Services**

- 8.1. The Grant will be subject to cost recovery for indirect costs (General Management Support (GMS)) services equal to eight percent (8%) of the total value of the Grant in accordance with the Organization cost recovery policy. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation of the Project, including the costs of the third parties, will be borne by the Grant and reflected in the Project budget.

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**Paragraph IX Audit**

- 9.1. The Grant will be subject exclusively to the provisions on external and internal audit provided for in the Organization's financial regulations, rules, policies and procedures. The external audit report will be disclosed by the United Nations Board of Auditors at <http://www.un.org/en/auditors/board/reports.shtml>, or at such other URL as the Board of Auditors may from time to time decide. The internal audit report will be publicly disclosed in accordance with the protocols established by the Organization's Executive Board, subject to limitations contained in the relevant decisions of the Organization's Executive Board. The Organization will inform DFATD when the external audit reports are disclosed and if there is a change in URL.
- 9.2. Any part of the Grant transferred to implementing partner(s)/third parties will be audited and the corresponding report disclosed in accordance with the Organization's financial regulations, rules, policies and procedures.

**Paragraph X Evaluation**

- 10.1. The Project will be evaluated in accordance with Organization's regulations, rules, policies and procedures.
- 10.2. The evaluation reports of the Organization which are publicly disclosed can be found at: <https://erc.undp.org>, or at such other URL as the Organisation may from time to time decide. The Organization will inform DFATD when the evaluation report is disclosed and if there is a change in URL <https://erc.undp.org>.

**Paragraph XI Visibility**

- 11.1. Where appropriate, the Organization will ensure visibility and provide public recognition of DFATD's support in publications, speeches, press releases, websites, social media or other communication material in accordance with the Organization's policies and procedures. The Organization will supply DFATD with a copy of any written or electronic material acknowledging DFATD's support. DFATD may provide content and input acceptable to the Organization into any supporting communication material.
- 11.2. The Organization will provide at least fifteen (15) days advance notice to DFATD (unless otherwise agreed upon) of any planned initial public announcement of Canada's support. DFATD reserves the right to make the initial public announcement or participate in any official ceremony, public event or announcement made by the Organization.
- 11.3. All public materials issued jointly by DFATD and the Organization must be judged acceptable by both Participants and will be made available in both English and French.

**Paragraph XII Consultation**

- 12.1. DFATD and the Organization will consult each other in respect of any matter that may arise in relation to this Arrangement.

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**Paragraph XIII Suspension**

- 13.1. Following consultations as provided for in paragraph XII, either Participant may at any time suspend this Arrangement in whole or in part by a written notice of its intent to do so to the other Participant. Both Participants will endeavour to identify ways and means to manage the suspension, thereby mitigating the impact on the Project until such time that the suspension is lifted.
- 13.2. DFATD will nevertheless cover any commitments entered by the Organization up to the date on which the notice of suspension takes effect.

**Paragraph XIV Notification of Completion of activities and Termination**

- 14.1. The Organization will notify DFATD when all activities relating to the Project have been completed.
- 14.2. Following consultations as provided for in paragraph XII, either Participant may at any time terminate this Arrangement in whole or in part by giving ninety (90) days' written notice of its intent to do so to the other Participant.
- 14.3. DFATD will nevertheless cover any commitments entered by the Organization up to the date on which the notice of termination takes effect. The Organization will continue to hold unutilized portion of the Grant in order for the Organization to bring the Project activities to an orderly conclusion
- 14.4. Any portion of the Grant that remains unexpended after such commitments have been satisfied will be reallocated by the Organization, in consultation and agreement with DFATD.

**Paragraph XV Environmental Assessment**

- 15.1. This Arrangement may involve the carrying out of one or more components that is likely to cause negative environmental effects. The Organization will ensure that the project is not likely to cause significant adverse environmental effects. The Organization will ensure that the management of environmental effects, including any analysis, is carried out in accordance with the environmental processes and requirements of the Organization.
- 15.2. Upon DFATD's request, the Organization will provide DFATD with a copy of any environmental analysis(-es) and any supporting documentation.
- 15.3. DFATD may also evaluate whether the management of environmental effects was carried out in accordance with the environmental process(-es) and requirements of the Organization.
- 15.4. The Organization will explicitly and systematically implement environmental considerations identified in the Arrangement, and in any subsequent environmental analysis, at all stages of the project.
- 15.5. As part of its regular reporting, the Organization will report to DFATD on the application of the above provisions.



