

Country: Benin

Programme Title: MPTF_00209_00301 - Leveraging digital solutions to improve the Recovery to Resilience (R2R) of vulnerable populations in Benin

Signature Page

<p>UN Resident Coordinator, ai:</p> <p>Name : Barbara J. Laurenceau</p> <p>Email : laurenceau@unfpa.org</p>	<p>Signature: </p> <p>Date: </p>
<p>Recipient UN Organization: United Nation Capital Development Fund (UNCDF)</p> <p>Name of Signatory (Head of Organization): Judith KARL</p> <p>Title: Executive Secretary</p> <p>Email: Judith.karl@uncdf.org</p>	<p>Signature: </p> <p>Date: 17-Dec-2020</p> <p></p>
<p>Recipient UN Organization: United Nations Development Programme (UNDP)</p> <p>Name of Signatory (Head of Organization): Aouale Mohamed Abchir</p> <p>Title: Resident Representative</p> <p>Email: mohamed.abchir@undp.org</p>	<p>Signature: </p> <p>Date: 11/12/2020</p> <p></p>
<p>Recipient UN Organization:</p> <p>Name of Signatory (Head of Organization):</p> <p>Title:</p> <p>Email:</p>	<p>Signature:</p> <p>Date:</p>
<p>Recipient UN Organization:</p> <p>Name of Signatory (Head of Organization):</p> <p>Title:</p> <p>Email:</p>	<p>Signature:</p> <p>Date:</p>

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A. COVER PAGE

1. Fund Name: UN COVID-19 MPTF

2.MPTFO Project Reference Number *(leave blank / automatically populated in Atlas)*

3.Joint programme title: *Leveraging digital solutions to improve the Recovery to Resilience (R2R) of vulnerable populations in Benin*

4.Short title

5.Country and region: Benin, West Africa

6. Resident Coordinator:

7. UN Joint programme focal point

8. Government Joint Programme focal point:

9. Short description:

10. Keywords:.

11. Overview of budget

Joint SDG Fund contribution	\$849,999
UNDP	\$124,000
UNCDF	\$190,750
Government of Benin	-
TOTAL	\$1,164,749

12. Timeframe:

Start date	End date	Duration (in months)
January, 2021	December, 2021	12

13.Gender Marker: 2

14. Participating UN Organizations (PUNO) and Partners:

(List all entities involved in implementation with organization, Last Name, First Name, Position, e-mail, telephone)

14.1 PUNO: UNCDF ; UNDP

14.2 Partners (POTENTIAL)

- National authorities: Ministry of finance /Ministry of Development/Ministry of Agric./Ministry of Digitalization/Municipalities/ANPME/
- Private sector: Chambers of Commerce ; SMEs, Agric cooperatives, Women groups, FSPs, Fintech

SIGNATURE PAGE

<p>Resident Coordinator a.i.:</p> <p>Name : Barbara J. Laurenceau</p> <p>Date</p> <p>Signature and seal</p>	<p>National Coordinating Authority</p>
<p>Participating UN Organization (lead): United Nations Capital Development Fund (UNCDF)</p> <p>Name:</p> <p>Title:</p> <p>Date</p> <p>Signature and seal</p>	
<p>Participating UN Organization: United Nations Development Programme (UNDP)</p> <p>Name: Aouale Mohamed Abchir</p> <p>Title: Resident Representative</p> <p>Date :</p> <p>Email: mohamed.abchir@undp.org</p>	

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B. STRATEGIC FRAMEWORK

1. Call for Concept Notes:

2. Programme Outcome [pre-selected]:

3. UNDAF Outcomes and Outputs

3.1 Outcomes

Increased responsiveness of the fund to the socio-economic impact of the COVID-19 pandemic on countries

3.2. Outputs

A growing volume of digital and financial literate population (women, youth, micro-entrepreneurs and agri-cooperatives) capable to adopt and/or elaborate innovative solutions to their own needs is available.

Greater and easier access to market for micro-entrepreneurs, agri-cooperatives, women and youth are achieved to foster their economic inclusion.

Access to finance is increased for affected micro-entrepreneurs and agri-cooperatives to accelerate SDGs.

Resilience and Recovery initiatives are duly monitored and lessons learnt shared.

4. SDG Targets directly addressed by the Joint Programme

SEE BELOW IN SECTION 1.2 page 5

4.1 List of goals and targets

SDGs	Target
SDG 1	1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
SDG 5	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life 5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women
SDG 8	8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

	<p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>
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4.2 Expected SDG impact

5.Relevant objective(s) from the national SDG framework

National priority:

6.Brief overview of the Theory of Change of the Joint programme

7. Trans-boundary and/or regional issues *(optional-list and briefly explain if relevant)*

Topic	Impact
<p>1.1. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>	
<p>1.2. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>	
<p>1.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>	
<p>1.4. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>	

C. JOINT PROGRAMME DESCRIPTION

1. Baseline and Situation Analysis

1.1 Problem statement (max 2 pages)

Generally, small companies tend to be vulnerable during an economic crisis, in part because they have fewer resources with which they can adapt to a changing context. As of the international trade center (ITC), the COVID-19 pandemic has affected 4,467 companies in 132 countries comprising Benin. Based on the data collected from 21 April to 02 June 2020, ITC's analysis shows that the pandemic has strongly affected 55% of respondents to the survey. In Africa, two out of three businesses said they had been strongly affected by COVID-19, mostly involving reduced sales (75%) and/or difficulty accessing inputs (54%). Service companies have been the hardest hit around the world. In accommodation and food services, for instance, 76% of surveyed firms said partial and full lockdowns strongly affected their business operations. With a gender disaggregation, the pandemic situation is affecting women more than men are being. According to the same survey, women-led firms operate in many of the industries most immediately affected by the crisis, such as accommodation and food as well as retail and wholesale. Even when the distribution of gender across sectors is taken into account, the differences persist, with 64% of women-led firms declaring their business operations as strongly affected, compared with 52% of men-led companies. Youth-led enterprises reported a high risk of closing. About 26% of youth-led firms said they risked shutting down permanently within three months, compared to 18% for non-youth-led businesses. Many companies that are not registered with national authorities are small and have little cash on hand to finance themselves when operations are shut down. The ITC COVID-19 Business Impact Survey found that informal enterprises are 25% more likely to say that the pandemic is pushing them towards bankruptcy. Being optimistic for a recovery, ITC stipulated some conditions for a 'new normal': If the world seizes the opportunities presented by this crisis to address fundamental challenges in the global economy, the new normal can be one that emphasizes resilience to change and unexpected shocks, embraces the possibilities offered by digitalization, prioritizes inclusiveness and leads to sustainable growth

Border municipalities were historically vulnerable to many factors which the covid-19 situation is increasing a lot. They used to benefit from traffics with bordering countries and have been total suffering from the frontiers' close-up. Security and poverty incidence are being severed in those localities while no specific measure from the government addressed them. It's then important to drain some amount of recovery actions towards populations of those areas. Youth unemployment, women under empowerment and entrepreneur's autonomy reinforcement are a must in the actual context.

The authorities announced measures to gradually start reopening the economy, middle schools, high schools and universities resumed their activities on May 11, 2020, while the kindergartens and day-care centers will remain closed until the start of the forthcoming school year. Public transportation, places of worship and bars resumed their activities on June 2, 2020. Finally, the cordon sanitaire was lifted on May 6, 2020, once the government's mass screening plans were put in place. For this purpose, the authorities installed laboratories in each of Benin's 12 departments and started a nationwide screening program. Since the start of the program, the authorities have conducted over 81,900 coronavirus tests throughout the country.

The economic impact on household income could undermine the progress made in Human Development and pathway to Sustainable Development Goals (SDG). Despite its recent substantial progress in poverty reduction, Benin exhibits inequality in human development and higher intergenerational persistence of education (UNDP, 2019). For instance, the poverty rate remains high, at 46.4% in 2018, with a poverty line of \$1.90 a day in purchasing power

parity. According to the UN analysis, 92% of the active population of Benin works in the informal sector, with a predominance of underemployment and a gap in social protection mechanisms. Informal sector workers, in particular in the service industry are already very vulnerable. The health, economic and unemployment impacts of the pandemic are likely to increase this fringe of the population's vulnerability and increase the incidence of poverty in the country.

