

**PROJECT DOCUMENT****Sri Lanka**

**Project Title:** Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka Project in Sri Lanka

**Project Number:** 00091122

**Output Number :** 00096529

**Implementing Partner:** United Nations Development Programme (UNDP)

**Start Date:** 15<sup>th</sup> October 2017      **End Date:** 31<sup>st</sup> January 2019

**PAC Meeting date:**

### Brief Description

*Briefly describe the overall development challenge and the expected results of the project.*

Climate projections for Sri Lanka point to an unabated warming trend and the likelihood of bringing more land under lower rainfall regimes. The predictions further indicate that the entire Dry and Intermediate zones, which represent 75% of the island, are projected to become drought prone with 30% less rainfall in worst hit areas if the prevailing climate change trends continue. Any negative anomaly of rainfall in the wetter part of Sri Lanka, especially the mountainous central parts of the country, is expected to compound drought effects in the Intermediate and Dry zones due to trans-basin effects. In addition to the above variability observed in the rainfall regimes in the country, predictions and past records show an increased trend of extreme weather events, making the lives and livelihoods of the natural resource-based communities in dry and intermediate zones are more vulnerable to climate change.

Of Sri Lanka's 103 rivers, around 20 are considered perennial. Of these, the largest draining area, some 10,000 square kilometers, belong to Mahaweli River Basin. This comprises over one sixth of the total land area of the country. The Mahaweli River rises in the mountainous south-central part of the island, which receives an annual rainfall of 4000-5000 mm and discharges an average runoff of 8,600 million m<sup>3</sup> annually into the sea. It is the principal source of water for irrigation in the dry zone. The Mahaweli River Development Scheme has been the largest multipurpose development project implemented in Sri Lanka, yielding both irrigation and hydro power generation. However large areas of the Basin remained untouched by the development benefits of the Scheme. These areas, characterized by rain-dependent small farms in remote villages, remain some of the poorest in the country and are located in the mid and upper catchment and downstream.

Climate change in the Mahaweli Basin is manifest in increased natural disasters such as landslides, drought and floods, increased land degradation in the upper and mid elevations and reduced agricultural productivity. These problems are attributed to both temperature increase and rainfall variability. As is the case nationally, rainfall variability is by far the most important contributory factor to increased climate risk in the Mahaweli Basin. On the ground this means that the age-old knowledge of farmers on rainfall related cropping calendar is no longer valid.

In this context, the **Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka Project in Sri Lanka** is expected to secure community livelihoods and food security against climate change-induced rainfall variability leading to longer droughts and more intense rainfall.

To directly address these climate-induced impacts, the project proposes to:

1. Develop household food security and build resilient livelihoods for rain-fed farming households
2. Build institutional capacity in village, local, regional service delivery to reduce risks associated with climate-induced rainfall variability

The project will deliver tangible impacts on the ground that include increased local availability of food, livelihoods that can withstand current climate shocks, more information on risks and adaptive strategies, better connectivity to early warning and risk forecasting and, importantly, an efficient and informed agriculture extension service.

Contributing Outcome (UNDAF/CPD, RPD or GPD):

**UNDAF Outcome:4.1** Policies, programmes and capacities to ensure environmental sustainability, address climate change mitigation and adaptation, and reduce disaster risks in place at national, sub-national and community levels

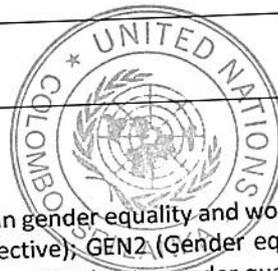
**Country Programme Output 4.1:** Development agencies are equipped with policies, strategies, methodologies and tools to integrate sustainable development and disaster resilience principles

Indicative Output(s) with gender marker<sup>2</sup>: GEN 2

|                                   |                    |                   |
|-----------------------------------|--------------------|-------------------|
| <b>Total resources required:</b>  | US\$ 1,829,223.00  |                   |
| <b>Total resources allocated:</b> | <b>UNDP TRAC:</b>  |                   |
|                                   | <b>Donor:</b>      | US\$ 1,829,223.00 |
|                                   | <b>Government:</b> |                   |
|                                   | <b>In-Kind:</b>    |                   |
| <b>Unfunded:</b>                  |                    |                   |

Agreed by (signatures)<sup>1</sup>:

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| UNDP   |
| Print Name: Jorn Sorensen , Country Director, UNDP<br><br> |
| Date: 17 <sup>th</sup> - 10 - 2017   |



<sup>1</sup> Note: Adjust signatures as needed

<sup>2</sup> The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

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I. **DEVELOPMENT CHALLENGE (1/4 PAGE – 2 PAGES RECOMMENDED)**

*Describe the development challenge that the project seeks to address and how it is relevant to national/regional/global development priorities, as relevant. Include evidence to support the analysis, such as data demonstrating the magnitude of the problem and how it affects different population groups (esp. women and men, and minority and other excluded groups) and why it is important for poverty reduction and addressing inequality and exclusion. Identify the immediate, underlying and root causes of the challenge (including capacity limitations) which have been identified in the problem tree analysis feeding into the Theory of Change. Please be specific.*

**Background:**

The climate in Sri Lanka is primarily determined by its position as an island nation in the Indian Ocean. Detailed studies on climatology of Sri Lanka show that the "climatic year" or "hydrological year" of the island begins in March. There are four rainfall seasons in Sri Lanka, namely: First Inter Monsoon, South West Monsoon, Second Inter Monsoon, and North East Monsoon. These rainfall seasons do not bring homogeneous rainfall regimes over the whole island and this is why the island exhibits such a high agro-ecological diversity, despite its relatively small size. Of the four rainfall seasons, two consecutive rainy seasons comprise the major growing periods, namely Yala and Maha seasons. Generally, Yala season is the combination of First Inter-monsoon and South-West Monsoon rains. However, only the first inter-monsoon rainfall during the Yala season in the Dry zone from mid-March to early May. Being effective only for two months, the Yala season is considered as the minor growing season of the Dry Zone. The major growing season of the whole country, Maha, begins with arrival of SIM rains in mid-September/October and continues up to late January/February with the NEM rains.

**Climate Change Projections and Scenarios**

A number of meteorological studies point to a clear warming trend. A hundred years warming trend for the period 1896-1996 was estimated at 0.003 °C per year, with a 0.025 °C yearly increase over in the decade 1987 -1996 (Fernando,1997). Basnayake et al. (2002) and Zubair et al. (2005) found that mean annual day time maximum and mean annual night time minimum air temperatures are increasing. Observations of temperature found a decreased number of cold days and nights, and an increased number of warm nights and days in most meteorological stations (Samarasingha, 2009). The highest warming trends have been recorded in Anuradhapura and Badulla districts in the Dry and Intermediate zones.

Climate projections on the basis of General Circulation Models (GCM) point to an unabated warming trend and the likelihood of the Dry-zone boundary being pushed outward, bringing more land under lower rainfall regimes. Further, the model indicates that the entire Dry and Intermediate zones, which represent 75% of the island, are projected to become drought prone with 30% less rainfall in worst hit areas if the prevailing climate change trends continue. Any negative anomaly of rainfall in the wetter part of Sri Lanka, especially the mountainous central parts of the country, is expected to compound drought effects in the Intermediate and Dry zones due to trans-basin effects.

**Impacts of Climate Change on Weather in Sri Lanka<sup>2</sup>**

**Increasing temperature** - Air temperature in Sri Lanka has increased by 0.64°C over the past 40 years and 0.97°C over the last 72 years, which reveals a trend of 0.14°C per decade. However, an assessment of a more recent time band has shown a 0.45°C increase over 22 years, suggesting a rate of 0.2°C per decade - Consecutive dry days are increasing in the Dry and Intermediate Zones - Ambient temperature (both minimum and maximum) has increased -The number of warm days and warm nights has increased, while the number of cold days and cold nights has decreased.

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<sup>2</sup> Source: Department of Meteorology/ Adapted from the National Adaptation Strategy 2011-2016

**Rainfall Variability** - Precipitation patterns have changed but conclusive trends are difficult to establish - A trend indicating decreased rainfall has been observed over the past 30-40 years, but the change is not statistically significant - There is an increasing trend of one-day heavy rainfall events across the country - An increase in the frequency of extreme rainfall events is anticipated, leading to more droughts, floods and landslides.

**Drought** - Increased frequency of dry periods and droughts are expected - The general warming trend is expected to increase the frequency of extreme hot days.

### **Climate Change Related impacts on Agricultural Production and Food Security**

Analysis by the Sri Lankan Department of Meteorology indicates an increasing trend in rainfall variability over most parts of the island. Recent decades have seen an overall increase of extreme rainfall events, which are interspersed with longer dry spells and periods of drought. Consequentially, this pattern causes greater erosion of arable soil and more frequent flooding events. Temperature increase also impacts on agriculture productivity albeit to a lesser degree. It is estimated<sup>3</sup> that the paddy irrigation requirement using HAD CM3 will increase by 23% (A2 scenario) and 13% (B2 scenario) which is mainly due to increase in temperature.

Variability of rainfall pattern is greatest in the northeast monsoon which is essential for food crop cultivation. Overall, it was found that changes in precipitation have a stronger effect on agricultural productivity than temperature. The variability of the north-east monsoon that brings rains for the major cultivation season will effect production of paddy and other field crops.<sup>4</sup> Rain fed paddies comprise of 30% of all rice paddies in the country.

Several studies, such as the Ricardian Valuation of Climate Change Impacts<sup>5</sup>, have used global climate change scenarios to assess climate change effects on Sri Lanka's agriculture. Model projections indicate varying degrees of crop losses due to climate change, depending on the models used. The projected effects of climate change on agriculture depend on the scenario: With medium warming and only a small increase in precipitation, agricultural losses of about 23% are predicted. The studies also indicate that climate change impacts will have considerable regional variation: While the wet high elevation areas of the country may benefit from warming, the hot dry north western and south eastern lowlands that are known to be drought prone are expected to be adversely affected.