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**Paragraph XVI Amendment of the Arrangement**

16.1. This Arrangement may only be amended prior to the expiration or earlier termination of this Arrangement in writing and must be signed and dated by both DFATD and the Organization.

**Paragraph XVII Notice and Communication**

17.1. Any notice to be given to either Participant with respect to this Arrangement will be effectively given if delivered or sent by registered letter or facsimile addressed to the other Participant at the address given in this Paragraph. The address of either Participant may be changed by notice in the manner set out in this Paragraph.

17.2. Any notice or communication to DFATD will be addressed to:

Department of Foreign Affairs, Trade and Development  
TITLE Acting Head of Cooperation  
Division OSP  
Branch OGM  
Address 8<sup>th</sup> Floor Tower 2, RCBC Plaza, Makati City, Philippines  
Telephone +63 908 8162009  
E-mail : Stephane.Duval@international.gc.ca

17.3. Any notice or communication to the Organization will be addressed to:

Ms. Floradema C. Eleazar  
Team Leader, Climate Action Programme Team, UNDP Philippines  
15th Floor, Rockwell Business Center – Sheridan  
Mandaluyong City  
floradema.eleazar@undp.org  
09175502874

**Paragraph XVIII Entire Understanding**

18.1. This Arrangement together with Annex A, and B which form an integral part hereof, constitutes the entire understanding between DFATD and the Organization with respect to the Project.

**Paragraph XIX Proscribed Practices (Anti-Corruption)**

19.1. The Organization and DFATD understand that it is important to take all necessary precautions to avoid any proscribed practice as this term is defined in the Organization's Oversight Policy. To this end, the Organization will, inter alia, maintain standards of conduct that govern the conduct of its staff, including the prohibition of proscribed practices in connection with the award and administration of contracts, agreements, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the Organization's Financial Regulations and Rules, and the Organization's Procurement Policies and Procedures.

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- 19.2. Any investigation into allegations of proscribed practices under sub- paragraph 19.1 or attempts to recover any misused Grant funds will be subject exclusively to the terms of the Organization's regulations, rules, policies and procedures, the terms of the Organization's Oversight Policy, and the relevant resolutions and decisions of the General Assembly.
- 19.3. In respect of such amount(s) of the Grant that the Organization has been able to recover as provided for in sub-paragraph 19.2 above, the Participants will consult to decide whether the amount be returned to DFATD or be re-programmed at DFATD's request.

### **Paragraph XX Anti-Terrorism**

- 20.1. Consistent with numerous United Nations Security Council resolutions, including, but not limited to S/RES/1269 (1999), S/RES/1368 (2001), and S/RES/1373 (2001), both DFATD and the Organization are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the laws of Canada that none of its funds are used, directly or indirectly, to support individuals or entities associated with terrorism.
- 20.2. As required by the Organization's regulations, rules, policies and procedures, the Organization will screen potential third parties to ensure the Organization does not knowingly work with any implementing partner(s)/third parties appearing on the Consolidated United Nations Security Council Sanctions List as modified during this Arrangement.
- 20.3. The Organization will make its best efforts to provide to DFATD a list of implementing partner(s)/third parties before the signature of this Arrangement. If not received before signature, the Organization will provide to DFATD the list of third parties as soon as it is available.
- 20.4. Any payments to implementing partner(s)/third parties that the Organization will make from the Grant will be made only to third parties listed in Annex A. Any change to the list of third parties included in Annex A will be submitted to DFATD in writing, no later than thirty (30) days before signing any agreement with the proposed new third party. Annex A will be updated as necessary without a formal amendment as stated in Paragraph XVI.
- 20.5. DFATD may, from time to time, inform the Organization in writing if it has identified implementing partner(s)/third parties included in Annex A that are associated directly or indirectly with terrorism. In such instance, DFATD and the Organization will discuss and determine in good faith an appropriate course of action, including reallocation of remaining funds, suspension or termination of this Arrangement.
- 20.6. The Organization will include an appropriate clause in its agreements with implementing partner(s)/third parties requiring that the third parties use all reasonable efforts to ensure that no funds transferred are used to benefit individuals or entities appearing on the *Consolidated United Nations Security Council Sanctions List*.