Women represent 51.2% of the population in Benin. The index of gender inequalities (IIG4) calculated for Benin emerges at 0.613, indicating that women present a deficit of 61.3% compared to men in terms of living conditions (health, empowerment, labor market). According to a regional Survey on Employment and the Informal Sector by the National statistics agency (INSAE 2019), the proportion of informal employment in non-agricultural sectors is 92.6%, of which 97% were women in 2018. The economic impact of the pandemic and the containment measures are compounding for women, driving them further into poverty.

In terms of liquidity management measures to mitigate the negative impact of the pandemic on economic activity, the BCEAO adopted a full allotment strategy at a fixed rate of 2.5 percent thereby allowing banks to satisfy their liquidity needs fully at a rate about 25 basis points lower than before the crisis. On June 22, the Monetary Policy Committee of the WAEMU cut by 50 basis points the ceiling and the floor of the monetary policy corridor, to 4 and 2 percent respectively. The central bank has also: (i) extended the collateral framework to access central bank refinancing to include bank loans to prequalified 1,700 private companies; (ii) set-up a framework inviting banks and microfinance institutions to accommodate demands from customers with Covid19-related repayment difficulties to postpone for a 3 month renewable period debt service falling due, without the need to classify such postponed claims as non-performing; and (iii) introduced measures to promote the use of electronic payments. In addition, the BCEAO launched a special 3-month refinancing window at a fixed rate of 2.5 percent for limited amounts of 3-month "Covid-19 T-Bills" to be issued by each WAEMU sovereign to help meet immediate funding needs related to the current pandemic. The amount of such special T-Bills issued by Benin amounted to 1.5 percent of GDP. Finally, WAEMU authorities have extended by one year the five-year period initiated in 2018 for the transition to Basle II/III bank prudential requirements. In particular, the regulatory capital adequacy ratio will remain unchanged at end-2020 from its 2019 level of 9.5 percent, before gradually increasing to 11.5 percent by 2023 instead of 2022 initially planned.

The Benin government's social response recently deployed about USD 133 million to support the hotel and tourism services, formal handicraft workers and medium enterprises. Some cash transfers were announced to the most vulnerable people and businesses, registered so. A provision was also foreseen for a support in electricity and water household charges. However, the most vulnerable populations, informal workers, particularly women of the most threatened sectors, are still left behind. To date, micro and small enterprises, smallholder farmers, agricultural cooperatives and women groups still encounter severe difficulties to access markets. Access to financing is equally a challenge particularly because of the informal nature of their activities and the fact they mainly operate on cash-based transactions, notwithstanding the fact that cash itself can be a vector of contamination. Moreover, banks and microfinance institutions particularly, are facing financial losses from the pandemic impacts. Even more so than before, they require more collaterals from customers while offering lending opportunities not necessarily adapted to the informality and cyclical nature of informal workers and smallholder farmers' cash flows.

Even though transportation and confinement rules are being progressively relaxed, consumers are still reluctant to engage in face-to-face interactions due to the potential risk of contamination. ICT and digital financial services (DFS) offer viable alternatives to bridge the social distancing measures and face-to-face cash payments challenges to redefine commerce, payments, trade, service delivery and client relationship management in the informal economy. However, for these digital solutions to sustainably impact informal



workers, particularly women and contribute to their resilience through the covid-19 pandemic and beyond, intentional investments in capacity building in financial education, digital literacy and entrepreneurship skill development in the digital era are mandatory. So are investments in expanding access and usage of digital financial services adapted to the needs of these vulnerable population to overcome the economic impact of the Covid-19 pandemic and build back better.

1.2 SDGs and targets (max 2 pages)

This program aims to contribute to the fight against hunger, gender inequality, and reinforce economic resilience and growth, by leveraging on innovation and infrastructure development and promoting partnership initiatives among parties. It will then target SDGs 1, 5 and 8. SDG 9 and 17 will just serve as catalyzers or enablers to do so. The three components of the program will contribute to the three prioritized SDGs and market access improvement and financing reinforcement components will specifically contribute to SDG 8. The first two components, digital skills and market access will contribute to the SDG 5, by specifically targeting women in the key performance indicators.

Building on digital infrastructure and promoting innovative solutions as well as developing partnerships with different players are important change-maker points we will address throughout our program.

The specific targets we are pursuing through this intervention are as follow.

➤ **SDG 1 (No poverty):**

1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

Additionally, the programme will contribute to the following targets of this objective:

1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.

1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.

1.3 Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions.

1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

➤ **SDG 5 (Gender equality):**

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women

Besides this, our work will also contribute to:

5.1 End all forms of discrimination against all women and girls everywhere.

5.5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.

➤ **SDG 8 (Decent work & Economic Growth)**

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
Through the collaborative work from the different partners, these additional targets will also be impacted:

8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

Finally, by implementing this program, we will indirectly and obviously contribute to the SDGs 9, Infrastructure and innovation, and 17, Partnerships for the goals:

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets;

9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States;

9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020.

17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.

17.3 Mobilize additional financial resources for developing countries from multiple sources.

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

1.3 Stakeholder mapping and target groups (max 2 pages)

The key stakeholders of this intervention are vulnerable populations, border municipalities, smallholders while in farming, processing, or handicraft, startups, local innovators, and MSMEs. Beneficiaries of previous interventions of UNCDF (Kiakia19 project, rural agents, rice value chain and savings groups) and UNDP (PPEA, PDAB, PCM Bonou and AccLab) being of these categories will be prioritized in this programme.

The program will primarily be endorsed by the UN Capital Development Fund which will hold a leadership position in the implementation. Operational bodies like solution providers, local project promoters, microfinance institutions, credit scoring providers, financial and digital education providers will participate in the program delivery, grassroots innovators. Government entities at central and local levels will also contribute to the process and municipalities will play key role as they will appropriate and capitalize on the initiative. With the geographical scope of the program, we will partner with municipal authorities to ensure a better appropriation of the innovative concepts we would develop so far. In the implementation process, municipalities (in the 10 targeted communes) will play a role of co-implementer and will especially help in community engagement. They will also facilitate the collaboration among different players at the local level and will hereto be motivated to leverage their capacity on contributing to businesses resilience beyond the pandemic period. UNCDF in its mandate of UN capital agency will develop the Covid-19 response program in collaboration with UNDP also strengthened by its Accelerator Lab, bringing in its vast experience and technical expertise, in supporting private investments and in working with local government and professional associations to establish income generating investments.

Using its inhouse technical expertise, UNCDF will support the development of appropriate governance structures of the projects to ensure operational and financial sustainability over a long period after they are implemented. We will strengthen the capacity of MFI to make DFS more accessible and increase their financing of micro small entrepreneurs. This implies that UNCDF will act as:

- the program lead and manager;
- the advisor and facilitator to financial institutions in integrating new financial instruments as well as partnerships development;
- the dual key system implementer; and
- the systemic impact tracker.

UNCDF's internal expertise on digital enabling solutions will work and support the whole process, identifying and developing needed partnerships. With its experience in gathering key external expertise anywhere they may be in the world, UNCDF will provide as of need, special expertise to a given implementing partner or on a sensitive innovative aspect. New tools like our inclusive digital economy strategy and our digital economy scorecard will serve in sizing the real state of each market component.

The RCO will:

- facilitate and coordinate the Covid-19 response program development; and
- ensure Monitoring & Evaluation, communication and knowledge management.

UNDP through AccLab and DDCI will have to:

- contribute to stakeholder's capacity building and provide technical assistance when needed;
- source projects when possible, with its experience in development projects especially through its accelerator lab and other successful initiatives;
- assess expected development impact; and
- monitor actions.

Public entities (central government, local governments/municipalities, funds) will constitute and put in place the program's governance bodies required by the management arrangements and facilitate the three components' deployment. Microfinance institutions and key digital solution and payment providers will partner with the program for delivery.

To guaranty impact, a sustainability plan that comprises the financial, organizational and programmatic sustainability will be set up. The sustainability plan will take into consideration (i) a consistent theory of change, (ii) a strong monitoring and evaluation system, (iii) the adaptability and replicability of the resilience reinforcement mechanism, (iv) a strong governance arrangements and (v) an integration into existing national initiatives and alignment with national priorities.

Target population

This initiative will be developed in ten (10) of UNCDF and UNDP's intervention municipalities, namely Nikki, Kalalé, Boukombe, Glazoué, Avrankou, Aplahoué, Grand Popo, Zagnanado, Bassila and Ketou. Those municipalities are mostly bordering, with large potential for micro, small and medium-sized enterprises and where small producers and groups develop various income-generating activities.