The International Water Management Institute (IWMI, 2010) completed a study<sup>6</sup> which attempts to identify the country's agricultural vulnerability hotspots through the development of a Vulnerability Index consisting of three indices, namely, Exposure, Sensitivity and Adaptive Capacity. The study further sub-divides the exposure index into sub-indices, such as flood hazard, drought hazard and cyclone hazard, and a fourth index called multi-hazards, (combining drought, flood and cyclone hazards). Vulnerability was mapped at district level. The maps indicate that typical farming districts such as Nuwara-Eliya, Ratnapura and Anuradhapura Badulla, Matale and Polonnaruwa are more sensitive to climate change than the rest of the country due to existing soil erosion (up to 60 percent of the land area in Nuwara-Eliya district is affected) and their heavy reliance on primary agriculture.

According to Sri Lanka's Second National Communication to the UNFCCC (2011) and the recent National Strategy for Climate Change Adaptation (2011-2016), the sectors most affected by climate change are agriculture, water resources and public health. The Second National Communication warns that observable shifts in weather patterns, coupled with a continuous rise of ambient temperature across the country and increasing variability of rainfall are projected to have large-scale effects on agricultural productivity, food and water security.

<sup>3</sup> Amarasinghe, Upali et al Spatial Clustering of Rural Poverty and Food Insecurity in Sri Lanka. IWMI 2006

<sup>4</sup> Second National Communication to UNFCCC, Ministry of Environment

<sup>5</sup> Kurukulasuriya and Ajwad, 2006

<sup>6</sup> Eriyagama, N Smakhtin, V Chandrapala, L Fernando, K(2010) Impacts of Climate Change on Water Resources and Agriculture in Sri Lanka. IWMI Research Report 135

The expected impacts on water resources and the agriculture sector may trigger serious impacts on the country's food production, livelihoods and the economy. A recent study finds Sri Lanka to be one of the hotspots of food insecurity in the Asia-Pacific region<sup>7</sup>. Prolonged and more frequent drought is expected to reduce the availability of water for irrigation and this in turn could lead to a drop in crop production. Rice cultivation in major irrigation schemes will be substantially affected in severe drought years while production in other major and minor irrigation schemes will show significant shortfalls with greater frequency than in the past. The combined effect of higher temperatures and less rain is projected to lead to a greater than 11 percent loss in revenue from paddy by 2050<sup>8</sup>. A number of other field crops including coarse grains, grain legumes, oil seeds and condiments are grown on rain-fed upland areas in the Dry Zone. The production of these crops will also be adversely affected by severe fluctuations in rainfall.

Policies to address climate change concerns in Sri Lanka should therefore place a greater emphasis on dealing with long term changes in precipitation, and prioritize issues such as water and residue management, access to irrigation, drainage control, and resilient crop choices, also taking into consideration the river basin structure of Sri Lanka and the distribution of man-made tanks primarily located in dry and intermediate climatic zones.

### **Climate Change Induced Rainfall Variability and Associated Hazards in the Mahaweli River Basin**

Of Sri Lanka's 103 rivers, around 20 are considered perennial. Of these, the largest draining area, some 10,000 square kilometers, belong to Mahaweli River Basin. This comprises over one sixth of the total land area of the country. The Mahaweli River rises in the mountainous south central part of the island, which receives an annual rainfall of 4000-5000 mm and discharges an average runoff of 8,600 million m<sup>3</sup> annually into the sea. It is the principal source of water for irrigation in the dry zone. 40 Divisional Secretary Divisions (DSDs) in six districts and four provinces belong to the Basin. There are 38 sub-watersheds of tributaries that augment the main river.

The Mahaweli River Development Scheme has been the largest multipurpose development project implemented in Sri Lanka, yielding both irrigation and hydro power generation. However large areas of the Basin remained untouched by the development benefits of the Scheme. These areas, characterized by rain-dependent small farms in remote villages, remain some of the poorest in the country and are located in the mid and upper catchment and downstream.

Food insecurity and poverty in different regions of the Mahaweli Basin are linked to production patterns, income, disaster exposure, education, and other socio-economic conditions, including number of family members. Water availability, especially irrigation water availability is directly and negatively associated with poverty.<sup>9</sup> A Vulnerability assessment carried out targeting 11 Divisional Secretary Divisions (DSDs) of the Mahaweli Basin based on disaster exposure, irrigation and drinking water scarcity, erosivity of soil and food security corresponds with this argument. DSDs of Walapane, Hanguranketha, Ududumbara, Medirigiriya and Thamankaduwa emerge as the most vulnerable overall. These DSDs are not serviced by major irrigation. Farming communities in these DSDs live in drought-prone areas with small village irrigation structures, or on steep mountainous slopes with poor accessibility and very poor infrastructure (roads, markets, communication).<sup>10</sup>

Climate change in the Mahaweli Basin is manifest in increased natural disasters such as landslides, drought and floods, increased land degradation in the upper and mid elevations and reduced agricultural productivity. These problems are attributed to both temperature increase and rainfall variability. As is the case nationally, rainfall variability is by far the most important contributory factor to increased climate risk in the Mahaweli Basin.

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<sup>7</sup> ESCAP Asia Pacific 2010

<sup>8</sup> Munasinghe Institute for Development, Sri Lanka. Agriculture and Climate Change 2010

<sup>9</sup> Amarasinghe, Upali et al Spatial Clustering of Rural Poverty and Food Insecurity in Sri Lanka. IWMI 2006

<sup>10</sup> World Bank Poverty Assessment 2006

Climate related rainfall variability in the Mahaweli Basin is especially pronounced in the Dry and Intermediate agro-ecological zones, in the middle and lower catchment. In these areas, the major rainfall season begins with the second inter-monsoon (September to October) and lasts throughout the northeast monsoon (November to February). The variability of both these seasons has increased considerably. On the ground this means that the age-old knowledge of farmers on rainfall related cropping calendar is no longer valid. Rainfall distribution within a season also exhibits substantial anomalies. Late onset of rains, heavy and intense rainfall events, and pronounced dry periods are becoming increasingly common. Such variability is detrimental to crops, especially under rain-fed and minor irrigated conditions. In the past five years alone, actual rainfall distribution in many areas of the basin has shown significant deviation from the expected pattern.

Women and youth in the Dry Zone communities are particularly more vulnerable to climate change impacts. Women's role in the household care economy makes them more vulnerable to climate change and disasters due to impacts on household water availability, health of family members and safety of domestic assets such as livestock. Women traditionally manage household water, family gardens and livestock and are in the frontline of managing impacts of reduced water availability and disaster impacts. This affects their own intra-household food security, which can be exacerbated during extreme climate events and in the aftermath of a disaster<sup>11</sup>. Women take full responsibility for the care of children, the disabled and the elderly. In the Dry Zone districts of Sri Lanka, the impact of the war and disease has left a number of women widowed and pushed others into precarious work, in Sri Lanka and overseas, as domestic migrant labour.

#### **Relevance to national development priorities, global environment and climate mitigation or adaptation issues, and the sustainable development goals (SDGs)**

GOSL has committed to Sustainable Development Goals, including the goals of ending poverty, achieving food security and promoting sustainable agriculture, promoting inclusive growth, reducing inequality and promoting inclusive societies. Recent policy pronouncements of the GOSL, including the Prime Minister's Economic Policy Statement and 2025 development agenda of the government emphasize the development of the rural economy, overcoming inequality of income distribution and supporting agriculture-based livelihoods as key priorities. The GOSL recognizes that no meaningful reduction in poverty can be achieved in the country without addressing the deleterious impacts of disasters and climate change. In responding to the challenges, the Government is focused on implementing a number of strategies as outlined in its Nationally Determined Contributions, National Climate Change Policy, National Climate Change Adaptation Strategy and Action Plan, and the Sri Lanka Comprehensive Disaster Management Programme. These strategies focus on adaptive measures to avoid/minimize adverse impacts of climate change to the people, their livelihoods and ecosystems and develop the country's capacity to address the impacts of climate change effectively and efficiently. GOSL has in its Nationally Determined Contribution (NDCs) to UNFCCC (September 2016) committed to minimizing climate change impacts on food security. The NDCs and National Adaptation Plans focus on the water sector as a crucial crosscutting sector to be addressed; and, as such, water management for farming in the Dry Zone, outside of the major irrigation works, is a key priority of government intervention.

The project is in line with the different national policies that provide the policy framework for rural economic development, water management and climate change adaptation in Sri Lanka, and will contribute towards their implementation. **The government's vision for development** recognizes that while agriculture plays a less important role in the national economy, it still employs more than 30% of the population and over 50% of the population in rural areas. GoSL has reiterated its commitment to rural economy and agricultural productivity in the recent Public Investment Programme (PIP, National Planning Department 2016). The budget for 2016 targeted subsidies and low-interest credit for agriculture and support to rehabilitation of irrigation amounting to USD 150 million and the government has committed around USD 14 million to disaster risk reduction through sectoral agencies. The project aligns with the **National Agriculture Policy of Sri Lanka** in promoting food and nutrition security and technically feasible, socially acceptable, economically

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<sup>11</sup> Sectoral Vulnerability Profile: Water. National Climate Change Adaptation Strategy and Action Plan 2010-2016, Climate Change Secretariat and ADB 2010

viable and environment friendly agricultural production technologies, marketing and related strategies. It also contributes to the implementation of **National Watershed Management Policy of 2004**, which recommends promoting and strengthening communities or stakeholders to manage their respective watersheds. The project fully supports the current government's National Food Security drive, led by the Presidential Secretariat. Under this project, agricultural water availability, efficiency and crop diversification and productivity are prioritised

The United Nations Development Assistance Framework (UNDAF 2013-2017) for Sri Lanka also acknowledges that – in the context of climate change – improved disaster management enhances the sustainability of economic growth, particularly in districts that are prone to natural disasters. The proposed project is consistent with three specific output areas from the UNDAF, namely: 1.1.2) Increased awareness in government planning for integration of DDR into development planning by providing support for mobilising Government, civil society and the private sector to collectively integrate DRR concepts into national, regional and local development plans; 1.1.3) Integrate data from multiple sources and sectors as well as carryout physical, social, economic and environmental analysis to support policies and programmes and target resources in improving sustainability and resilience to improve information management promoting evidenced based policy making; and 1.1.6) Support to adapt to climate change induced rainfall and temperature variations on the fauna, flora and soils, by facilitating adaptive agro-forestry, soil-water management and sustainable energy services through practical and innovative approaches.