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**Paragraph XXI Economic Sanctions**

- 21.1. It is a term of this Arrangement that the Organization will respect the international economic sanctions imposed by the United Nations.
- 21.2. DFATD may, from time to time, inform the Organization in writing if it has identified a third party acting in violation of international economic sanctions imposed by the United Nations. In such instances, DFATD and the Organization will discuss and determine in good faith an appropriate course of action, including reallocation of remaining funds, suspension or termination of this Arrangement.

**Paragraph XXII Sexual Exploitation and Abuse & Sexual Harassment and Abuse of Authority**

- 22.1 The Participants are firmly committed to take all necessary precautions to prevent and address sexual exploitation and abuse or sexual harassment and abuse of authority (SEA/SHA).
- 22.2 With respect to allegations of misconduct including SEA/SHA, the Organization will take timely action, including investigation, in accordance with its regulations, rules, policies and procedures. In case of major credible allegations that may affect UNDP, brought to the attention of UNDP's Bureau for External Relations and Advocacy (BERA), BERA will inform DFATD in a timely manner of such allegations of SEA/SHA provided that such information does not jeopardize the proper conduct of the investigation or the due process rights of the individuals involved.
- 22.3 The Organization will also inform DFATD of the investigation's outcome through UNDP reporting process.
- 22.4 The Organization will include a similar clause in its agreements with implementing partner(s)/third parties ensuring that they adopt their own policies and procedures to prevent sexual exploitation and abuse or sexual harassment and abuse of authority.
- a) "Sexual Exploitation" means any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including but not limited to, profiting monetarily, socially or politically from the sexual exploitation of another;
  - b) "Sexual Abuse" means the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions; and
  - c) "Sexual Harassment" means any unwelcome conduct of a sexual nature, that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment. Sexual harassment may occur in the workplace or in connection with work. While typically involving a pattern of conduct, sexual harassment may take the form of a single incident. In assessing the reasonableness or expectation or perceptions, the perspective of the person who is the target of the conduct shall be considered.

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**Paragraph XXIII General Provisions**

- 23.1. DFATD seeks to ensure that no current or former public office holder, member of the Canadian House of Commons, member of the Senate or public servant of the Government of Canada who is not in compliance with the Canadian Conflict of Interest Act, 2006, c. 9, s. 2, the Conflict of Interest Code for Members of the House of Commons, the Conflict of interest code for Senators, the Values and Ethics Code for the Public Service and the Values and Ethics Code for the Public Sector will derive a direct benefit from this Arrangement. It is the obligation of such persons to ensure compliance with their obligations under the above Canadian laws and codes.
- 23.2. This Arrangement will not be assigned by the Organization without the prior written consent of DFATD.
- 23.3. Any payment to be made under this Arrangement is subject to there being an appropriation by the Parliament of Canada for the fiscal year in which the payment is to be made. If DFATD's appropriation is changed by the Parliament of Canada, DFATD may reduce the Grant or terminate this Arrangement with a written notice to the Organization.
- 23.4. This Arrangement is not an international treaty and does not create any obligation under public or private international law. It is an administrative arrangement between DFATD and the Organization.
- 23.5. Nothing in or relating to any provision in this Arrangement will be construed as constituting a waiver, express or implied, of any of the privileges and immunities of the Participants.
- 23.6. Any difference arising out of or relating to this Arrangement will be settled amicably by the Participants.

**Paragraph XXIV Coming into Effect; Term; Expiration**

- 24.1. The Arrangement will come into effect on the date of the last signature and will remain in effect until December 31, 2026.