The target beneficiaries are the following:

- ✓ Women (final beneficiaries): Girls, women literate or not, female staff, entrepreneurs or farmers with low access to opportunities. The aim of this action is to build their

capacity and provide them with more inclusive digital products. Their selection shall be made by UNCDF and UNDP technical teams through on-ground groups like local representation of public institutions, digital service providers and educational partners.

- ✓ Youth (final beneficiaries): Ambitious entrepreneur, Ambitious agri-entrepreneur, Student or permanent employee, Young with technical skills, Seasonal, Dependent at the crossroads with low access to opportunities. The aim of this action is to build their capacity and provide them with more inclusive digital products and solutions for their resilience. Their selection shall be made through the same process as of women.
- ✓ Grassroot innovators (target groups): they are any entity that finds or creates innovative solutions to solve their daily problems.
- ✓ Digital Service providers (Target group): Business already offering services accessible through mobile to their customers or businesses which face lack of information on needs of beneficiaries, specific skills of local human resources. The action shall bridge a gap in training, skilled workforce and assist technically. Their selection shall be through competitive Request for applications. They shall also participate to events and benefit from training.
- ✓ Start-up support group (Target group): Structures that are providing advice, financing, mentoring, networking opportunities to entrepreneurs facing lack of support and no public mapping of proposition value offered. The action shall help identify gaps in the support of start-ups and provide training. Their selection shall be through competitive Request for applications. They shall also participate to events.
- ✓ smallholder farmers: agri-cooperatives, micro entrepreneurs focused on agriculture, rural populations.
- ✓ Policymakers and Regulators (target group): This is mainly Government, Incubators/hubs, BCEAO, and Telecommunications regulator having no clear agenda on innovative solutions to improve populations' resilience from the Covid-19 impacts. This action shall help clarify the reference situation of recovery and resilience initiatives in country and provide relevant market information. Their participation shall be in co-chairing some of our events: working groups, conferences, round tables.

At the end of this program, we will directly impact 10,000 people trained on financial education, digital literacy and entrepreneurship including at least 60% women in 10 communes of Benin within 12 months' project deployment. Targeted beneficiaries will include micro and small entrepreneurs (6,000 MSME) and smallholder farmers (4,000) mobilized through Agri- cooperatives and women savings groups. The 10 communes will be selected on a criteria basis and will comprise the most affected municipalities by the Covid-19 restrictions and impacts, 50% of them will be border municipalities where vulnerabilities were already accentuated. Municipalities that are benefiting from concentrated attention from development institutions will be excluded in our scope. Among them we have the Communes of Cotonou, Malanville and Karimama. At the development phase of the program to total list of 10 municipalities we will be covering in our scope will be constituted based on their vulnerability to the Covid-19 pandemic situation.

Indirectly, we will impact more population. The program will take a gender intentional approach, reaching out to thousands of households and impact about 50,000 persons indirectly. Women are catalyzers of family dynamics in Benin. Empowering them will benefit their families with drive meaningful economic and social impacts.

2. Programme Strategy

2.1. Overall strategy (max 2 pages)

- a) why it is transformational (will deliver results at scale);*
- b) how it is different from conventional and/or alternative approaches;*
- c) how it contributes to accelerate the progress on achieving the SDGs;*
- d) what the added value of the UN will be*
- e) how it relates to UN and national priorities and initiatives;*
- f) how government will lead the joint program and sustain and/or further scale its results; and*
- g) what is the expected situation after the joint programme is completed.*

Our Covid-19 response program through its three components and the partnership developed throughout its implementation will attract funding from several sources. With its results, the program will directly attract development organizations interested in key targeted sectors comprising those we already partnered with in previous interventions. In addition, each entity involved in the program will have the opportunity to gather funds from other partners with the common proof of concept derived from the program. Above UN agencies, bilateral organizations, multilateral institutions and the Beninese government will leverage on this initiative by providing funding to reach more people by either scaling-up the program to the national coverage or replicating it in another localities.

The program outcomes are aligned with the Benin National Development Plan 2018-2025 and address several cross-cutting issues: resilience; gender equality; inclusive growth and sustainable development. Knowing that Benin is an LDC with few investment resources, the country needs massive investments to attain SDGs. Based on their credibility and neutrality, UNCDF and UNDP can convene all the stakeholders in Benin in leveraging additional private, public and blended resources and strengthen local capacities. In using their broad development and specialized mandate, lead and footprints in policy advocacy to support an enabling environment to ensure implementation of the SDGs, the two UN agencies are well placed and equipped to support country-led SDG actions while working in coordination with national and local counterparts. With UNCDF's investment mandate and experience, complemented by other thematic specialized agencies' experience in working with communities, local and central governments, all required expertise should be put together to deliver expected results timely. As such, the Covid-19 response program will play a catalytic role to channel financial resources and expertise where they are most needed. UN procedures will guarantee that projects are implemented through transparent and competitive process (call for proposals). The program will also take opportunity from the UN long-lasting worldwide expertise to bring in new technologies/approaches and proven best practices.

According to a recent analysis conducted by the government on the development financing mobilization, financing sources with potential and new partnerships opportunities are:

- budgetary revenue supported by ongoing reforms aimed at widening the tax base, strengthening its collection and identifying new niches;
- the use of public debt, including monitoring the budgetary risks linked to PPPs;
- development cooperation (south-south and effective cooperation);
- diaspora funds through conventional or targeted bond issues;
- financing for the private sector.

The Covid-19 response program, through its strategy of promoting market accessibility and innovative financial solutions, is a response to this expectation of the government and will be easily endorsed by the public entities.

Since Benin adopted and implemented few years ago a results-based management approach, insufficient coherence persists between the Program Budgets and national development strategies and the sectoral strategies. From this Covid-19 response program, we will clearly

define collaborations, in terms of development cooperation, that will serve as a partnership strategy between the Government, development agencies and private actors towards local development financing.

Concerning uncollateralized loans, beneficiary enterprises will access resources according to a cost/risk-return compromise of their proposed solution/activities. The most concessional and therefore the least costly, financing will be oriented towards social projects.

To succeed private resources mobilization in support to the private sector and to create a multiplier effect, a consultation, communication and information approach will be developed with MSMEs for their involvement in existing financing mechanisms (BCEAO SME refinancing window or access to guarantee funds' or commercial banks' SME compartment).

2.2 Theory of Change (max 2 pages+graphic)

- a) *Summary (the same text as to be provided at the beginning of the ProDoc in the Strategic Framework section)*
- b) *Detailed explanation of the ToC. Pay attention to explaining main outcomes/change and the linkages amongst them (the pathways / results chains); and specific contribution of the joint programme to the ToC, including the strategic entry/leverage points of the system that the joint programme will use to intervene in the system and contribute to the change*
- c) *ToC assumptions: present only the main assumptions underlying the concept described by the ToC. If the assumptions change the whole model might change.*
- d) *Graphical representation of ToC. It can be a simple diagram.*

The rationale of this program is based on the vulnerable socio-economic situation of the targeted populations (women, youth, informal workers, micro, small and medium-sized enterprises and agribusiness entrepreneurs) in the Covid-19 context. One of the principal effects induced by the crisis is the global lockdown affecting mobility, so communes benefiting from traffics with other countries. The impact may then be severe in bordering areas which represent 41.26% of the Beninese total population, covering 64.31% of the national surface and contribute to 52% of the agricultural population. Before Covid-19 they were confronted with poverty, youth unemployment, early/forced marriage, gender inequalities and ultimately migration. With the actual crisis, opportunities are increased for UN agencies in Benin to convene stakeholders in leveraging additional private, public and blended resources and strengthen the local capacities starting from bordering communes to the others, also affected by the pandemic situation. This program will primarily engage a joint effort of two UN entities (UNCDF and UNDP), and will support country-led SDG actions while working in coordination with national/subnational stakeholders to combat Covid-19 and contribute to a rapid recovery. Our Covid-19 interim response program will create immediate synergies and harness economies of scale so that public and private investments are channeled towards poorest localities impacting SDGs. It aims at unlocking SDG financing through three outputs:

1. Strengthen the capacities of individuals and entrepreneurs in accessing, understanding and using digital means or solutions to deliver their formal products and services and also benefit from a larger range of technical and financial solutions to strengthen their employment, entrepreneurship, economic inclusion and empowerment, especially for women, girls and youth in affected municipalities;
2. Create inclusive innovation opportunities to improve market access in confinement conditions, maintaining and increasing revenue, financial and economic inclusion and employability of beneficiary groups;
3. strengthen access to funding for micro, small and medium sized enterprises and contribute to the informal groups' formalization by leveraging funds promoting uncollateralized loans and contributing microfinance institutions' digital transformations.
4. The initiatives implemented under our covid-19 response program fall into five areas of change:

- a partnership approach, with the mobilization of the local, national, international, targeted populations, public and private partners;
- a direct social impact by responding directly to the improvement of the gender equality and the quality of life of the vulnerable populations;
- an impact on local economic development, via a strong access to market and structured financing, contributing to job creation for youth, economic empowerment of women and growth for local enterprises' revenues;
- an increased access to digital literacy, financial education and financial services to populations in restrictive conditions;
- an innovation mechanism that creates digital transformation, testing innovative solutions for microfinance institutions and improving business models.
- The key assumptions of the Covid-19 response program's ToC are as follow:
- The recovery of most exposed communities to the pandemic impact remains a priority for funders and policymakers;
- Microfinance institutions are willing to follow the increasing digital revolution;
- Regulatory framework is permissive to innovation in financial solutions for better inclusion;
- The Covid-19 response program is implemented in partnerships with public entities and private sector;
- The access to financial and economic inclusion opens new economic opportunities for women and youth;
- Public funding and technical assistance towards economic recovery from the Covid-19 crisis impacts will not decrease;
- Catastrophic health spending reaches lower levels.

2.3 Expected results by outcome and outputs

Outcome 1.

- Output 1.1
- Output 1.2

Outcome 2.

- Output 2.1.
- Output 2. 2.

- Explain is expected to happen next, i.e. after the joint program is completed.
- Briefly indicated the expected progress on the selected SDG targets
- Describe the expected impact in terms of changed situation for the target group/s (i.e. the "end game"). Do it in the form of story-telling, as a future scenario for early 2022 - and not longer than half a page.
- Avoid gender blind results, demonstrate that gender equality and the empowerment of women is visibly mainstreamed across outcomes and outputs, indicate how expected results bring change to women and/or men in the context of their gender norms, roles and relations.
- Max 2-3 pages, not counting eventual graphs

The main objective of this intervention is to contribute to poverty reduction and economic growth by leveraging on inclusive and innovative digital solutions to empower women, youth and micro, small and medium-sized enterprises with relevant skills, access to market and adequate financing that will reinforce their resilience and offer them a rapid recovery from the Covid-19 impacts.

This principal objective will be achieved by pursuing three specific ones:

- Increase access to digital skills for micro, small and medium-sized enterprises, women and youth and use of emerging technologies to afford lockdown measures imposed by the pandemic as well as build adequateness to the labor market demand beyond recovery;
- Strengthen the capacity of affected businesses and individuals to access market, continue their production activities and easily cash-in from their transactions without the risk of being contaminated, through the numerous opportunities offered by digital technologies and digital financial services;
- Facilitate innovative financing models from microfinance institutions to micro, small and medium-sized enterprises, women and youth, by preparing the way for uncollateralized lending and helping them elaborate improving business models.

Based on these objectives, the Joint Program will focus on 3 key areas of activities:

1. Build entrepreneurship skills in the digital era:

- Focus on financial education and entrepreneurship skills (how to sell with WhatsApp and Facebook, how to use mobile money...). We will design and deliver training contents on digital literacy and entrepreneurship skills for customers and target groups. The main beneficiaries are entrepreneurs in agriculture, financial education, micro, small and medium-sized enterprises. UNCDF owns key tools in digital literacy that will be improved for a whole empowerment of beneficiaries.
- Provide individual training interface and savings groups train the trainer: this will serve as a continuity to our current savings group project being implemented in two communes. We will build on our relationship with ANPME to impact a large group of MSMEs. We will identify and equip the ecosystem stakeholders like digital financial services providers, training partners, innovative solution providers and government to fill the gap in digital skills training among women and youth.

2. Improve access to markets via digital channels:

- Onboard MSME and cooperative on e-commerce platforms. Our current KkiaPay project offer access opportunity to many e-commerce platforms. We will also leverage on works with ANPME to reinforce existing virtual marketplaces as locally as internationally. With our tested pilot experience on market access, populations being victim of the Covid-19 crisis will be covered by appropriate solutions to continue delivering on their businesses and/or develop new ones. Payment collection is a key concern in this pandemic situation and digital enablers like improved solutions from our kiakia19 project will serve as great opportunity.
 - Expand digitization of payments in Agri-value chains and retail commerce (expand rice value chain project, and tackle merchant payment via mobile money). Regarding the different effect of the crisis on agricultural activities, especially market inaccessibility, digitization process offers better recovery conditions to agro-entrepreneurs. Like what we did in the rice value chain, we will cover sensitive agriculture sectors which we will enable with digital innovation.
 - With existing expertise of UNDP in technical tips towards agribusinesses and smallholders, we will provide a holistic resilience support to beneficiaries to ensure the continuity of their production activities as well as increase their productivity with ecological technics.
3. Improve access to finance for micro entrepreneurs and Agri cooperatives:
- Deploy e-grants to affected MSMEs;
 - Support the digital transformation of microfinance institutions to better serve vulnerable populations with digital financial services: promoting digital accounts, savings group linkage, bank-to-wallet, digital savings & credit. New models are needed in crisis and digital innovative ones can easily create economy of scale. With our experience of transforming the financial providers ecosystem through digital is a plus we will be leveraging throughout this program. Remote access to financial accounts and services is the core objective here and we will look for additional innovative solutions from technical providers;
 - Technical assistance to MFI to improve the deployment of alternative credit scoring to increase micro entrepreneurs and Agri-cooperatives to extend uncollateralized loans (digital credit). With our toolkit elaborated on digital lending we will provide the necessary competencies, strategies and willingness to financial institutions in designing such products.

The joint program is designed to support the highest priorities of SDG acceleration. The expected results and quick wins are:

- **Fund Outcome1:** Increased responsiveness of the fund to the socio-economic impact of the COVID-19 pandemic on countries
 - **Output1.1:** A growing volume of digital and financial literate population (women, youth, micro-entrepreneurs and agri-cooperatives) capable to adopt and/or elaborate innovative solutions to their own needs is available
 - Activity1.1.1:** Strengthen and build entrepreneurs skills in digital and innovation to women, local entities, youth and smallholder entrepreneurs.
 - Activity1.1.2:** Capacity building on digitization to national and local institutional stakeholders (ANPME, DGM, APSFD, Municipalities).
- Quick wins:** 1) assessed digital and financial literacy plan; 2) readiness for innovation and open beneficiaries to adopt innovative solutions; 3) well equipped beneficiaries to adequately use financial tools like saving groups for their financial security.

- **Output1.2:** Greater and easier access to market for micro-entrepreneurs, agri-cooperatives, women and youth are achieved to foster their economic inclusion
 - Activity1.2.1:** Stimulate customer acquisition via social media
 - Activity1.2.2:** Deploy local e-commerce and market information platforms for micro-entrepreneurs and smallholder farmers (more focused on women and youth).
 - Quick wins:** 4) appropriate training on the use of social media advertising 5) an adequate and solid e-commerce platform is deployed; 6) digital payments are used in value chains (crops, palm, pineapple, rice) for financial transactions, 7) appropriate tips to improve different crops are transferred to smallholder farmers.

- **Fund Outcome2:** Increased access to immediate health and socio-economic support to respond to the health and social impact of the COVID-19 pandemic
- **Output2.1:** Access to finance is increased for micro-entrepreneurs and agri-cooperatives to accelerate SDGs.
 - Activity2.1.1:** E-grants deployment to negatively impacted MSMEs.
 - Activity2.1.2:** Support the digital transformation of FSPs in order to better serve targeted beneficiaries/municipalities (mobile banking).
 - Quick wins:** 8) affected MSMEs are saved from bankruptcy; 9) adequate digital financial solutions are improved and availed to target beneficiaries; 10) sound and small investments have been implemented thanks to financial institutions; 11) Capacities of beneficiaries to elaborate practical solutions responding to their needs are reinforced as well as their awareness to COVID-19 protection measures.