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## **II. STRATEGY (1/2 PAGE - 3 PAGES RECOMMENDED)**

*Explain the detailed theory of change (ToC) for this project and what UNDP with partners will do to address the development challenge described above. Identify the approach that has been selected, with a clear rationale backed by credible evidence, integrating gender concerns into the approach. Identify what knowledge, good practices and lessons learned (including from evaluation) have informed the analysis of available choices and the selected strategy.*

*Detail the project's selected approach and explain how it is expected to lead to change at the output level. Clearly link the project's ToC to the programme/CPD's ToC by stating how the project will contribute to the UNDAF/CPD outcome. State key assumptions about what will change, for whom, and how this will happen. Assumptions should include consideration of internal factors (relating to project design and implementation) and external factors (relating to other partners, stakeholders and context) that will be critical for achieving expected changes. Cite best available evidence which supports these key assumptions in the ToC, including findings from evaluation and other credible research, as well as knowledge, good practices and lessons learned from previous work by UNDP and others, in this country and in other relevant contexts.*

*It is good practice to include a theory of change diagram in the annex showing the linkages between the development challenge and the immediate, underlying and root causes.*

### **The Project**

The project targets rain-dependent farming families in three hazard-prone divisional secretariat divisions (DSDs) in the Mahaweli Basin identified through the vulnerability analysis (i.e. Medirigiriya and Lankapura in

Polonnaruwa District and Walapane in Nuwara Eliya district). The target groups (farm families and farmer organizations) were identified through the databases of the Department of Agrarian Development.

The overall objective of the project is to secure community livelihoods and food security against climate change-induced rainfall variability leading to longer droughts and more intense rainfall. To directly address these climate-induced impacts, the project proposes to:

1. Develop household food security and build resilient livelihoods for rain-fed farming households
2. Build institutional capacity in village, local, regional service delivery to reduce risks associated with climate-induced rainfall variability

The project will deliver tangible impacts on the ground that include increased local availability of food, livelihoods that can withstand current climate shocks, more information on risks and adaptive strategies, better connectivity to early warning and risk forecasting and, importantly, an efficient and informed agriculture extension service.

The outcomes and outputs are designed to address specific vulnerabilities faced by rain-dependent farmers; strategies to overcome dry season food and income security; introduction of diversified income sources to broad-base risk, improved water storage and irrigation to overcome uncertainty of rainfall, improved soil quality and fertility for increased production, and timely, quality agriculture advice and extension. The interventions were derived through field consultations held in three locations of the Mahaweli Basin.

The aim of the project is to deliver a menu of 'no-regrets'<sup>12</sup> adaptive actions that will deliver substantial development benefits while addressing the specific climate related vulnerabilities identified through field surveys and secondary data analysis.

#### **PROJECT COMPONENTS (PARTICULARLY FOCUSING ON THE CONCRETE ADAPTATION ACTIVITIES OF THE PROJECT)**

The project has two components. The first is designed to improve food and livelihood security for target farm households; the second addresses capacity gaps at village and divisional administration to support replication of the adaptive actions. Activities are based on lessons of previous and on-going projects, and national technical agency recommendations bearing in mind the need to demonstrate tangible results over the implementation period of 18 months.

##### ***Component 1: Develop household food security and build resilient livelihoods for rain-fed farming households in Medirigiriya, Lankapura and Walapane DSDs***

Outputs and Outcomes in Component 1 are fully aligned with the stated adaptation strategy of the national government to 'Establish food security in the face of climate change threats'. The project would allow the Ministry of Environment to test the corresponding menu of actions and indicators that are included in the current National Environment Action Plan 2008-2012. These actions include selecting and cultivating high yielding and drought tolerant rice varieties, adopting suitable land and crop management practices, adjusting rain-fed farming practices to rainfall variability, adopting a surveillance and forecasting system to measure impacts of climate change, and adjusting home gardening practices to a seasonal cropping calendar in order to reduce irrigation water demand.

The component directly addresses rainfall variability- which is the key climate change problem identified in the Basin- and the resultant impact upon and vulnerability of rain-dependent farm families. Outputs and activities under Component 1 aim to minimize climate-induced livelihood risks and develop livelihood capital to overcome income poverty and food insecurity. The targeted DSDs are particularly vulnerable to food insecurity in the low-rainfall months of Yala (minor season) when farm work is scarce. Due to remoteness,

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<sup>12</sup> Low risk adaptive actions that reduce the overall vulnerability that are designed to be less sensitive to assumptions of future rate of climate change

access to markets and constraints of technology (and finances), other livelihood options are unavailable to these farm families. There are documented instances<sup>13</sup> where families have just one small meal a day during the dry months; or forgo free medical facilities due to unavailability of funds for bus fare. Women are affected worse due to unavailability of water for domestic chores and sanitation during the dry season.

The component is designed to reach an approximate population of 6,0934 in terms of home garden improvement training while an approximate population of 4,323, will be supported in terms of home garden diversity improvement through 200 Farmer Organizations, to implement concrete adaptation actions in the target DSDs. There are important cross cutting benefits across the outputs. Chiefly building human and social capital for livelihood development through skills training and self-help groups, linking modern research and technology with poor farm families and strengthening local extension services by providing incentives to monitor results. This component will address food insecurity and build household adaptive capacity through 4 key outputs:

Output 1.1: Develop diversified home garden-based agro forestry in target DSDs to build household adaptive capacity to climate change

This output will develop farm home gardens with a mix of annual and perennial multi-purpose species for household food security and income. Home gardens are well adapted agro-forestry systems that cover about 14% of the total land area of the country<sup>14</sup>. There are several successful case studies of improved home garden models implemented through GEF small grant projects implemented in the project area as well as in comparable farming areas elsewhere in Sri Lanka (i.e. the Special Climate Change Fund funded Climate Change Adaptation project of UNDP). These home gardens adopt space saving techniques, organic inputs, natural farming methods, hardy native species with low irrigation requirement and simple technologies for seed and water conservation. Home garden produce supports household nutrition, helps families to withstand economic shocks (seasonal change in vegetable prices) and allows women to earn additional income by selling excess production<sup>15</sup>.

In the target area homesteads vary from 0.09 Ha to 0.3 Ha. This is considerable space for home garden development with a mix of perennials and annuals, meeting food, fodder, fuel and timber requirements of a household. Home garden diversity is an important indicator of household level adaptive capacity. The higher the number of multi-purpose tree species available in home gardens, the better chances of meeting climate challenges. A healthy mix of perennials and annuals, vegetable, fruit, spice and timber/fuel wood species allows households to withstand rainfall variability and prolonged drought.

Home gardens already exist in the project area. However due to several factors, they are not productive or planned. Previous experience has demonstrated that awareness, training, inputs and seedlings and some monitoring can transform the baseline practice in to a productive home-garden that provides food, and non-food benefits.

This component would be implemented by Farmer Organizations with support from agriculture/agrarian extension officers in villages.

Specific activities under this Output include:

- Survey the household income and food security practices of sample households in the target areas
- Assess water availability and soil conditions to determine the best-suited home garden species mix
- On the basis of this information, transform existing home gardens to a productive home-garden and improve household income of target households.
- Training on home garden planning and organic input production targeting 4,323 families

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<sup>13</sup> Baseline Survey and Case Studies of CBA project implemented by GEF SGP in the Mahaweli Basin

<sup>14</sup> Forest Department Statistics

<sup>15</sup> Marambe et al; Farmer Perception and Adaptation to Climate Change in Home Gardens of Sri Lanka. Faculty of Agriculture, University of Peradeniya.

- Seeds, equipment (hand tools) and planting material (suitable for the respective agroecological regions) provided to 14039 rain-fed farming households. Organic farming tool kit (includes barrels, buckets) provided to all selected households ☐ Monitoring at household level by FO and village level implementation committee

Output 1.2: Introduce and promote drought tolerant crop varieties and agronomic practices to counter effects of rainfall variability

The National Environment Action Plan prioritizes the development and dissemination of drought tolerant crops, especially rice, in all farming areas with drought hazard<sup>16</sup>. The Department of Agriculture has also invested in research and development of ultra-short term rice varieties with lower irrigation water demand. Several universities are conducting field studies with the Department of Agriculture on traditional rice varieties that could meet the challenge of prolonged droughts and reduced irrigation availability.

This output aims to increase farm productivity in partnership with national technical agencies and allied research institutes. Drought-tolerant crops such as maize, mung bean, sorghum, and ground nut will be introduced. These can be cultivated in both seasons in village irrigation schemes under uncertain rainfall conditions. Improved agronomic practices will also be a focus, including integrated pest and weed management, using rainfall for speedy land preparation, and evaporation control by mulching.

Specific activities under this output include:

- Developing a field training module for drought tolerant agriculture with active participation of field extension officers, FO leaders and technical experts
- Training field extension officers and FO leaders in the target area covering 250 officials and 470 farmers (two members from each FO)
- Conducting field trials with 500 selected farmers on crop varieties and yield, lean season crop mixes and intercropping models
- Building community seed banks for expanded cultivation of successful field-tested varieties

Output 1.3: Identify and promote climate-resilient alternate income sources among rural farm households dependent on rain-fed agriculture

Alternate and climate-resilient income sources were identified by Government and community stakeholders as a priority to develop household adaptive capacity. Alternate livelihoods are important to the target farming areas in order to supplement agricultural livelihood, especially during the long dry spell that coincides with the minor rainfall season or Yala from May to September. Alternative livelihoods will allow communities to withstand climatic stresses such as prolonged drought and intense rainfall events.

While a large menu of livelihood options were considered, the proposed project focuses on livelihood options that a) are socially accepted, b) can also contribute to food security and nutrition and c) have good market potential (such as inland fisheries, livestock farming and poultry for eggs, bee keeping and cashew/coconut production).

Specific activities under this output include:

- Technical assessment of climate resilience of selected alternate livelihoods by relevant national agencies and their regional counterparts
- Training (skills development including small business management) and

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<sup>16</sup> NEAP 2008-2012. Climate Change Sector. Strategy 6 to make Changes in Agriculture Practices to suit the changed climate

- Inputs (equipment related to livelihood of choice) to selected members of the 61 FOs based on viable market-oriented proposals received and approved by the village level implementing and monitoring committee
- Linking other viable proposals with micro-credit programs implemented by state or cooperative banks

Output 1.4: Build community assets and livelihood resources through cash-for-work to support climate risk reduction measures.