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## ANNEX A

### PROJECT DOCUMENT

#### Accelerating Green and Climate Finance in the Philippines

##### 1. Project Summary

The Philippines is highly vulnerable to the impacts of climate change, including the rise in sea levels, increased frequency of extreme weather events (e.g. typhoons), and rising temperature. The country's high exposure to natural hazards, dependence on climate-sensitive natural resources, and rapid degradation of natural resources severely impact the lives of Filipinos, especially women, children, and inhabitants of the poorest and most vulnerable communities. Climate change further diminishes the protective function of ecosystems, such as shoreline protection, flood control, soil stability and habitats for biodiversity. While there has been a notable increase in the government budget allocation since the adoption of the Natural Climate Change Action Plan (NCCAP) and the Philippine government's inclusion of climate resilience in the Philippine Development Plan, there is an estimated annual financing gap of US\$3.72 billion for climate-related investments (mitigation and adaptation), and US\$381 million to fully implement the Philippine Biodiversity Strategy and Action Plan (2015-2028) in the Philippines.

The impact of climate change and increasing biodiversity loss on both public and private sector investments is clear, as is the need to increase and implement responsive interventions that will reach the most vulnerable sectors of society. The private sector represents an untapped potential with its ability to mobilize resources to support climate and nature-based investments. There is a clear business case for private sector investment in climate and nature-based solutions – both from a financial and a risk management perspective. In addition, there is increasing evidence of the significant business opportunity – both for investors and private sector innovators – in contributing to climate mitigation and adaptation measures. Providing support to a Philippines-specific climate financing initiative focused on nature-based solutions at this time could help further catalyze private sector investments in climate action, particularly as public resources are strained from the impacts of COVID-19 response.

The Project will contribute to Canada's Feminist International Assistance Policy commitment to support developing countries to transition to low-carbon, climate-resilient economies and to Canada's Paris commitments. The Project is aligned with Canada's International Climate Finance and Biodiversity Program, specifically by taking a gender-responsive approach to climate governance and nature-based climate solutions.

The Project will contribute to the improved resiliency and environmental security for Filipino women and vulnerable communities by strengthening the climate financing environment in the Philippines. It will accelerate the private flow of capital to investments in nature-based solutions (NBS) for climate through an establishment of a climate finance lab. It will work towards aligning investment opportunities created by government policy with increasing demand for green projects from investors. The project will create an ecosystem for

innovative financing, address capacity gaps, and strengthen monitoring and reporting on the SDG impacts of green and climate investments. To enhance policy coherence and support the enabling environment for innovative financing mechanisms for climate and green investments, UNDP will strengthen existing platforms for evidence-based policy dialogue among government, development partners and the private sector. The project will also establish a climate finance lab in the Philippines that will curate innovative nature-based solutions for climate finance solutions, attract capital from private sector, and implement green and climate investments. This will include a focus on supporting the design, implementation and financing of bankable nature-based climate solutions, and also raise financing for marine protected areas. The Project's approach will include improving the capacities of finance institutions to design and incorporate gender-responsive and green and climate-related policies in their lending programs. The Project will also establish an impact management system to report on SDG impacts of green and climate investments by private sector and financing institutions.

## 2. Expected Results and Implementation

- 2.1. Reach. The Project will benefit vulnerable Filipino women and communities that are impacted by climate change. At least three communities will benefit from the nature-based climate solutions projects that will be developed and matched with climate financing instruments. The nature-based climate solutions and protected areas that will be supported by the Project will benefit at least 19 Peoples Organizations and 100 households. At the national level, key agencies, including the Department of Finance, Central Bank of the Philippines, Climate Change Commission, Department of Environment and Natural Resources, Securities and Exchange Commission, and PPP Center will be capacitated on developing innovative climate finance solutions and SDG impact monitoring. Furthermore, at least 10 banks will directly benefit from training aimed at improving overall financial institutions' lending practice and behavior in incorporating gender-responsive and green and climate-related policies. The Project will also engage and benefit national agencies, local bank associations, academic institutions, commercial banks, national development banks, and development partners. Partner-beneficiaries include: Bankers Association of the Philippines, Rural Banks Association of the Philippines, Chamber of Thrift Banks, Ateneo de Manila Business School, Asian Institute of Management, University of Asia and the Pacific, Development Bank of the Philippines, Land Bank Philippines, Fintech Alliance, BIOFIN, SGP, and Department of Trade and Industry.
- 2.2. Intermediate Outcomes. The project will contribute to the improved resiliency and environmental security for Filipino women and vulnerable communities by strengthening the climate financing environment in the Philippines. It will contribute to Canada's FIAP action area of Environment and Climate action, particularly to the following corporate performance indicators: a) area (hectares) brought under long-term, gender responsive protection for mitigation, adaptation and biodiversity benefits disaggregated by terrestrial, aquatic and coastal ecosystem; b) Number of Indigenous people (m/f) engaged in fund-supported initiatives using nature based solutions; c) GHG reductions