- **Output2.2:** Resilience and Recovery initiatives are duly monitored and lessons learnt shared.
 - Activity2.2.1:** Monitoring, evaluation and capitalization.
 - Activity2.2.2:** Communication and Knowledge management.
 - Quick wins:** 12) the project activities are monitored ; 13) the successful experiences products and results are capitalized ; 14) knowledgeable management systems are in place to facilitate the adoption of resilience innovations by a large number of beneficiaries ; 14) Communications systems are using to share the opportunities to the beneficiaries.

The program implementation through those *quick wins* will focus on the following prime effects:

- ✓ women and youth access improved economic opportunities during the crisis and beyond its situation, thanks to the use of digital technologies: We conceive a skills' development curricula which builds on the employment needs of the market data in the pandemic situation. We may proceed to the selection of third-party entities specialized in deploying digital based skills development activities, contributing to design contents and training of beneficiaries and targets.
- ✓ Youth and Women are trained on digital and entrepreneurship skills and have better access to digital technologies: We will equip the ecosystem stakeholders like digital financial services providers, training partners, innovative solution providers and government to fill the gap in digital skills training among women and youth. We will design and deliver training contents on digital literacy and entrepreneurship skills for customers and target groups.
- ✓ Use of local innovation and technologies for increased market access are stimulated to support the development of businesses development and economic opportunities for women and youth: we will empower business providers to develop their knowledge on productivity and competitiveness in the informal sector. The potential business providers

will be equipped in market development strategies and stimulate their appetite of digital. Innovative service and products' delivery channels will be availed for entrepreneurs willing to maintain their activities in the lockdown situation.

- ✓ Promotion of a distant service delivery and payment platforms: we will make sure that stakeholders have improved capacity to access and/or drive technical platforms for inclusive services delivery as well as for their encashment. Technology-driven solution builders and digital service providers will benefit from trainings and tools helping them to address larger customer segments, comprising women and youth. The reinforcement and delivery of distant and contactless market access solutions will be discussed and initiated with fintech and technology providers. Finally, this will maintain and boost labor productivity as businesses even in the agriculture (and young entrepreneurs in informal sector) and fishery will have the opportunity of producing permanently and easily selling their outcomes to larger customer base thanks to digital.
- ✓ Woman and youth economic empowerment is improved by innovations in market access: Third party selection of incubators to support woman and youth businesses. We will also look for awarding small grants to encourage innovation in business delivery and market access. UNCDF and its partners may provide technical assistance to micro, small and medium-sized enterprises improving their usage of digital enabled solutions.
- ✓ Facilitate financing opportunities to vulnerable businesses: on this point, we will develop our relationship with microfinance institution and impact their willing to finance the economy. Increased coordination will be developed between the financial providers and businesses holders. Our first action will be on improving business models for microfinance institutions especially in the context of finance rarefaction and constraints occurred by the Covid-19 situation. With cocreation works, we will stimulate in them the possibilities of conceiving uncollateralized loans, finely designed for affected business, women and youth. The popularization of our digital credit toolkit recently elaborated will be an enabler to that end. In parallel, we will pledge with policymakers and regulators to facilitate the adoption and implementation on digital based loans and savings, a better way to reduce the coronavirus' spread.

The project outcomes are aligned with the Benin National Development Plan 2018-2025 and its third strategic objectives: (i) Develop a healthy competent and competitive human capital, (ii) Sustainably increase the productivity and competitiveness of Benin's economy and (iii) Ensure sustainable management of the living frame, the environment and the emergence of regional development hubs.

The outcomes are also in line with the country's UNDAF 2019-2023: (i) Inclusive, strong and sustainable economic growth, (ii) Human capital enhancing, (iii) The consolidation of the democracy and the rule of law. The priority SDGs supported by this joint program are: SDG1, SDG5, SDG8, with and indirect implication of SDG9 and SDG17.

Moreover, the JP addresses several cross-cutting issues: resilience; gender equality; inclusive growth and sustainable development.

2.4 Budget and value for money (max 2 pages)

Outputs	Activities	Amount (\$)		Responsible party
		UN Covid MPTF	Total Budget	
Output 1.1: A growing volume of digital and financial literate population (women, youth, micro-entrepreneurs and agri-cooperatives) capable to adopt and/or elaborate innovative solutions to their own needs is available.	Activity1.1.1: Strengthen and build entrepreneurs skills in digital and innovation to women, local entities, youth and smallholder entrepreneurs	50 000	80 000	UNCDF
	Activity1.1.2: Capacity building on digitization to national and local institutional stakeholders (ANPME, DGM, APSFD, Municipalities	30 000	50 000	UNCDF
Output 1.2: Greater and easier access to market for micro-entrepreneurs, agri-cooperatives, women and youth are achieved to foster their economic inclusion	Activity1.2.1: Stimulate customer acquisition via social media	40 000	50 000	UNDP
	Activity1.2.2: Deploy local e-commerce and market information platforms for mi-cro-entrepreneurs and smallholder farmers (more focused on women and youth).	63 552	78 552	UNCDF
	Digitalization of Agri value chains (palm, pineapple, rice) for financial transactions,	55 000	80 000	UNCDF
	Capacity reinforcement of smallholder farmers to improve their crops and yield	80 393	124 393	UNDP
Output 2.1: Access to finance is increased for micro-entrepreneurs and agri-cooperatives to accelerate SDGs.	Activity2.1.1: E-grants deployment to negatively impacted MSMEs.	160 000	180 750	UNCDF
	Activity2.1.2: Support the digital transformation of FSPs in order to better serve targeted beneficiaries/municipalities (mobile banking).	165 445	220 445	UNCDF
Output 2.2: Resilience and Recovery initiatives are duly monitored and lessons learnt shared	Activity 2.2.1: Monitoring, evaluation and capitalization	100 000	170 000	UNDP
	Activity 2.2.2: Communication and Knowledge management	50 000	75 000	UNCDF
GSM		55 607	55 607	UNCDF and UNDP
Total		\$ 849,999	\$ 1 164 749	UNCDF and UNDP

This budget will finance the three components' deployment within the 10 communes and 12 months duration. It will cover all technical aspects of implementation comprising some administrative fees pertaining to activities' implementation. The cost sharing from participant organizations will complement administrative fees, logistic need, and ICT materiel.

The target beneficiary is estimated at 10,000 directly impacted by the intervention and 50,000 additional indirectly impacted population.

For the direct beneficiaries, the **value for money** is \$85 and \$14.17 for the total impacted population.

The geographical orientation of the intervention, as said previously, are the most affected communes by the COVID-19 pandemic, especially the border municipalities. The list of the 10 communes is as follows:

Nikki, Kalalé, Boukombe, Glazoué, Avrankou, Aplahoué, Grand Popo, Zagnanado, Bassila, and Kétou.

Budget per relevant SDG Targets and Indicators		
Target	Indicator # and Description	Estimated % Budget allocated
Target 1.5	1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	\$ 291,187 (25%)
Target 5.5	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	\$ 291,187 (25%)
Target 5.b	5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women	\$ 174,712 (15%)
Target 8.3	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	\$ 116,475 (10%)
Target 8.10	8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	\$ 291,186 (25%)
TOTAL		\$ 1,164,749 (100%)

- Indicate how the budget addresses gender inequality, based on gender analysis presented in the Gender matrix in the Annex.

- Describe how the joint programme plans to leverage co-financing.

Benin is an LDC with few investment resources. The country needs massive investments to attain SDGs. Based on their credibility and neutrality, UN agencies in Benin can convene all

the stakeholders in leveraging additional private, public and blended resources and strengthen local capacities. In using their broad development and specialized mandate, lead and footprints in policy advocacy to support an enabling environment to ensure implementation of the SDGs, UN agencies are well placed and equipped to support country-led SDG actions while working in coordination with national and local counterparts. With UNCDF's investment mandate and experience, complemented by other thematic specialized agencies' experience in working with communities, local and central governments, all required expertise should be put together do deliver expected results timely. As such, the joint program will play a catalytic role to channel financial resources and expertise where they are most needed. UN procedures will guaranty that projects are selected through transparent and competitive process (call for proposals). The UN Joint Program will also take opportunity from the UN long-lasting worldwide expertise to bring in new technologies/approaches and proven best practices.

According to a recent analysis conducted by the government on the development financing mobilization, financing sources with potential and new partnerships opportunities are:

- budgetary revenue supported by ongoing reforms aimed at widening the tax base, strengthening its collection and identifying new niches;
- the use of public debt, including monitoring the budgetary risks linked to PPPs;
- development cooperation (south-south and effective cooperation);
- diaspora funds through conventional or targeted bond issues;
- financing for the private sector.