Payments and incentives will be provided to farm families in the micro watersheds to enable their participation in watershed management activities identified in Output 2.3. The payment scheme would be structured to government-approved rates and implemented during minor rainfall season (Yala season) when most rain-dependent farmers are without employment and income.

102 households will benefit from cash-for-work schemes in two micro catchments in Medirigiriya, Lankapura and Walapane to carry out natural resource management and climate risk reduction activities which could include:

- Catchment reforestation and stream bank conservation involving tree planting and maintenance of these plants on state-owned lands in the catchment
- Slope stabilization and erosion control involved creating erosion traps such as dykes, stone hedges, trenches and live hedgerows on private and communal lands
- Minor maintenance work on the irrigation systems such as cleaning canals, turfing bunds, clearing weed growth inside reservoirs and manually dredging silted areas

**Component 2:** Build institutional capacity in village, local, regional service delivery to reduce risks associated with climate-induced rainfall variability

This component will provide the necessary institutional strengthening to carry out outputs and activities in Component 1, develop additional risk reduction measures such as early warning/ hazard forecasting systems and build knowledge and capacity for replication/mainstreaming of project lessons into regular programs government service delivery.

This component will target all rain-fed farming households (14,039) in both DSDs through local and village service delivery officials (primarily agriculture, agrarian services and disaster management) and Farmer Organizations. The capacity building and awareness creation outputs in Component 2 have been designed through extensive local-level discussion with farmer groups, extension officials and local development officials including divisional administrators.

Knowledge generation (feedback from the field) and knowledge management are separate outputs in Component 2 with specific target groups, such as national policy, media and other rain-fed farming communities within Basin. However, awareness and knowledge are integral to project activities. Most outputs are designed to incorporate climate change awareness, risk communication and climate risk screening for development. This is true of livelihood training (for farm families) and service delivery training (for officials and Farmer Organizations) in both components. Specific inputs (community exchange visits) are targeted towards replication of the model(s) elsewhere in the Basin.

The component includes three outputs:

Output 2.1: Train and mobilize officers at village, division and provincial level to design and monitor local adaptation strategies

This output targets officials working as field extension officers in Agriculture, Agrarian Development, Mahaweli Authority, Disaster Management, Forest Department and village administrative officials. The aim is to build capacity of these officials to identify climate threats, support the development of local adaptation strategies, and to introduce adaptive measures as part of the extension services and to monitor localized vulnerabilities in their geographical regions.

The need for such specialized capacity building emerged as a priority need in consultations held with local officials during project design.

There are a number of village development initiatives being implemented by government (centrally and provincially) targeting socio-economic upliftment of these DSDs. The design of village development plans and prioritizing of development initiatives should ideally be screened for climate risks. If local officials, especially village/divisional administration, are aware of climate change risks and adaptation strategies such planning processes could be more sustainable in the long run.

Another aspect to the training is to use national-level hazard and risk maps to inform local development decisions. The landslide risk map, drought hazard map and the erosivity map are vested with different national technical agencies. Many of these mapping exercises have no local significance, or can be applied practically to local inform local development decision making. This is a gap that will be addressed through both training and providing IT equipment/associated skills to each Agrarian Service Centre in project areas.

Specific activities under this output include:

- Developing a training module for climate change, impacts on agriculture and natural resources, and climate-proofing rural development with government and FO participation
- Three Training of Trainers (TOTs) for climate risk screening in agriculture and natural resource management developed and conducted
- 250 officials at provincial, divisional and village level engaged in rural development are trained in climate proofing agriculture and natural resource management
- Equipment and tools (GIS equipment, software, localized hazard maps, vulnerability assessment tools) for climate risk management provided to eight Agrarian Service Centers

Output 2.2: Strengthen Farmer Organizations with information, training and equipment to implement adaptation strategies

This output will provide the necessary foundation to deliver most of the project results. Farmer Organization strengthening is the key to effective project delivery on the ground. As mentioned earlier FOs are the key community-based organization through which farm families under each minor irrigation scheme/ each village will be reached. FOs are legally mandated with the upkeep and maintenance of small irrigation infrastructure, and are registered with the Department of Agrarian Development. The project will ensure that every target FO is registered, with elected office bearers and an established bank account.

Importantly, 55 FO in the target DSDs will develop a management plan for small-scale village irrigation structures under their purview. These plans will be guided by the village level implementation committee set up through the project and technically whetted by area Agrarian Services Centre and implemented through community and local government support. Multiple funding sources for the upkeep and maintenance of such irrigation structures would be developed- through membership contribution, through development programs implemented by national and provincial governments and technical agency budgets.

Farmer Organization leadership will receive awareness and training in climate risk identification and adaptation planning. FO leaders will be trained in the methodology of conducting Vulnerability Reduction Assessment (VRA)<sup>17</sup> so that they can conduct community-level VRA in each target village at the beginning and end of the project cycle. VRA in this project serves as a vehicle for household level awareness as well as a tool to plan adaptation actions and measure their effectiveness.

Specific activities under this output include:

- A survey of registered and unregistered FOs in the eight Agrarian Services Areas of target DSDs
- Participatory and technically sound management plans developed for selected minor irrigation scheme with FO
- Ensuring that each plan has a sustainable financing mechanism for the upkeep of irrigation structures
- Training of 55 FOs on method of conducting vulnerability reduction assessments (VRA) among member households

Output 2.3: Risk Assessment and Adaptation Planning conducted with target communities

This output will support evidence-based knowledge management and decision-making by providing a feedback from the field.

The project will adapt UNDP's Vulnerability Reduction Assessment methodology as a means of taking climate risk information to communities while assessing their context-specific vulnerability to these risks. The tool would also allow for participatory adaptation planning where individual Farmer Organizations; or a cluster of Farmer Organizations can commonly evaluate risk and prioritize adaptive actions.

This would involve conducting village/ FO level VRAs with the participation of all 14039 households at three stages during project cycle- at the start, at mid-point (18-22 months) and at the end of activity implementation. The VRAs would be conducted by FO officials with support of local extension officers.

Specific activities include:

- Training of FOs on method of conducting vulnerability reduction assessments (VRA) among member households
- Conducting VRAs in targeted FO by involving one member from every target household
- Evaluating results and prioritizing adaptive actions

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### **III. RESULTS AND PARTNERSHIPS (1.5 - 5 PAGES RECOMMENDED)**

#### **Expected Results**

The project will deliver the following results:

- Diversified and strengthened livelihoods and sources of income for vulnerable farm families in minor irrigated and rain-fed areas; and

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<sup>17</sup> VRA is a Community Based Adaptation tool with multiple uses- intervention targeting, results monitoring, assessing barriers and capacities and imparting awareness on climate risks. The tool is based on four composite indicators that measure current and future climate risks, magnitude of barriers and willingness to adapt. The same questions posed over 3-4 community meetings during implementation and the evaluation of the numerical scores that are derived, indicate if a project is on track at the community level.

- Strengthened ownership of climate risk reduction processes and increased replication potential of adaptation strategies at local level and basin/sub national level.

The Project by achieving the first result will increase the resilience of the vulnerable farmers cultivating under minor irrigation systems and rain-fed lands by implementing climate smart agricultural practices, improved water management and strengthened weather forecasting systems. Thus, the project will aim to minimize climate-induced livelihood risks and develop livelihood capital to overcome income poverty and food insecurity.

The Project will also contribute to build necessary institutional capacity to carry out additional risk reduction measures such as early warning/ hazard forecasting systems and build knowledge and capacity for replication/mainstreaming of project lessons into regular programs government service delivery. This will enhance the ownership of the project concept and approaches and will help to mainstream climate change adaptation into wider development plans and programmes.

### **Partnerships**

The project will be implemented in partnership with government agencies, the private sector and community-based organizations, including farmer organization. Provincial Departments of Agriculture will play a key role in promoting climate smart agricultural practices among the target beneficiaries. Specific technical agencies such as National Aquatic Development Agency of the Ministry of Fisheries and Aquatic Resource Development will be engaged in promoting fisheries in the village irrigation tanks rehabilitated by the project in the first three years. Community based organizations and women's organization will work with the project to promote the climate change adaptation measures among the target beneficiaries. Private sector agencies will engage in providing seed and plant materials and to develop forward marking contracts with farmer groups.

### **Stakeholder engagement**

The project activities were identified based on the detailed consultations carried out with the respective Divisional Secretaries, Department of Agrarian Development Officials, and farmer organizations. Local project stakeholders, including the community members will have a key role to play in planning, implementing and monitoring the project interventions.

### **Risks and assumptions**

The Project has been implementing from 2014 and it was expected to conclude the project by August 2017. However, it has been realized that the Project has not achieved the expected results, while approx.. 40% of the budget had been delivered. In this context, UNDP has been invited to support the implementation of the project by providing required technical assistance to the implementing partner, which is the Ministry of Mahaweli Development and Environment. UNDP will also implement about 40% of the remaining balance of the Project with the consent of the Adaptation Fund Secretariat. In this context there are several risks into the project implementation, predominantly from the operational aspects of the project. These include; lack of support from the local level government machinery due to poor performance of the project, inadequate measures taken by the project team to promote climate change adaptation approaches, lack of community participation, trust and support.

Of the above, second is critical for the overall success of the project, where it has been noted that the all physical construction and rehabilitation activities have already implemented by the MMDE without giving due attention to climate risks. These will have limited capacity to withstand any climate shock making the target communities more vulnerable to future weather anomalies. It would require some attention from UNDP side to assist the MMDE to retrofit the physical constructions to ensure those are climate proof, but this will be a challenging task considering the remaining budget.