resulting from international initiatives funded by Canada (existing indicator disaggregated by avoidance vs reduction vs removal vs offset); d) Cumulative number of people in developing countries who benefitted from Canada's adaptation finance; e) Cumulative amount of private finance mobilized through Canada's public sector investments.

*Intermediate Outcome 1100: Improved effectiveness of gender-sensitive climate finance platforms for evidence-based policy dialogue between government, development partners and private sector in the Philippines*

This outcome will be achieved by strengthening gender-sensitive platforms for evidence-based policy dialogues through the establishment of a climate data platform supporting research in NBS finance. A data based will also be established to enable better decision-making around climate and NBS policy and financing. Finally, at least 3 data-driven policy studies targeting NBS for climate finance will be produced and disseminated.

*Intermediate Outcome 1200: Increased access to innovative and gender responsive green and climate finance solutions that will support bankable nature-based climate solutions and biodiversity conservation projects.*

This component will include the establishment of the Philippines Climate Finance Lab that will curate innovative gender-responsive NBS for climate finance solutions, attract capital from private sector, and implement green and climate investments. The Lab will launch at least 3 NBS financing instruments, and develop and mobilize financing for at least 3 bankable project that support gender-responsive NBS and biodiversity conservation. The Project will also build the capacity of the Philippine PPP Center to promote investments in NBS.

*Intermediate Outcome: 1300: Improved overall lending practice and behaviour of financial institutions in incorporating gender-sensitive, and green and climate-related policies in the Philippines.*

The Project will achieve this outcome by providing training to at least 10 financial institutions (regulators, commercial, micro finance, national) on incorporating gender-sensitive, and green and climate-related policies. The Project will also complete capacity assessments of finance institutions on compliance with BSP Sustainable Finance Framework, and by providing technical assistance on incorporating climate hazards in loan appraisal.

*Intermediate Outcome 1400: Improved reporting on gender and SDG impacts of green and climate investments by private sector and financing institutions in the Philippines.*

The Project will work with NEDA, the private sector including the financial institutions in improving measurement systems that will enable the private sector to report on gender and SDG impacts of green and climate investments. The Project will review and harmonize key sustainability reporting guidelines and metrics, and develop publicly



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available platform and dashboard for monitoring and reporting on SDG impacts of NBS financed climate projects.

### 3. Gender Equality

*Gender-Based Analysis.* Climate change impacts women and men differently. Women and men have differentiated contributions and access to the benefits derived from climate action. The Philippines is highly vulnerable to the impacts of climate change, including the rise in sea levels, increased frequency of extreme weather events, rising temperatures and extreme rainfall. These weather-related disasters have resulted in many fatalities and have had significantly negative impacts on the economy and livelihoods. Most at risk are women and children, including persons with disabilities, as well as poor households who mainly have very little ability to cope with external shocks.

Specific to climate financing, despite recent gains, women continue to be underrepresented in climate policymaking and finance activities. Climate policies and financing strategies continue to inadequately incorporate gender-related concerns or address pressing needs for gender-disaggregated information on policy impacts. Even with strong policies in place, institutional mechanisms and programs in the Philippines, gender inequalities and discrimination against Filipino women at the household and community levels still persist, especially in rural areas. Gender inequalities are to some extent rooted in the Filipino culture, which is mainly patriarchal. Agriculture, fishery, and forestry activities are still regarded as a male-dominated sector, and officially there are more men farmers registered than women farmers, with most women considered as mere "assistants" or subordinates of their husbands or male family members. The Filipino women are still strongly tied to their traditional role as mother, wife, and housekeeper. The mindset becomes ingrained in both women and men who are not fully aware that structural norms often inhibit female participation.