The joint programme, through its strategy of promoting local structuring innovative initiatives, is a response to this expectation of the government and will be easily endorsed by the public entities.

2.5 Partnerships and stakeholder engagement (max 2 pages)

- Explain and justify: a) how the government will lead the implementation of the joint program; b) the unique contribution of PUNO and broader UNCT; c) strategic contributions from other partners; d) the ways in which other stakeholders (in particular the financial sector and private investors/capital) will be involved and/or consulted.

- Explain how the joint program will pool and mobilize expertise from across the UNDS at country, regional and global levels and/or beyond, e.g. through unique partnerships.

- Explain how you plan to engage global Joint SDG fund donors; in case they are present in the country and/or related to the joint program.

Stakeholder's attitudes towards the action: Most stakeholders concerned by the action know the applicants through their respective reputations. As an existing stakeholder in financial inclusion in the country, UNCDF has had the opportunity to meet with stakeholders concerned by the action on numerous occasions over the last 5 years. UNDP also benefits from an excellent national reputation as a go-to player when it comes to development and combating poverty and achieving SDGs. For those reasons, it is assumed that stakeholders shall contribute actively to the implementation of the action. Stakeholders concerned by the action are (i) Digital services providers: For profit or non-for-profit organizations MSMEs in Finance, Commerce, Agriculture, Education, Health and Transportation. (ii) Start-up support group: Accelerators/Innovation hubs/start-up incubators (iii) smallholder farmers: agri-cooperatives, micro entrepreneurs focused on agriculture, rural populations (iv) grassroots innovators: individuals, practitioners, creator of technical tips/tools for daily needs, professional innovators (v) Policy-makers: Government & BCEAO (Banque Centrale des Etats de l'Afrique de l'Ouest).

UNCDF in its mandate of UN capital agency will lead the joint programme, bringing in its vast experience and technical expertise, in supporting private investments and in working with local government and professional associations to establish income generating investments.

Using its inhouse technical expertise, UNCDF will support the development of appropriate governance structures of the projects/investments to ensure operational and financial sustainability over a long period after they are implemented. This implies that UNCDF will act as:

- the program manager;
- the investment advisor in charge of financial instruments and partnerships development;
- the dual key system implementer;
- the systemic impact tracker.

The RCO will:

- facilitate and coordinate the joint programme development;
- ensure M & E, communication and knowledge management.

Participating UN agency (UNDP through its entities) will have to:

- contribute to stakeholder's capacity building and provide technical assistance when needed;
- source projects/investments;
- assess expected development impact (of the dual key system);
- monitor actions.

Local municipalities:

- facilitate diagnostic/feasibility study and the joint program design;
- appropriate the innovative approach developed;
- coordinate resources mobilization efforts.

Public entities (central government, local governments, funds) will constitute and put in place the program's governance bodies required by the management arrangements and facilitate the full implementation of the programme. Financial institutions and impact investors will partner with the Programme through different instruments they will avail to beneficiaries.

Opportunity in particular to reference and build on the global EU partnership

- *Note that there is an annex with details on all related programmes/initiatives. Max 2-3 pages, not counting eventual graphs*

3. Programme implementation

3.1 Governance and implementation arrangements (max 3 pages)

- *Explain the implementation arrangements and justify roles and responsibilities of RC/RCO, PUNOs, and national partners- as well as the means by which it will ensure integrated implementation and decision-making encompassing UNCTs and national partners. Do not explain the accountability for specific outputs and outcomes because it should be covered in the previous section. Focus on coordination, decision-making, reporting. Finally, demonstrate how the transaction will be reduced on the UNCT side.*
- *Demonstrate government leadership in specific terms, including how the results of the joint programme will be absorbed and then sustained by government and other stakeholders*
- *Explain why this is the best approach (comparing to alternative ones) including how it avoids introducing parallel structures to those that already exist, and confirm that existing structures and mechanisms of UNCT, government, and related programmes/initiatives are leveraged*

Coordination:

UNCDF and UNDP will both have the overall project management and coordination responsibility, with UNCDF as the lead manager.

As the leading implementing agency UNCDF will be responsible for the day-to-day management and coordination of the project with its co-applicant (UNDP) and for the efficient and timely implementation of all activities, including the efficient identification, engagement and coordination of third parties. UNCDF will facilitate coherent coordination and monitoring, reporting, evaluation and effective learning. UNCDF will ensure with the support of UNDP that project implementation is aligned to government's strategy and plans for building digital economies in Senegal and Benin.

Programme Steering Committee

A Programme Steering Committee (PSC) will be set up as the highest management organ. The PSC is charged with overall programme monitoring, particularly the monitoring of results put forward in the work plan and the progress of partners receiving grants. The programme core management team from UNCDF will provide a status update on the programme's activities to the PSC, with a specific focus on partners receiving funding or technical assistance.

The PSC will meet a minimum of three times a year, either in person or virtually. The PSC will consist of senior representatives and programme managers from UNCDF and UNDP (AcLab and DDCI)

This committee can be expanded to include the contracting authority or other key stakeholders in the programme implementation

At least once per year the PSC shall include the contracting authority.

Management and implementation arrangements:

All programme activities will be overseen by the UNCDF Programme Officer based in Cotonou that shall be supervised by the Regional financial inclusion Hub.

The programme implementation will rely on a team of individuals all based in UNDP Benin Office in charge of daily coordination of the project related to implementation, partnerships, operations, communication and monitoring. An important function of the PCU will be the outreach, communication and development of working relations with key national stakeholders.

To complete the key activities of this programme, external expertise is needed to complement UNCDF and UNDP existing human resources. At that end, international consultants may be recruited to reinforce national team that will be focus on day-to-day implementation.

The technical support is intended to provide clear notice, making the intervention as much innovative as possible, with inspiration from same eventual initiatives developed anywhere. The preparation task force also needs to work on establishing the foreseen investments instruments: various windows, vehicles and amounts scales, beneficiaries' profile, selection process, gender-based quotas, etc.

According to national statistics, internal resources mobilization rate follows a hazardous trend, varying from +5% in 2015 to -9% in 2016 and to +27% in 2017. To master and keep this rate at a reasonable level, and to guarantee a hundred per cent financing for our programme, we need a technical expertise to identify a convenient model to obtain fund contribution from external sources.

This support will also help to prioritize growth-enhancing initiatives, that are less vulnerable to economic and exogenous shocks and that will contribute to improve the fiscal potential of the local economies within targeted municipalities.

The technical external expertise will finally help to build and detect revenue niches and identify ways to fight tax fraud and tax evasion in the border municipalities, as well as data sourcing to monitor key SDG progresses.

3.2 Monitoring, reporting, and evaluation

The first part is standard text – do not change. You may add text as needed.

UNCDF and UNDP are responsible for the overall project M&E. The members of PCU will coordinate with PMU in terms of reporting, monitoring, evaluation and administrative capacity. The programme shall also benefit from the support of a regional Portfolio Specialist and Monitoring and Evaluation Officers that supports.

Partners institutions for implementation will submit quarterly progress reports, compiling all details based on the information from their activities or those delegated to third parties.

An annual review will be held with all applicants to assess progress, approve the Annual Work Plan and take the necessary steps to enhance the performance of the Project. It also allows to reflect and discuss the performance information to feed the recommendations back into the program strategy. Retrospectively to the review processes, UNCDF and UNDP will make sure to adapt the implementation plan accordingly to the lessons learnt.

Moreover, UNCDF will track the satisfaction of beneficiaries with the delivered assistance through qualitative, anonymous feedback mechanisms and follow-ups.

Two evaluations are planned: a mid-term evaluation after two years of implementation (internal evaluation) and a final evaluation at the end of the project (external evaluation). The final evaluation will be carried out by an external consulting firm, under the supervision of UNCDF and the contracting authority. They will analyze the results, conclusions and recommendations of the mid-term review and the final evaluation and will decide on the reorientation of the Program (as part of the mid-term review) or a new phase (as part of a final evaluation). The final evaluation will be complemented by a knowledge capitalization study focused on project achievements, best practices and sustainability issues. Lessons learned and success stories will be documented and shared for capitalization in other programs.