### **South-South and Triangular Cooperation (SSC/TrC)**

The proposal is aligned with UNDP’s comparative advantage in the areas of capacity building, providing technical and policy support, reducing barriers and creating enabling conditions for adaptation planning and investments. Specifically, the proposed project will build upon UNDP’s comparative advantage stemming from experience in working with governments and communities in Sri Lanka and globally on: i) establishing and strengthening institutional, policy and legislative mechanisms; ii) building capacity; iii) undertaking risk assessments; iv) mainstreaming climate change adaptation, disaster risk reduction and early warning systems into development planning; and v) harnessing best practices and community-based approaches across different thematic areas for climate change adaptation and disaster risk reduction. This includes experience with initiatives focused on transferring knowledge and technology via South-South cooperation.

**Knowledge Management**

The project will harness and build on the traditional knowledge and practices, combined with modern systems for improved water management in village irrigation systems and promoting climate resilient agricultural practices. These include reviving fish stock in the village irrigation tanks, drought and flood resistant crop varieties; agronomic practices, reviving and strengthening community co-management of resources (land and water) as well as community input in to maintenance of structures for village irrigation.

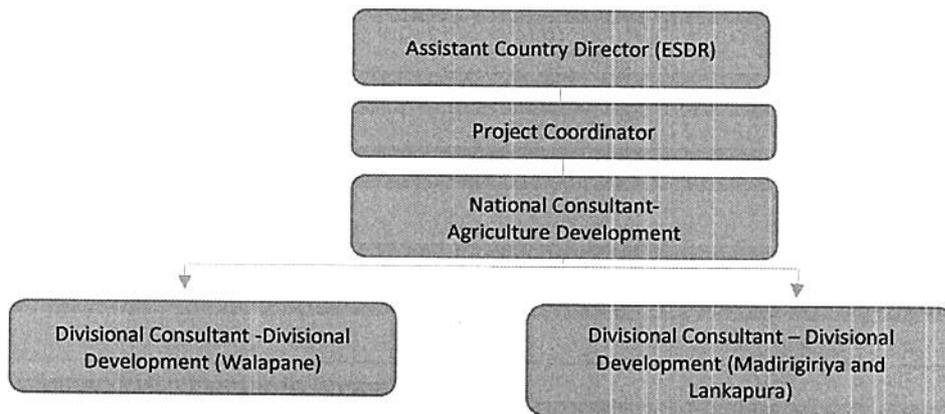
The project will develop vulnerability profiles for the three divisional secretariat divisions taking climate exposure, sensitivity and adaptive capacities of the elements at risk into account. The project will also develop a compendium of case studies based on the project interventions.

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**IV. PROJECT MANAGEMENT (1/2 PAGES - 2 PAGES RECOMMENDED)**

***Project Management***

The Project will be implemented in the Medirigiriya and Lankapura DS divisions in Polonnaruwa district and Walapane DS division in Nuwara Eliya district. The project will be managed by a Project Coordinator hired by UNDP. The Project Coordinator will liaise with WFP and MMDE in implementing the project. Teams hired by UNDP will be based with the PMU staff of the MMDE based in relevant divisional secretariat divisions.



## **Project Assurance**

UNDP provides a three – tier supervision, oversight and quality assurance role – funded by the agency fee – involving UNDP staff in Country Office. Project Assurance must be totally independent of the Project Management function, thus will be undertaken by the Programme Analyst of the ESDR cluster. The quality assurance role supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed.

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## V. RESULTS FRAMEWORK<sup>18</sup>

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<sup>18</sup> UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

**Project title and Atlas Project Number: "Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka"**

| EXPECTED OUTPUTS   | OUTPUT INDICATORS<br>(1)   | DATA SOURCE   | BASELINE   |      | TARGETS (by frequency of data collection)  |   | DATA COLLECTION METHODS & RISKS |
|--|--|---------------|--|------|--|---|---------------------------------|
|  |  |               | Value  | Year | Year 1   |   |                                 |
| <b>Outcome 1</b><br><i>Diversified and strengthened livelihoods and sources of income for vulnerable farm families in minor irrigated and rain fed areas</i>                   | Percentage of target households with sustained climate resilient livelihoods | ProDoc - 2014 | Farm families under minor irrigation/rain fed conditions highly exposed to climate change related livelihood insecurity. Less than 10% of target population practice climate risk reduction measures.<br>Threat level: Very High | 2014 | - At least 2,500 target households have developed minimum one climate resilient livelihood strategy or alternate source of income.<br>-Home gardens generate income in 50% (1,200 households) of target population.<br>- Women's contribution to household income increased by 50% (approximately 420 women) in target households along with household income from home gardens increased in approximately 1,200 families.<br>-The aforementioned women will in turn have improved access to basic services due to their improved economic standing. | <p><b>Data Collection Methods:</b> Field monitoring reports &amp; end of project survey.</p> <p><b>Risks:</b> It is assumed that the selected livelihood options might be complementary to state and other development interventions in the identified DSDs, therefore, dialogues between relevant government agencies are to be maintained throughout the project to avoid such replications.</p> <p>Any hindrances in accessing financing and markets for better livelihoods is to be avoided by establishing community level farmer's markets. These are to be sustained through the established social enterprises and their entrepreneur groups.</p> |                                 |
|  | No of women with new source of income  | ProDoc - 2014 | Women in target areas practice traditional rain fed farming  | 2014 |  |   |                                 |
| <b>Output 1.1</b> Home gardens established based on agro forestry systems in target DSDs to diversify livelihoods and build adaptive capacity of households to climate change. | No of diversified home gardens created through project intervention          | ProDoc - 2014 | Zero farming families benefit from home garden improvement via project intervention.   | 2014 | -Diversity (no of multi-purpose tree species) in approximately 1,200 home gardens improved.  | <p><b>Data Collection Methods:</b> Participant attendance records, distribution records of micro-irrigation kits and input packages &amp; beneficiary lists.</p> <p><b>Risks:</b> Lack of community interest and investment in developing and maintaining home gardens are to be sidestepped through the provision of comprehensive market chains to garner a regular income. Provision of input packages and micro-irrigation systems will also be utilized as a remedial measure.</p>   |                                 |
|  | Value of food and income generated through diversified home gardens          | ProDoc - 2014 | Home garden diversity low medium Low- >10 species of food and multipurpose tree species Medium-10-25 High-<25 species  | 2014 | -Household income from home gardens increased in 1,200 families as the produce from the aforementioned home gardens will be directly linked to the farmer's markets in the project areas—06 in Polonnaruwa and Nuwara Eliya, collectively.   | <p>Lack of the availability of active marketing chains for home garden produce (raw and processed food, spices, and medicinal herbs) at community levels are to be evaded through the establishment of several</p>  |                                 |



|  |   |                      |             |  |  |
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| <p><b>Output 1. 4</b> Build Community Assets and Livelihood Resources through cash for work to support climate risk reduction measures</p>   | <p>resilient alternate livelihood training</p>  | <p>ProDoc - 2014</p> | <p>2014</p> | <p>such as dairy, handicrafts, textiles, have been identified to be established and or reinforced over the project period.</p> <ul style="list-style-type: none"> <li>- Training provided to at least 61 FOs on selected livelihood options per DSD by specialized state agencies.</li> <li>-Livelihood support equipment provided to minimum two viable livelihood proposals from 61 FOs.</li> <li>-Increased access to basic services by the target communities as result of the established climate resilient and sustainable livelihoods.</li> </ul> | <p>such as Grama Niladhari's Economic Development Officers and Agrarian Production and Research Assistants.</p> <ul style="list-style-type: none"> <li>-It is assumed that there's a high level of interest in local service delivery to encourage and follow up on livelihood diversification but if it's not so, output oriented incentives are to be applied in terms of project implementation as a remedy.</li> <li>-Lack of access to markets is to be rectified through project interventions such as the establishment of sales centers and producer driven farmer's markets. Further, capacity building sessions that focus on post-production methods, value addition methods, branding and marketing are to be applied.</li> </ul> <p><b>Data Collection Methods:</b> Attendance records.</p> <p><b>Risks:</b> It is assumed that adequate monitoring oversight and fiscal control mechanisms are in place for effective PES delivery through existing village service delivery and farmer organizations. If there are shortcomings in the said channels, regular discussions at monitoring meetings and steering committee meetings will ensure efficient and transparent transactions. Additionally, divisional level officers who've been trained under the project will be utilized for efficient monitoring and reporting.</p> |
| <p><b>Output 2</b><br/>Strengthened ownership of climate risk reduction processes and increased replication potential of adaptation strategies at local level and basin/sub national level</p> | <p>Level of community participation cash for work system.<br/>Number of women participating in cash for work program</p>  | <p>ProDoc - 2014</p> | <p>2014</p> | <p>102 households benefit from cash for work schemes in two micro catchments in target DSDs.</p> <ul style="list-style-type: none"> <li>-At least 50% of the women in the targeted households are primarily involved and so benefit from the aforementioned cash-for-work scheme.</li> </ul>   | <p><b>Data Collection Methods:</b> Field and DSD monitoring committee reports, end of project survey of households, final project evaluation and participant attendance records.</p> <p><b>Risks:</b> It is assumed that there's demand for climate change awareness and adaptive strategies among communities; however, at the lack of such necessities from the communities, mandatory awareness sessions, incentives and the involvement of grassroots</p>  |
|  | <p>Percentage of target population (Gender Disaggregated) aware of predicted impacts of climate change and appropriate responsive adaptive actions to safeguard livelihood assets</p> | <p>ProDoc - 2014</p> | <p>2014</p> | <p>At least 1,810 households participate in climate risk assessment in target area receive climate change awareness.</p> <ul style="list-style-type: none"> <li>-At least 50% of community risk assessment meetings consist of women</li> <li>-61 FOs in target area receive information and tools to develop local adaptive strategies to safeguard livelihood assets</li> </ul>  | <p>Lack of awareness of climate impacts and adaptive actions at household and community level Extension officers and CBO officials have no training on climate proofing local community development</p>  |

