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Resilient nations.

13 July, 2017

Dear Ms. Malango,

Subject: Green Climate Fund Contribution to Uganda: Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda, PIMS No. 5711 - ATLAS BU: UGA 10 - Proposal No.: 00104372 - Project No.: 00105972

I am pleased to delegate to you as the UNDP Resident Representative the authority to sign the project document for the above-mentioned project which is to be implemented by the UNDP Country Office with the support of the UNDP-Global Environmental Finance (UNDP-GEF) Unit in the Bureau for Policy and Programme Support (BPPS). The project, which amounts to a total of **US\$ 24,140,160**, has received its final approval in accordance with the established Green Climate Fund (GCF) procedures (signed Funded Activity Agreement is attached in Annex 1, and the Notice of Effectiveness of the Funded Activity Agreement is attached in Annex 2).

I am also pleased to provide a summary of the next steps in the process and to outline, for your ease of reference, the key GCF requirements related to this project.

Next steps and mandatory 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 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 Uganda, if necessary).

2. Annual Work Plans:

To facilitate a quick start of the 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 project document, is sent to **Mr. Benjamin Larroquette, Regional Technical Advisor (RTA) in Addis Ababa**. Please ensure that correct Atlas codes are used in the AWP Chart of Accounts (COAs):

*Ms. Rosa Malango
Resident Representative
UNDP Kampala
Uganda*

Fund Code	Donor Code
66000	12526

3. Cash Transfers:

- a. Pursuant to Clause 8 of the FAA, the 1st tranche of cash disbursements can only be disbursed by GCF following delivery by UNDP-GEF to the GCF of a copy of the Project Document¹, submitted to the GCF Secretariat by UNDP-GEF.
- b. Upon the GCF Secretariat's confirmation of acceptance of the signed Project Document, UNDP-GEF HQ will submit a cash transfer request for the 1st disbursement of the project (consistent with the indicative disbursement schedule provided by UNDP to GCF as per Clause 6.01 d of the FAA)
- c. All subsequent cash transfers requests will follow the indicative cash disbursement schedule and adhere to the relevant condition precedent clauses detailed in the FAA.
- d. Upon clearance of the Atlas AWP by UNDP-GEF RTA, Cash received from GCF Trustee will be transferred by UNDP-GEF to the project in Atlas.

4. Budget Monitoring and Revisions:

- a. Any proposed budget revisions should be discussed with and forwarded to the UNDP RTA together with a clear explanation of the changes proposed. Any variation of more than ten percent (10%) per output or sub output must be approved in writing by the GCF Secretariat.
- b. Utilization of GCF resources must follow UNDP POPP, other applicable policies, and in accordance with the Project Document.
- c. UNDP-GEF Unit is not in a position to increase the GCF project budget above the amount already approved by the GCF. Any over-expenditure on this project would have to be absorbed by other Country Office resources.
- d. Direct Project Services: Any Direct Project Services on GCF funded projects will follow UNDP policies on direct project costing.
- e. All GCF-funded projects must be audited in accordance with UNDP Financial Regulations and Rules and Audit policies, and an appropriate separation between project oversight and direct project services is required in accordance with the UNDP Internal Control Framework.

5. GCF-specific project management requirements:

- a. Inception meeting: An inception meeting with the National Designated Authority or Focal Point to the GCF should be held within 1 month of signature of the Project Document to review and confirm the work plan, and finalize the management arrangements. The minutes of the meeting must be submitted to the UNDP-GEF RTA.
- b. Major Change to a Funded Activity: As defined in the AMA, a "Major Change" means any project restructuring that involves a major change in project scope, structure or design, a major change in the project's objectives, a reallocation of GCF Proceeds affecting the project's scope or objectives, or any other change that substantially alters the purpose or benefit of the project. In the event that any proposed modification to a project is likely to effect a Major Change, the Accredited Entity shall inform the GCF and the relevant NDA of any such proposed modification and seek the GCF's instructions on the necessary steps to be taken to effect such proposed modification, which may involve seeking a new No-Objection Letter. As such, should you wish to make any such changes to the project budget or results framework please inform the UNDP-GEF RTA accordingly and she/he will liaise with the GCF.

¹ Clause 8.01 of the FAA states; "(a) Conditions for the first disbursement: (i) delivery to the Fund by the Accredited Entity of an executed copy of the Subsidiary Agreement, in the form of Project Document, between the Accredited Entity and the Executing Entity."

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- c. Project reporting requirements: The following project calendar milestones and target dates apply to the project as stipulated in Schedule 4 of the FAA:

Milestones	Expected Dates
Start of Project Implementation	Effective Date
Inception Report	Within six (6) months after Effective Date
Interim Independent Evaluation Report	Within three (3) months after Year Four (4) Month one (1) following the Effective Date
Project Completion Report	Within three (3) months after Completion Date
Final Independent Evaluation Report	Within six (6) months after Completion Date

UNDP shall provide to the GCF the following reports prepared in a form and manner compliant with the practices and procedures of the GCF for individual Funded Activities:

- (i) Annual Performance Reports on the status of each Funded Activity throughout the relevant Reporting Period, including a narrative report on implementation progress based on the logical framework submitted in the Funding Proposal and considerations on the ongoing performance of the Funded Activity against the GCF's investment framework criteria, including updates on the indicators as per the guidance provided by the GCF's results management framework, and a report on ESS as well as gender. Unless otherwise specified in the FAA, the APR shall be submitted to the Secretariat on an annual basis for the period ending on 31 December within sixty (60) days after the end of the relevant annual period, with the first APR required to be submitted following the end of the calendar year after the Parties have entered into the relevant FAA, and the last APR required to be submitted within six (6) months of the end of the relevant Reporting Period;
- (ii) Interim and final evaluation reports, as outlined in the relevant Funding Proposal or FAA, setting out any necessary corrective measures (in the case of interim reports), an assessment of the performance of the Funded Activity against the GCF's investment framework criteria, including financial/economic performances as part of the Funded Activity efficiency and effectiveness criterion, as well as the sustainability and scalability of results and impacts and lessons learned, during the relevant period.
- (iii) In accordance with the Monitoring and Accountability Framework, on an annual basis for the period ending on 31 December within sixty (60) days after the end of the relevant annual period:
 - (A) a self-assessment of its compliance, in accordance with Clause 13.01 of the AMA, with the Fiduciary Principles and Standards, ESS and Gender Policy; and
 - (B) a report on its actions carried out or planned to be carried out pursuant to Clause 18.02; and
- (iv) Such other reports as UNDP may prepare or require in accordance with its own rules, policies or practices in relation to a Funded Activity, and any other reports as may reasonably be requested by the GCF in order to enable it to assess the results and impacts of the Funded Activity and/or compliance with the AMA.

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d. Record-keeping and reporting:

As stipulated in Clause 15 of the Accreditation Master Agreement (AMA), in the context of this project UNDP shall ensure that:

- (i) all documents relating to individual Funded Activities are promptly furnished to the GCF upon its request, in such detail as the Fund may reasonably request;
- (ii) documents are maintained adequately to record the progress of individual Funded Activities;
- (iii) all documents related to individual Funded Activities, including records evidencing use of GCF Proceeds under each FAA, are retained until at least five (5) years after the relevant Reporting Period, or such longer period required to monitor and manage any equity investment, outstanding loans or other financial instruments or to resolve any claims or audit inquiries, or if required to do so by the GCF;
- (iv) the representatives of the GCF are able to examine all records referred to above in Clauses 1.011(ii) and 1.011(iii) of the FAA, and are provided all such information concerning such records as they may from time to time reasonably request; and
- (v) the information relating to Funded Activities required by the Information Disclosure Policy is made publicly available in a timely fashion pursuant thereto.

Please contact Mr. Benjamin Larroquette, Regional Technical Advisor if you have any questions or comments.

In concluding, I would like to assure you of the UNDP-GEF Unit's and my personal commitment to the successful implementation of the project.

Yours sincerely,



Adriana Dinu
Executive Coordinator
UNDP-Global Environmental Finance
Sustainable Development Cluster
Bureau for Policy and Programme Support

cc: Mr. Abdoulaye Mar Dieye - Assistant Administrator and Regional Director, RBA
Ms. Ruby Sandhu-Rojon - Deputy Regional Director, RBA
Mr. Lamin M. Manneh, Director, UNDP RSC for Africa, Addis Ababa
Ms. Almaz Gebru, Country Director, Kampala
Mr. Georges Van Montfort - Regional Advisor, RBA
Ms. Phemo Kgomotso, UNDP-GEF Technical Specialist/Team Leader, Addis Ababa
Mr. Benjamin Larroquette, Regional Technical Advisor, Addis Ababa
Ms. Christina Hackmann, Country Support Team, Addis Ababa
Mr. Onesimus Muhwezi, Team Leader: Energy and Environment/ Environnement Focal Point, Kampala, Uganda
Mr. Daniel Omodo McMondo. Programme Analyst, Energy and Environment, Kampala, Uganda

**Annex 1: Signed GCF Funded Activity Agreement
(See attached as a separate document)**

Annex 2: Notice of Effectiveness of the Funded Activity Agreement



MITIGATION & ADAPTATION

Ms. Adriana Dinu
Director, Global Environmental Finance,
Bureau for Policy and Programme Support
United Nations Development Programme
One United Nations Plaza
New York, NY 10017
United States of America

Date: 30 June 2017
Reference: GCF/corres/DMA/2017/19

Subject: Notice of Effectiveness of the Funded Activity Agreement FP034 Uganda – UNDP

Dear Ms. Dinu,

Reference is made to the Funded Activity Agreement entered into by and between the United Nations Development Programme (UNDP) and the Green Climate Fund (GCF) on 8 June 2017 (the "FAA") in relation to FP034 "Building resilient communities, wetlands ecosystems and associated catchments in Uganda". In accordance with Clause 6 of the FAA, we hereby give you notice of our acceptance of the evidence required by Clause 6 of the FAA.

We hereby, therefore, confirm that the FAA is effective as of the date of this notice.

Please do not hesitate to contact us at fundingproposal@gcfund.org in case of any queries.

Yours sincerely,

A handwritten signature in black ink, appearing to read "German Velasquez".

German Velasquez
Director of Mitigation and Adaptation Division.

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