The pre-conditions in the Philippines can result in gender-blind climate change policy and programming, which does not take into account the gender differentiated roles of both women and men, and such policies and programs can have unintended effect of actually increasing gender-based vulnerability.

*Gender Equality Outcomes.* The Project's Logic Model has fully integrated gender-responsive outcome statements, outputs, activities and indicators including on ensuring support for gender-sensitive climate finance platforms; access to gender-responsive green and climate finance solutions; incorporating gender-sensitive lending practice and behavior of financial institutions; and improving reporting on gender and SDG impacts of green and climate investments in the Philippines. The Organization will expand its consultations with women rights organizations to further strengthen the Project's approach, especially in engaging communities that will use nature-based solutions.

The Project has allocated sufficient resources for gender equality integration, including budget for gender-based analysis and gender expertise.

#### 4. Environment

The Project has been determined to have low or moderate environmental risk or opportunity, and may involve the carrying out of one or more components that is likely to cause negative environmental effects. The coding for environmental integration is (a) Level 2 (the initiative has fully integrated environmental considerations). The Project's policy markers ranking include: (a) climate change adaptation 2 (Principal); (b) climate change mitigation 2 (Principal); (c) desertification 0 (Not Targeted); and (d) biodiversity 1 (Significant). The Environmental Integration Process (EIP) determined that the Organization's process to manage environmental impacts is adequate to ensure that the initiative is not likely to result in significant negative environmental effects, and that measures will be put in place to ensure that the organization's process is used. The Organization shall ensure that the management of environmental effects, including any analysis, is carried out in accordance with the environmental processes requirements of the Organization.

#### 5. Project Management

The Organization will provide strategic leadership, oversee financial management, and report on completed activities, as well as results of the project. The Organization will serve as the implementing partner of the project, and with the main responsibility of ensuring that the project is executed in accordance with the Philippine Government priorities, the Project objectives, and UNDP guidelines. Project oversight will be provided by the Organization's senior management (Resident Representative and Deputy Resident Representative); results and quality team; and the operations manager.

A Project Board (also called the Project Steering Committee) will provide overall guidance and direction to the project. The Project Board will be composed of representatives of the Organization, DFATD in the Philippines (Embassy of Canada in the Philippines), and Philippine national agencies (Department of Finance, Climate Change Commission, National Economic and Development Authority, Bangko Sentral ng Pilipinas, Securities and Exchange Commission) and the private sector. Project execution will be undertaken by the following: Climate Action Programme, where the Project Management Unit (PMU) will be lodged; Procurement Team; Human Resources Team; and Finance Team. The PMU will consist of the project manager, administrative and finance assistant, stakeholder engagement and gender specialist, and development communication specialist. The PMU will manage the day-to-day project operations; act as secretariat of the Project Board; facilitate workshops, work packages and terms of references of partnership agreements with key stakeholders and contracts with partners and consultants; monitor and facilitate evaluation and learning.

A responsible partner will be engaged by the Organization to execute the project component on innovative and gender-responsive green and climate finance solutions for nature-based climate solutions. It will launch, process and complete crowdsourcing, develop, stress-test and support the pilot of innovative financing instruments that will unlock private sector financing for climate and nature-based solutions through the Climate Finance Lab. A project technical advisory group that consists of representatives from Bangko Sentral ng Pilipinas,

Securities and Exchange Commission, commercial banks, national development banks and asset managers will facilitate exchange of information between the Climate Finance Lab and the finance stakeholders.

The Project Board will convene at least once a year to review the Project's progress towards targeted outcomes, and inform the stakeholder of its accomplishments and forward plans. Field missions and other coordination meetings will also be conducted on a regular basis. DFATD representative will participate in these activities whenever possible.