|  |   |                      |  |   |   |   |
|--|---|----------------------|--|---|---|---|
| <p><b>2.1</b> Train and mobilize officers at village, division and provincial level to design, and monitor local adaptation strategies</p> | <p>No of village, divisional and provincial officers trained to address climate risks</p> | <p>ProDoc - 2014</p> | <p>Training programs on climate risk management are not available at regional and local level</p>  | <p>2014</p> <ul style="list-style-type: none"> <li>- One training module developed</li> <li>- Three TOTs developed and conducted</li> <li>- 218 officials trained at provincial, divisional and village engaged in rural development</li> <li>- 8 Agrarian Service Centres in the DSDs receive climate risk management tools</li> </ul>   | <p>-300 local and divisional-level officials engaged in agriculture, fisheries, disaster management receive at least one training on supporting adaptive strategies.</p>  | <p>level officials are to be utilized for better implementation.</p> <p>Output oriented incentives and capacity building sessions are to be applied to remedy possible lack of capacity and motivation of local service delivery to implement and monitor adaptive actions.</p> <p><b>Data Collection Methods:</b> Training module and participant attendance records.</p> <p><b>Risks:</b> It is assumed climate risk screening and climate proofing are identified needs in local development sectors; but should the point in case prove otherwise, awareness programs and familiarizing communities on vulnerability assessment results should work towards gaining organic interest in the project activities.</p> <p>-The officers lack time to engage in project work in addition to their routine work. Entering into formal agreements with the respective departments to engage the officers can be applied a remedy.</p> |
| <p><b>2.2</b> Strengthen Farmer Organizations with information, training and equipment to implement adaptation strategies</p>              | <p>Capacity of farmer organizations to respond to climate risks</p>                       | <p>ProDoc - 2014</p> | <p>Farmer Organizations lack information on risks, and lack planning capacity to address them</p> <p>Some villages do not have formalized farmer organizations</p> | <p>2014</p> <ul style="list-style-type: none"> <li>- 55 FOs in target DSDs have been trained to developed management plans for local irrigation management and catchment conservation.</li> <li>-55 FOs in the target divisions are registered with Agrarian Services and have elected representatives</li> <li>-At least 258 members from 55 FO's trained to conduct livelihood vulnerability reduction assessments as input to 2.4</li> </ul> | <p><b>Data Collection Methods:</b> Agrarian Service Centre records on FO registration and training attendance records.</p> <p><b>Risks:</b> The assumption is that, farmer organizations represent the most climate vulnerable segments of the rural population in the three DSDs. Therefore, farmer organizations are motivated to invest time and effort in project implementation at village level. However, if the reality is to the contrary, awareness programs on the current status of climate change and its effects on the project areas along with incentives are to be applied.</p> <p>-Lack of participation during cultivation seasons is identified as a major drawback and to combat, proportionate compensation is to be provided.</p> |   |

|   |  |                      |   |             |  |   |
|---|--|----------------------|---|-------------|--|---|
| <p>2.3Conduct Risk Assessment and Adaptation Planning with target communities</p> | <p>Level of awareness among target group of climate risks</p> <p>Capacity of community to plan and prioritize adaptive actions</p> | <p>ProDoc - 2014</p> | <p>Target population unaware of climate risks and adaptive measures</p> | <p>2014</p> | <p>VRAs conducted targeting approximately 2,000 households. (&gt;45% female participation) reinforcing the establishment of data-informed communities.</p> <p>-Members of approximately 2,000 households to achieve awareness on risks posed by climate change and adjacent adaptive measures.</p> | <p><b>Data Collection Methods:</b> Participant attendance records, Village Development Plans and vulnerability assessments.</p> <p><b>Risks:</b> To counteract low levels of participation in VRA exercise and lack of understanding on basic principles and technical information by the communities, introduction of incentives and the use of grassroots level government officers are to be used.</p> <p>-Getting the communities involved hands-on, in planning and decision making processes, when implementing disaster management and adaptive activities encourage participation and in turn gain understanding about the technical aspects as well.</p> |
|---|--|----------------------|---|-------------|--|---|

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

### Monitoring Plan

| Monitoring Activity  | Purpose   | Frequency   | Expected Action   | Partners (if joint)   |
|--|---|---|---|---|
| Track results progress on results framework                              | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. |   | <i>Slower than expected progress will be addressed by project management.</i>   |   |
| 1. Training and monitoring for climate resilient home garden development |   | Annually  | Training of approximately 4,664 target households and developing at least one climate resilient livelihood strategy or alternate source of income.                                | Dept of Agriculture (DOA) & Dept of Agrarian Development (DAD). |
| 2. Seeds and material for climate resilient home gardening               |   | Annually  | Diversity (no of multi-purpose tree species) in approximately 4,323 home gardens will be improved.  | DOA & DAD   |
| 3. Household Survey  |   | Annually  | To conduct baseline survey and end-of-project survey to determine the change of household income level by 50% of target population especially those with women-headed households. | Hector Kobbekaduwa Agrarian Research Institute (HARTI).         |
| 4. Farmer field trials on climate resilient agriculture practices        |   | Annually  | Farmer field trials conducted with national technical agencies for approximately 426 farm families selected from Farmer Organizations (FO's).                                     | DOA & DAD   |
| 5. Training for resilient livelihoods                                    |   | Annually  | Training of at least 61 FOs on selected livelihood options through specialized state agencies.  | DOA & DAD   |
| 6. Livelihood support equipment  | Annually  | Providing climate-resilient alternate income sources like livestock farming, perennial cash crops, handloom and textile and inland fisheries for at least 61 FO's. Livelihood support equipment provided to minimum 1,200 selected beneficiaries of the 61 FOs. | DOA, DAD, National Aquatic Resource Development Authority (NAQDA), National Enterprise  |   |

|   |  |   |                                  |  |  |   |
|---|--|---|----------------------------------|--|--|---|
|   |  |   |                                  |  |  | Development Authority (NEDA).   |
| 7. Institutional Support  |  |   | Annually                         | Conducting at least 2 value chain analysis' aiming climate resilient alternative livelihoods.  |  | NEDA  |
| 8. Sustainable financing mechanism designed- the mechanism will be designed with relevant stakeholders  |  |   | Annually                         | Supporting 102 households to benefit from cash for work schemes in two micro catchments in target DSDs.  |  | 3 Divisional Secretariats (DSDs)  |
| 9. Module on climate risk screening in agriculture, water resources and local development (module on CCA in Agriculture and water resource management). |  |   | Annually                         | Updating the trainers guide on tank renovation, maintenance and ecological restoration. Preparation of farmer's guide handbook and training module.  |  | DAD, Natural Resource Management Center (NRMCC) & Development Facilitators. |
| 10. Training of Trainers  |  |   | Quarterly                        | Minimum of 300 government officers trained on climate adaptation concepts.   |  | NEDA, Practical Action, Center for Excellence in Organic Agriculture        |
| 11. IT and GIS equipment to division  |  |   | Annually                         | 8 Agrarian Service Centres will receive climate risk monitoring equipment, GPS for land use planning and real-time weather monitoring stations.  |  | UNDP, Land Use Policy Planning Department (LUPPD), DAD & DSDs.              |
| 12. Irrigation management plans   |  |   | Annually                         | Training of farmer leaders of a minimum of 55 FO's to develop local irrigation management and catchment conservation plans.  |  | Development Facilitators, DAD, NRMCC  |
| 13. Training on VRA methodology for FO leaders  |  |   | Annually                         | Training program for minimum 258 FO leaders on risk assessment and adaptation planning will be conducted.  |  | DAD, DOA  |
| 14. VRA conducted in all target FO's  |  |   | Quarterly                        | VRA awareness programs conducted targeting approximately 9,680 households at three months period since the inception of the project (>45% female participation).   |  | DSDs  |
| <b>Monitor and Manage Risk</b>  |  |   | Monthly/<br>Quarterly/Biannually | <i>Risks are identified by project management and actions are taken to manage risk.</i>  |  | District and DSD level agencies   |
| 1. Scientific and technical information in relation to climate change and its effects on the Basin remain incomplete and uncertain                      |  | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. | Quarterly                        | Sri Lanka has reliable, quality-assured meteorological data over 100 years which is ample evidence that the climate is changing. However more localized impacts especially in rainfed farming areas are more difficult to determine, especially as the declining trend of annual rainfall is not statistically significant. However, field observations and farmer |  | University of Moratuwa, DSD's   |

|  |  |   |                             |
|--|--|---|-----------------------------|
|  |  | experience demonstrate that rainfall variability is a real phenomenon.  |                             |
| 2. Lack of awareness among participating communities and local officials on CC and potential impacts   |  | The project aims to sensitize communities through VRA and officials through awareness programs as part of the project execution.  | DSD's                       |
| 3. Local (District and Divisional) Government in project implementation areas fail to prioritize climate change policies in their strategies and plans.  |  | Climate change adaptation needs and priorities are reflected in national policies and plans, but a void remains at local/sectoral level. Divisional and District staff working on environment, disaster management and agriculture will be strongly networked into the project so that local development planning in project areas will henceforth build in climate risks and responses                         | DAD, DOA, DSD's, LUPPD      |
| 4. Policy makers and politicians prioritize economic benefits over sustainable and resilient ecosystems.   |  | The project will demonstrate cost-effective and economically sound models of adaptation and generate local demand, through communication strategies, to influence policy  | DSDs                        |
| 5. Additional development (financial and marketing) support for alternate livelihoods and crops are unavailable in the target DSDs at the required time  |  | The project has been designed to provide technology and inputs for such climate-resilient livelihoods, in line with the government's national programs for food security, poverty alleviation and village development. All these programs are active in the DSDs and the Divisional Level Monitoring Committee will be tasked with further liaison between regular development programs and project objectives. | NEDA, DSD's DOA, DAD, NAQDA |
| 6. The project activities conduct through the field officers of respective stakeholder organisations where their involvement for CCAP II project will be limited due to their commitments in their own agencies. |  | In order to minimize the risk, the respective officers will be formally engaged and delegated responsibility to lead the respective activities of the project. Further project activities handle by the stakeholders to be monitored through the Technical Advisory Committees established at Divisional Level.   | NEDA, DSD's DOA, DAD, NAQDA |
| 7. The Project's two implementing components (Ministry of Mahaweli Development & Environment and UNDP) will compete for the same work or replicated.   |  | Regular dialogue between the two parties will be established at central and divisional levels to have a common understanding of the CCAP II Objectives and having common and shared plan towards achieving these Objectives in unison.  | MMDE                        |