UNCDF will provide in collaboration with UNDP to the contracting authority the following reports prepared in accordance with UNCDF accounting and reporting procedures:

- Annual status reports of programme progress for the duration of the agreement, as well as the latest available approved budget.
- Annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
- Final reports summarizing programme/project activities and impact of activities as well as provisional financial data.
- Certified financial statements to be submitted no later than 30 June of the year following the financial closing of the project.

Evaluation and audit

If necessary, ad hoc audits or expenditure verification assignments could be contracted by the European Commission for one or several contracts or agreements.

Audits and expenditure verification assignments will be carried out in conformity with the risk analysis in the frame of the yearly Audit Plan exercise conducted by the European Commission. The amount allocated for external evaluation and audit purposes should be shown in EUR. Evaluation and audit assignments will be implemented through service contracts, making use of one of the Commission's dedicated framework contracts or alternatively through the competitive negotiated procedure or the single tender procedure.

Visibility and Communications

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which will be based on a specific Communication and Visibility Plan of the Action, detailed in a separate annex and within the budget detailed in section 9 of this document.

In terms of legal obligations on communication and visibility, the measures will be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or

entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements. The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

3.3 Accountability, financial management, and public disclosure

Standard text - do not change

The Joint Program will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent (AA) under which the funds will be channeled for the Joint Program through the AA. Each Participating UN Organization receiving funds through the pass-through has signed a standard Memorandum of Understanding with the AA.

Each Participating UN Organization (PUNO) shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Program in accordance with its own regulations, rules, directives and procedures. Each PUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

Indirect costs of the Participating Organizations recovered through program support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs.

Funding by the Joint SDG Fund will be provided on annual basis, upon successful performance of the joint programme.

Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund.

PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Each PUNO will take appropriate measures to publicize the Joint SDG Fund and give due credit to the other PUNOs. All related publicity material, official notices, reports and publications, provided to the press or Fund beneficiaries, will acknowledge the role of the host Government, donors, PUNOs, the Administrative Agent, and any other relevant entities. In particular, the Administrative Agent will include and ensure due recognition of the role of each Participating Organization and partners in all external communications related to the Joint SDG Fund.

3.4 Legal context

Agency name: **United Nations development Programme**

Agreement title: Basic Agreement between the Government of the Republic of Dahomey (Benin) and UNDP

Agreement date: 18 January, 1974

Agency name: **UNCDF**

Agreement title: Basic agreement governing cooperation between the Government of the Republic of Benin and the United Nations Capital Development Fund

Agreement date: 06 November, 1981

D. ANNEXES

Annex 1. List of related initiatives

Complete the table below

Name of initiative/project	Key expected results	Links to the UN Covid-19 MPTF programme	Lead organization	Other partners	Budget and funding source	Contract person (name and email)
Covid-19 MSMEs resilience project (Kikia19)	<ul style="list-style-type: none"> - Identification of 250 MSME to register as merchant on KkiaPay platform - Digital payments collection via KkiaPay-direct and KkiaPay-POS - Support to 250 merchants on digital marketing 	<p>Will offer access to distant and contactless payments for beneficiaries</p>	UNCDF	OpenSi/KkiaPay	UNCDF	cossoba.nanako@uncdf.org
Rice value chain digitization	<ul style="list-style-type: none"> - Access to mobile wallet for 560 rice producers and processors - Reinforcement of the digital ecosystem surrounding beneficiaries - Financial education for beneficiaries on mobile money - Creation of bulk payers within the value chain - Connection of producers to market and bulk payments 	<p>Practical experience on digitizing agri-communities. Will foster the integration of smallholders and micro entrepreneurs in the programme</p>	UNCDF	LKA Service/Ministry of Agriculture/MTN MoMo	UNCDF	cossoba.nanako@uncdf.org
Partnership to Accelerate Economic Empowerment Through The Digital Financial Inclusion of Women Group Members	<ul style="list-style-type: none"> - Catalytic effect by combining the offer of variable financial services through savings groups - 4537 rural population of which 3901 women benefiting from first and second-generation digital financial services and non-financial services - Support Microfinance Institutions to develop sustainable financial models to improve women's financial inclusion 	<p>Pursue the support to Covid affected beneficiaries, namely in Bonou, Nikki and Kalalé</p>	UNDP UNCDF	ALIDé Microfinance	Government Japan Embassy UNCDF UNDP Swiss Cooperation	cossoba.nanako@uncdf.org
PDAB/PPEA (Agri-business development project)	<ul style="list-style-type: none"> - 450 agri-entrepreneurs reinforced and linked to financial services providers - Set-up of mechanism to facilitate and reinforce their access to market and information - Access to grants via FSPs. 	<p>Complementary support to communities/beneficiaries on access to finance</p>	UNDP	Ministry of Agriculture Ministry of Planning National Agri Fund FSPs	UNDP Government Indian Fund	elizabeth.tossou@undp.org

<p>Support for market gardeners in securing their incomes</p>	<ul style="list-style-type: none"> - Integration of bio-agricultural techniques to combat post-harvest losses - Development of cooperative fields to supply financial needs for producers 	<p>Continue the support to beneficiaries who are affected by the Covid-19</p>	<p>UNDP Acclab</p>	<p>Ministry of Agriculture</p>	<p>GIZ UNDP</p>	<p>janvier.alofa@undp.org</p>
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Annex 2. Results Framework

2.1. Targets for Joint UN Covid-19 MPTF Results Framework

Set targets in the tables below, if relevant

UN Covid-19 MPTF Outcome 1: Increased responsiveness of the fund to the socio-economic impact of the COVID-19 pandemic on countries (set the targets, if relevant)

Indicators	Targets	
	2021	2022
Outcome Indicator 1.2: Percentage of investments catalyzing larger aid flows to the response		
Outcome Indicator 1.3: Percentage of proposals funded have multi-sectoral response		

UN Covid-19 MPTF Outcome 2: Increased access to immediate health and socio-economic support to respond to the health and social impact of the COVID-19 pandemic (set the targets, if relevant)

Indicators	Targets	
	2021	2022
Outcome Indicator 2.2: Percentage of proposals enabling digitization in traditional industries and education services		
Outcome Indicator 2.3: Number of people accessing services (education, health, social protection, etc)		
Outcome Indicator 2.4: Percentage of investments supporting innovative solutions (e.g. delivery mechanism, new policy)		

UN Covid-19 MPTF Operational Performance Indicators

(do not change or add – this is for information only so that teams know what they will be assessed against)

- Level of coherence of UN in implementing programme country¹
- Reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other joint programmes in the country in question
- Annual % of financial delivery
- Joint programme operationally closed within original end date
- Joint programme financially closed 18 months after their operational closure
- Joint programme facilitated engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)
- Joint programme included addressing inequalities (QCPR) and the principle of “Leaving No One Behind”

¹ Annual survey will provide qualitative information towards this indicator.



- Joint programme featured gender results at the outcome level
- Joint programme undertook or drew upon relevant human rights analysis, and have developed or implemented a strategy to address human rights issues
- Joint programme planned for and can demonstrate positive results/effects for youth
- Joint programme considered the needs of persons with disabilities
- Joint programme made use of risk analysis in programme planning
- Joint programme conducted do-no-harm / due diligence and were designed to take into consideration opportunities in the areas of the environment and climate change

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2.2. UN Covid-19 MPTF programme Results framework

Complete the table below – add rows as needed.