## 6. Logic Model

Ultimate Outcome	1000 Enhanced resiliency and environmental security for Filipino women and vulnerable communities in the Philippines			
Intermediate Outcomes	1100 Improved effectiveness of gender-sensitive climate finance platforms for evidence-based policy dialogue between government, development partners and private sector in the Philippines	1200 Increased access to innovative and gender responsive green and climate finance solutions that will support bankable nature-based climate solutions and biodiversity conservation projects	1300 Improved overall lending practice and behaviour of financial institutions in incorporating gender-sensitive, and green and climate-related policies in the Philippines.	1400 Improved reporting on gender and SDG impacts of green and climate investments by private sector and financing institutions in the Philippines.
Immediate Outcomes	1110 Strengthened gender-sensitive platforms for evidence-based policy dialogue between government, development partners and private sector on climate change and NBS	1210 Innovative and gender responsive green and climate finance solutions designed and implemented to scale up investments towards NDC, PBSAP and SDGs.	1310 Improved capacities of financial institutions (regulators, commercial, micro finance, national) to design and incorporate gender-sensitive, green and climate related policies in their lending programmes.	1410 Improved independent measurement system that enables private sector and finance institutions to report on gender and SDG impacts of green and climate investments

<p>Outputs</p>	<p>Output 1.1: Climate data platform supporting research in NBS finance is established</p> <p>Output 1.2: A database to enable better decision making around climate and NBS policy and financing is established</p> <p>Output 1.3: Data-driven policy studies targeting NBS for climate finance are produced and disseminated</p>	<p>Output 2.1: Philippines Climate Finance Lab established</p> <p>Output 2.2: Bankable projects that support gender-responsive nature- based climate solutions and biodiversity conservation (NBS) developed and financing mobilized</p> <p>Output 2.3: Capacity building for Philippine Public-Private Partnership Centre to promote investments in NBS</p>	<p>Output 3.1: Capacity assessment of finance institutions on compliance with BSP Sustainable Finance Framework completed</p> <p>Output 3.2: Technical assistance provided to incorporate climate hazards in loan appraisal</p>	<p>Output 4.1: Key sustainability reporting guidelines and metrics reviewed and harmonized</p> <p>Output 4.2: Publicly accessible platform and dashboard developed for monitoring and reporting on SDG impacts of NBS financed climate projects</p>
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**ANNEX B**  
**UN 1% COORDINATION LEVY**

Pursuant to paragraph 10(a) of United Nations General Assembly Resolution A/RES/72/279 (31 May 2018), DFATD understands that an amount corresponding to 1% of the Grant to the Organization will be paid to finance the United Nations Resident Coordinator System. This amount, hereinafter referred to as the "Coordination Levy" will be held in trust by the Organization until transferred to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund, which has been established to finance the United Nations Resident Coordinator System and is managed by the United Nations Secretariat.

DFATD acknowledges that once the Coordination Levy has been transferred by the Organization to the United Nations Secretariat, the Organization is not responsible for the use of the Coordination Levy and does not assume any liability. The fiduciary responsibility lies with the United Nations Secretariat as the manager of the Resident Coordinator System.

The Coordination Levy does not form part of the Organization's cost recovery and is additional to the costs of the Organization to implement the activity or activities covered by the Grant. Accordingly, there is no obligation for the Organization to refund the Coordination Levy, in part or in full, even where the activities covered by the Grant are not carried out in full by the Organization. As deemed necessary by DFATD however, especially where the scale of resources concerned, or reputational risk justify the refund of transaction costs, DFATD can submit a request for refund to the United Nations Secretariat directly. The responsibility to refund the Coordination Levy lies with the Secretariat and not with the United Nations entities.

The Coordination Levy for this Arrangement is forty thousand nine hundred fifty Canadian dollars (CDN \$40,950). This amount is already included within the Grant amount stated in Paragraph I of this Arrangement. The following column is added to the payment schedule table in Paragraph 1.1 of this Arrangement, and provides the breakdown of the payments of the Coordination Levy.

	1% Coordination Levy
1.	\$10,557.69
2.	\$13,448.72
3.	\$11,535.90
4.	\$5,406.41