|  |  |                          |  |                                      |
|--|--|--------------------------|--|--------------------------------------|
| <p>8.Active engagement of the District Secretary and the relevant Divisional Secretaries and their Planning Units will remain limited and will not adequately support project implementation, oversight and M&amp;E.</p>   |  | <p>Quarterly</p>         | <p>The project updates will be presented to the District Secretary and regular discussions with Divisional Secretaries are encouraged for implementation support, learning, replication and sharing. The Steering Committee functioning at DS level will provide overall guidance at the Divisional level, chaired by the DS with the membership of other key partner agencies also help to mitigate this risk</p>   | <p>DSD's</p>                         |
| <p>9.Engagement of the marginalised community will be limited</p>  |  | <p>Biannually</p>        | <p>The project will address this through vigorous selection procedure of beneficiaries focusing the needy and those interested groups committed to provide time and energy. The beneficiaries and the communities will be mobilised and kept engaged to sustain the momentum of the project.</p>   | <p>DAD, DSD's</p>                    |
| <p>10. A) Fund disbursement at the Division level will face obstacles owing to bureaucratic procedures, which will have repercussions on timely implementation.<br/>B) Disbursement of project funds to many parties with varying degrees of capacity to manage and monitor finances will result in financial mismanagement.</p> |  | <p>Monthly/Quarterly</p> | <p>A) In order to avert the situation, the fund disbursement process will be formalized through Letter of Agreements with different line agencies to ensure smooth and efficient implementation of community projects. UNDP assist in direct procurement of goods and services, as another mitigatory approach.<br/>B) A rigorous Monitoring, Learning and Evaluation system with regular field visits will be done. Monitoring facility on financial management will be done through a UNDP dedicated staff. Proper book keeping reporting systems is in place in all partner agencies.</p> | <p>DAD, DOA, NEDA.<br/>NCPC, CPC</p> |

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| <p>11. A) The Partner agencies that are required to provide technical back-stopping may not be able to commit the time and effort required to implement the Programme effectively and sustain intended outcomes over time</p> <p>B) Decisions on where, how, and to whom CCAPII community project funds are made will result in a lack of transparency and dissatisfaction amongst the communities.</p> |   | <p>Monthly</p>  | <p>A) The Project to be maintained regular dialogue with the relevant agencies and provide administrative and technical support, as well as opportunities for training, learning events and knowledge sharing between DS Divisions.</p> <p>B) A transparent beneficiary selection criterion accepted by all stakeholders will be introduced. The process of selection will be done by the following four GND level officers.</p> <ul style="list-style-type: none"> <li>- Grama Niladarie</li> <li>- Economic Development Officer</li> <li>- Samurdhi Officer</li> <li>- Kupanisa Officer</li> </ul> <p>Further Partnerships will be formalised through LOA's and set out the responsibilities of each party.</p> | <p>DSD's, DAD</p>  |
| <p>12. The political interest may influence to deviate expected project outputs.</p>  |   | <p>Biannually</p>   | <p>The district and Local level political leadership was kept aware on the project at the District Coordinating Committee meeting. The beneficiaries were selected through a well-designed selection criterion developed via stakeholder consultation. Further respective Divisional Secretaries are liaising with local level politicians to get the political backing for the project.</p>  | <p>District Secretary,<br/>DSD's</p>                               |
| <p><b>Learn</b></p> <p>1. Project is expected to assist at least 6,093 household during the 14 months project period within a budget of 1.8 million. Since the project required considerable time to plan and to set up the system on ground, frequent monitoring is not a viable option to capture tangible results/outputs such as home gardens, farmers markets, social enterprises and etc.</p>     | <p>Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.</p> | <p>Monthly/<br/>Quarterly/Biannually</p> <p>At least annually</p> | <p>Relevant lessons are captured by the project team and used to inform management decisions.</p> <p>In order to cater to the aforementioned, an annual monitoring system at the output level along with frequent activity monitoring system at the field level will be undertaken.</p>   | <p>District and DSD level agencies</p> <p>DSDs, DAD, DOA, NEDA</p> |

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| <p>2. Project implementation procedures should adopt Government rules and regulations and so experience delays in procurement and approval processes.</p>   | <p>Monthly/Quarterly</p> | <p>Considering the short time span of the project, procurements will be undertaken through the UNDP as much as possible. Further, the required technical assistance will also be made available for the government agencies to expedite the project interventions.</p>  |                                  |
| <p>3. Frequent changes in the designated authorities in the hierarchy of stakeholder organizations delays the initiation of project activities.</p>   | <p>Monthly/Quarterly</p> | <p>The working agreements between the UNDP and the stakeholder agencies will be introduced and regular working relations will be established with the top tier and other working levels of the stakeholder agencies.</p>  | <p>DAD, DOA, NEDA, NCPC, CPC</p> |
| <p>4. The initial Project proposal lacks certain required information such as number of direct/indirect beneficiaries, gender segregation, command area and project coverage (GNDs/FOs).</p>  | <p>Biannually</p>        | <p>A baseline study will be initiated to obtain such specific information required for project implementation.</p>  | <p>HARTI</p>                     |
| <p>5. Coordination and understanding are required among all the implementing partners at all levels to deliver holistically as one project to achieve a common goal of the project. Since the eleven outputs identified to achieve the two outcomes are interdependent, therefore, the project implementing partners should have a thorough understanding on the synergy and complementarity of the activities leading towards these outputs.</p> | <p>Biannually</p>        | <p>Project planning and integrated action workshop to be arranged to create common understanding of the project outcomes and the road map of the CCAP II project among the individual and institutional consultants who provide technical support to achieve the project objectives. This will also lend in terms of integrated planning to develop a framework for effective delivery and knowledge management of CCAP II project.</p> | <p>All project partners</p>      |
| <p>6. In terms of relevance of the project, the activities proposed to undertake are in line with priorities for adaptation as outlined in the National Action Plan for Adaptation (NAPA). Major adaptation activities include: cultivation in poly tunnels, introduction of micro irrigations systems and agricultural input packages,</p>   | <p>Monthly</p>           | <p>A proper monitoring will be done to ensure that the proposed activities are carried out without division other than a genuine reason.</p>  | <p>All project partners</p>      |

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| <p>constructing rainwater harvesting tanks, promotion of inland fisheries, handloom and textile garment as an alternate livelihood and introduce improvements to the production and supply value chains to create a potential market for rural products. etc.</p>                                    |  |                   |  |             |
| <p>7. Though the field teams have maintained a good relationship with the divisional level government officers, they have not been successful in getting all the officers to a common table on a regular basis.</p>  |  | <p>Quarterly</p>  | <p>The coordinating, monitoring and reporting structures identified at divisional and sub divisional levels will be established to strengthen the coordination mechanism among stakeholder institutes. Capacity building of all stakeholders and delegation of responsibilities for integrated planning and implementation is recognized as a core part of the solution.</p>   | <p>DSDs</p> |
| <p>8. In terms of sustainability, the absence of a clear exit strategy covering all output areas, lack of ownership by the key stakeholders at the DS level and lack of proper technical orientation of the project interventions will influence the overall status of the project outcomes.</p>     |  | <p>Biannually</p> | <p>As an overarching objective, the project is expected to setup systems and build capacities of stakeholders to ensure long-term sustainability. The intended activities of the project will be initiated through the government stakeholders in line with respective institutional plans and policies. Capacity building interventions at divisional and village levels will be encouraged to establish farmer markets and introduction of climate smart technology packages. It is expected that the project outputs will be adopted by the majority of the beneficiaries. This approach will guarantee that the Government will provide financial assistance to sustain the interventions.</p> |             |
| <p>9. Low-level participation of the private sector and the civil society organizations in the project implementation. These groups have a lot of potential to support these initiatives and to carry forward the CCAP II initiatives way forward with their financial and technical assistance.</p> |  | <p>Quarterly</p>  | <p>The potential organizations will be connected via Divisional level coordinating committees and will be assigned responsibilities for community mobilization, facilitate market access, business operational assistance.</p>   | <p>DSDs</p> |

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| <b>Annual Project Quality Assurance</b>   | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.   | Annually                                      | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.  | MMDE      |  |  |
| <b>Review and Make Course Corrections</b> | Internal review of data and evidence from all monitoring actions to inform decision making.  | At least annually                             | 1.The project document was prepared in early 2014, prior to UNDP joining as an executing partner of the project. Therefore, project activities and indicators are not realistic with the prevailing budget allocated to the UNDP for implementation. The project document is being reviewed in accordance with available budget and time duration.<br>2.Since the project document is being revised, the project monitoring plan is also to be revised accordingly. |           |  |  |
| <b>Project Report</b>                     |  |   |   |           |  |  |
| 1. Semi-annual Progress Reports (SAPR)    |  | Biannual                                      |   |           |  |  |
| 2. Annual Progress Reports (APR)          |  | Annually                                      |   | MMDE, WFP |  |  |
| 3. Mid-term Evaluation (MTE)              | Project reports indicates the results achieved against pre-defined quarterly annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period | At mid-point of project execution             |   | WFP, MMDE |  |  |
| 4. Final Evaluation (FE)                  |  | End of project cycle                          |   | WFP, MMDE |  |  |
| 5. Final Report                           |  | At least two months before project cycle ends |   | WFP, MMDE |  |  |
| 6. Financial Information Audit            |  | Annually                                      |   | WFP, MMDE |  |  |
| 7. Project Review (Project Board)         |  | Bi-annually                                   | - The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project.   | WFP, MMDE |  |  |

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|  |  |  |  | <p>- In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. Any quality concerns or slower than expected progress will be discussed by the project board and management actions agreed to address the issues will be identified. Mid-term review recommendations will be considered in terms of implementation.</p> |  |
|--|--|--|--|---|--|

**Evaluation Plan<sup>19</sup>**

| <b>Evaluation Title</b> | <b>Partners (if joint)</b> | <b>Planned Completion Date</b> | <b>Key Evaluation Stakeholders</b> | <b>Cost and Source of Funding</b>    |
|-------------------------|----------------------------|--------------------------------|------------------------------------|--------------------------------------|
| Mid-Term Evaluation     | WFP, MMDE                  | July 2018                      | WFP, UNDP, MMDE, DSDs, DAD, DOA    | 9500 USD, Adaptation Fund (Project)  |
| Final Evaluation        | WFP, MMDE                  | Jan 2019                       | WFP, UNDP, MMDE, DSDs, DAD, DOA    | 12000 USD, Adaptation Fund (Project) |