Result / Indicators	Baseline	2021 Target	2022 Target	Means of Verification	Responsible partner
Outcome 1					
Output 1.1: A growing volume of digital and financial literate population (women, youth, micro-entrepreneurs and agri-cooperatives) capable to adopt and/or elaborate innovative solutions to their own needs is available					
Number of beneficiaries trained on financial education, digital literacy and entrepreneurship (gender disaggregated)	00	Total : 10000 of which women: 6000		Project annual report	UNCDF
Number of beneficiaries using digital literacy tools with entrepreneurship skills (gender disaggregated)	00	Total 5000 of which women : 3000		Project annual report	UNCDF
Number of beneficiaries reinforced in Agri-processing and innovative technics	00	Total 180 of which Agri-cooperatives: 120, of which women: 100		Project annual report	UNDP
Output 1.2: Greater and easier access to market for micro-entrepreneurs, agri-cooperatives, women and youth are achieved to foster their economic inclusion					
Number of new beneficiaries accessing market (disaggregated per women, micro and small entrepreneurs and smallholder farmers)	00	- Total 5000 - MSME: 2,500 - Women: 500 - Smallholder farmers: 1,500		Digital platforms' SIG Project annual	UNCDF
Number of beneficiaries transacting on e-commerce platforms (disaggregated per women, micro and small entrepreneurs and smallholder farmers)	00	MSME: 200 Smallholder farmers: 250 Women: 50		Digital platforms' SIG Annual report	UNCDF

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Outcome2: Increased access to immediate health and socio-economic support to respond to the health and social impact of the COVID-19 pandemic						
Output 2.1: Access to finance is increased for micro-entrepreneurs and agri-cooperatives to accelerate SDGs.						
Number of e-grant beneficiaries (disaggregation per women, smallholder farmers, MSME)	00	Total : 50 of which MSME and Smallholders farmers: 30 and Women: 30	E-grant platform Annual report	UNCDF		
Number of FSPs supported in its digital transformation	00	05	Annual report	UNCDF		
Number of beneficiaries accessing digital solutions (digital savings and digital payments) availed by FSPs	00	Total 300 MSME and agri-cooperatives: 300 of which Women groups: 100	FSPs' SIG Annual report	UNCDF		
Output 2.2: Resilience and Recovery initiatives are duly monitored, and lessons learnt shared						
At least 4 monitoring visits are organized	00	4	Monitoring visit report Annual report	UNDP		
At least 1 evaluation is conducted		1	Evaluation report	UNDP		
At least 4 Knowledge management Tools shared with the beneficiaries	00	4	Tools shared (1 leaflet, +2 blogs, 1 case-study)	UNCDF		

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Annex 3. Gender marker matrix

Complete the table below, using the instruction for gender marker provided separately.

Indicator N°	Formulation	Score	Findings and Explanation	Evidence or Means of Verification
1.1	Context analysis integrate gender analysis	2	The context shows gender analysis with data on poverty, on unemployment. Gender inequality index is also available, and the main factor of inequality has been analyzed.	Emicov, HDI report
1.2	Gender Equality mainstreamed in proposed outputs	2	Gender equality is included in the output 3.1 because an assessment of gender responsive public financial management will be made	CCA, UNSDCF 2019-2023
1.3	Programme output indicators measure changes on gender equality	2	8 outputs indicators are Gender sensitive within 13	responsive PEFA is one of indicator of output 3.1
2.1	PUNO collaborate and engage with Government on gender equality and the empowerment of women	2	For the CCA and UNSDCF 2019-2023, UNCT had collaborated with such organizations	CCA, UNSDCF 2019-2023
2.2	PUNO collaborate and engages with women's/gender equality CSOs	1	Not specifically for the JP. But UNCT collaborate for designing UNSDCF and its CCA	CCA, UNSDCF 2019-2023
3.1	Program proposes a gender-responsive budget	2	The Budget has integrated gender gap	Multi Year Work Plan
Total scoring		2		



Annex 4. Budget and Work Plan

Output	Annual target	Increased responsiveness of the fund to the socio-economic impact of the COVID-19 pandemic on countries											
		List of activities				Time frame				PLANNED BUDGET		PUNO/s involved	Implementing partner/s involved
		Q 1	Q 2	Q 3	Q 4	Overall budget description	UN Covid 19 MPTF (USD)	PUNO Contributions (USD)	Total Cost (USD)				
1.1 A growing volume of digital and financial literate population (women, youth, micro-entrepreneurs and agri-cooperatives) capable to adopt and/or elaborate innovative solutions to their own needs is available	2021	Activity 1.1.1: Strengthen and build entrepreneurs skills in digital and innovation to women, local entities, youth and smallholder entrepreneurs	X	X	X	X	National consultant; procurement; special event	50 000	30 000	80 000	UNCDF	-Specialized training institution -Digital literacy solution provider -ANPME -DGM -APSF	
		Activity 1.1.2: Capacity building on digitization to national and local institutional stakeholders (ANPME, DGM, APSFD, Municipalities)			X	X	National consultant, Special events, printing costs	30 000	20 000	50 000	UNCDF	Ministry of Planning/Ministry of Economy and Finance	
		Activity 1.2.1: Stimulate customer acquisition via social media	X	X			National consultant	40 000	10 000	50 000	UNDP	Community Managers	
Output 1.2: Greater and easier access to market for micro-entrepreneurs, agri-cooperatives, women and youth are achieved to foster their economic inclusion		Activity 1.2.2: Deploy local e-commerce and market information platforms for micro-entrepreneurs and smallholder farmers (more focused on women and youth).	X	X	X		International consultant, National consultant, equipment, mission costs, rental charges	63 552	15 000	78 552	UNCDF	Ministry of Digital; Fintechs; Start-ups	

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						X	X	X	International consultant, National consultant, equipment, mission costs, rental charges	55 000	25 000	80 000	UNCDF	Ministry of Agriculture; PITN2R; MNO; OPA
						X	X	X	National consultant, Equipment, Mission costs, Rental charges	80 393	44 000	124 393	UNDP	Ministry of Agriculture; PITN2R; OPA
									Increased access to immediate health and socio-economic support to respond to the health and social impact of the COVID-19 pandemic					
Outcome 2:	Output 2.1: Access to finance is increased for micro-entrepreneurs and agri-cooperatives to accelerate SDGs.					X	X	X	National Consultant, Financial Institutions	160 000	20 750	180 750	UNCDF	Ministry of Microfinance; Ministry of Digitalization; FSPs
									National Consultant, Specials events	165 445	55 000	215 000	UNCDF	Ministry of Microfinance; Ministry of Digitalization; FSPs
									National consultants, Travel costs, Special events, staff costs	100 000	70 000	170 000	UNDP	
									Activity 2.2.1: Monitoring, evaluation and capitalization					
Output 2.2: Resilience and Recovery initiatives are duly monitored, and lessons learnt shared														



	Activity 2.2.2: Communication and Knowledge management				X	X	National Consultant, mission costs, Special events, printing costs, various	50 000	25 000	75 000	UNCDF	
								TOTAL	794 392	314 750	1 109 142	
								GMS	55 607	-	55 607	
								TOTAL BUDGET	849 999	314 750	1 164 749	
								UNCDF (with Grant)	629 606	190 750	-	
								UNDP	220 393	124 000	-	

Annex 5. Risk Management Plan

Describe the overall risk management strategy (max 2 pages). Emphasize a systematic and structured risk management approach that is integrated into the processes and internal decision making and tailored to specific joint programme. It should include, besides identification of potential risks, assessment of their impact and likelihood, and design of mitigation measures also a rigorous process for documentation, evaluation and revision of the risks. When relevant, add aspects based on agency-specific approach (e.g. consideration of social and environmental standards and risks of UNDP)

Complete the Risk matrix table below

Risks	Risk Level: (Likelihood x Impact)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./ Person
Contextual risks					
Presidential elections in 2021 can disrupt the good delivery of activities on time	16	4	4	Advocacy for local authorities on the realities of COVID Raise beneficiary's awareness about the interests of activities and their non-political status Take into account the electoral period in the programming of field activities	UNDP, UNCDF, RCO
Programmatic risks					
Unavailability of specific profiles of specific competences, in particular for in-depth analysis of and design of the platform and other specific aspects of programming.	6	3	2	Refer to existing regional rosters competency as needed to supplement national existing expertise	UNDP, UNCDF, RCO
Delay in the procurement processes	9	3	3	Elaborate and implement appropriate procurement plan Anticipate on acquisition processes	Focal Point UNDP Focal Point UNCDF
Fiduciary risks					



Insufficient grants amount to satisfy beneficiaries' request	9	3	3	3	Identify criteria to target the most affected beneficiaries. Mobilize additional resources	Focal Point UNDP Focal Point UNCDF
Gender risks						
Poor targeting and coverage of the most affected groups (young people, women, entrepreneurs)	6	3	2	2	<ul style="list-style-type: none"> - Identify most affected by Covid pandemic within beneficiaries of past interventions, with specific criteria on their vulnerability - Apply disaggregation rates when identifying beneficiaries - Develop strategies to lift social gender barriers like women participation and collaboration with men 	Focal Point UNDP Focal Point UNCDF
Network and energy services unavailability	6	3	2	2	<ul style="list-style-type: none"> - Relying on network service providers to strengthen networks where it's weak - Manage the prioritization of areas with network coverage and equity in target beneficiaries' inclusion - Raising awareness among beneficiaries about adoption and use of renewable energy solutions 	Focal Point UNDP Focal Point UNCDF

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