<sup>19</sup> Optional, if needed

## VII. MULTI-YEAR WORK PLAN <sup>2021</sup>

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

| EXPECTED OUTCOME   | PLANNED OUTPUT/ACTIVITIES   | Planned Budget by Year |                  | PLANNED BUDGET<br>Amount |
|--|---|------------------------|------------------|--------------------------|
|  |   | Y1 (2017)              | Y2 (2018)        |                          |
| <b>Outcome 1:</b><br>Diversified and strengthened livelihoods and sources of income for vulnerable farm families in minor irrigated and rain fed areas | 1.1 Output: Develop home garden-based agro forestry systems in target DSDs to diversify livelihoods and build adaptive capacity of households to climate change | 30,588                 | 293,402          | 323,990                  |
|  | 1.2 Output: Introduce and promote drought-tolerant crop varieties and agronomic practices to counter effects of rainfall variability                            |                        | 205,537          | 205,537                  |
|  | 1.3 Output: Identify and promote climate-resilient alternative income sources such as livestock, perennial cash crops and inland fisheries                      | 10,458                 | 730,801          | 741,259                  |
|  | 1.5 Output: Build community assets and livelihood resources through cash-for-work to support climate risk reduction measures.                                   |                        | 65,359           | 65,359                   |
|  | <b>Sub-Total for Outcome 1</b>  | <b>41,046</b>          | <b>1,295,009</b> | <b>1,336,055</b>         |

<sup>20</sup> Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

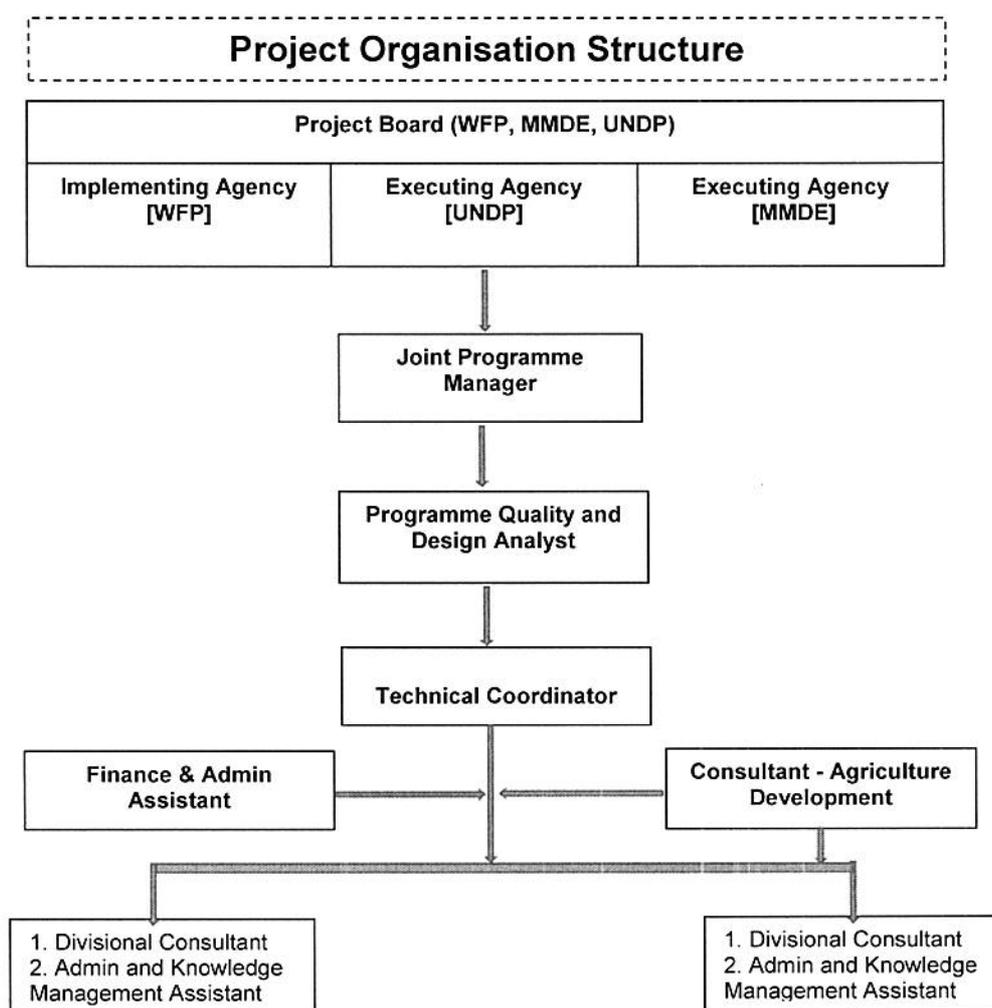
<sup>21</sup> Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

|   |   |               |                |                  |
|---|---|---------------|----------------|------------------|
| <b>Outcome 2:</b> Strengthened ownership of climate risk reduction processes and increased replication potential of adaptation strategies at local level and basin/sub national level | 2.1 Output: Train and mobilize officers at village, division and provincial level                                       | 36,992        | 113,334        | 150,326          |
|   | 2.2 Output: Strengthen Farmer Organizations with information, training and equipment to implement adaptation strategies | 1,961         | 89,542         | 91,503           |
|   | 2.4 Output: Risk Assessment and Adaptation Planning conducted with target communities                                   | 20,392        | 72,157         | 92,549           |
|   | <b>Sub-Total for Outcome 2</b>  | <b>59,345</b> | <b>275,033</b> | <b>334,378</b>   |
| <b>General Support</b>  |   | 9,537         | 149,163        | 158,700          |
| <b>TOTAL</b>  |   |               |                | <b>1,829,223</b> |

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

Explain the roles and responsibilities of the parties involved in governing and managing the project. While an example diagram is below, it is not required to follow this diagram exactly. A project can be jointly governed with other projects, for example, through a national steering sub-committee linked to Results Groups under the UNDG Standard Operating Procedures for countries adopting the Delivering as One approach.

Minimum requirements for a project's governance arrangements include stakeholder representation (i.e., UNDP, national partners, beneficiary representatives, donors, etc.) with authority to make decisions regarding the project. Describe how target groups will be engaged in decision making for the project, to ensure their voice and participation. The project's management arrangements must include, at minimum, a project manager and project assurance that advises the project governance mechanism. This section should specify the minimum frequency the governance mechanism will convene (i.e., at least annually.)



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## IX. LEGAL CONTEXT

[NOTE: Please choose one of the following options, as applicable. Delete all other options from the document]

### **Option a. Where the country has signed the Standard Basic Assistance Agreement (SBAA)**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

### **Option b. Where the country has NOT signed the Standard Basic Assistance Agreement (SBAA)**

The project document shall be the instrument envisaged and defined in the Supplemental Provisions to the Project Document, attached hereto and forming an integral part hereof, as “the Project Document”.

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

### **Option c. For Global and Regional Projects**

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAA for the specific countries; or (ii) in the Supplemental Provisions to the Project Document attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

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## X. RISK MANAGEMENT

[NOTE: Please choose one of the following options that corresponds to the implementation modality of the Project. Delete all other options.]

### Option a. Government Entity (NIM)

1. Consistent with the Article III of the SBAA [or the *Supplemental Provisions to the Project Document*], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).

9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
10. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. *Choose one of the three following options:*

*Option 1:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

*Option 2:* The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

#### **Option b. UNDP (DIM)**

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds]<sup>22</sup> [UNDP funds received pursuant to the Project Document]<sup>23</sup> are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/qa\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/qa_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

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<sup>22</sup> To be used where UNDP is the Implementing Partner

<sup>23</sup> To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

6. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
- a. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
    - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
    - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
  - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
  - c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
  - d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
  - e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
  - f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient

will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

*g. Choose one of the three following options:*

*Option 1:* UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail any responsible party's, subcontractor's or sub-recipient's obligations under this Project Document.

*Option 2:* Each responsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- h.* Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.

- i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled "Risk Management Standard Clauses" are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

**Option c. CSO/NGO/Non-UN or other IGO with no signed SBAA with UNDP**

1. Consistent with the Article III of the SBAA [*for the Supplemental Provisions to the Project Document*], the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document and the Project Cooperation Agreement between UNDP and the Implementing Partner<sup>24</sup>.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using

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<sup>24</sup> Use bracketed text only when IP is an NGO/IGO

the UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

8. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).
9. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP programmes and projects. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
10. The Implementing Partner will promptly inform UNDP in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. *Choose one of the three following options:*

*Option 1:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

*Option 2:* The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with the Implementing Partner, responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management Standard Clauses” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

**Option d. UN Agency other than UNDP, and IGO with signed SBAA with UNDP**

1. [Name of UN Agency/IGO] as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. [Name of UN Agency/IGO] as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient that is not a UN entity:
  - a. Consistent with the Article III of the SBAA [or the Supplemental Provisions to the Project Document], the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of [Name of UN Agency/IGO]’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
    - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;

- ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
- b. [Name of UN Agency/IGO] reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
3. [Name of UN Agency/IGO] agrees to undertake all reasonable efforts to ensure that none of the [project funds]<sup>25</sup> [UNDP funds received pursuant to the Project Document]<sup>26</sup> are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml).
  4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
  5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
  6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
  7. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
  8. *[This text should be included when the Implementing Partner is a non-UN IGO: The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at [www.undp.org](http://www.undp.org).]*
  9. *[This text should be included when the Implementing Partner is a non-UN IGO: In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects or programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.]*
  10. The Implementing Partner and UNDP will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

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<sup>25</sup> To be used where UNDP is the Implementing Partner

<sup>26</sup> To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

11. *Choose one of the three following options:*

*Option 1:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of this Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

*Option 2:* The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

12. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
13. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same

and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

14. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management Standard Clauses" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

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## XI. ANNEXES

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Template [English][French][Spanish]**, including additional Social and Environmental Assessments or Management Plans as relevant. *(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).*
3. **Risk Analysis.** Use the standard Risk Log template. Please refer to the Deliverable Description of the Risk Log for instructions
4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)
5. **Project Board Terms of Reference and TORs of key management positions**