

Capacity Development Plan of key entities for country-led GCF access.

Summary and recommendations

- Output 2 of the UNDP-UNEP-WRI Readiness programme for Fiji intends to increase knowledge on GCF access and Accredited Entities (AEs). Task 2.4 of this Output requires development of a capacity development plan to support the National Accredited Entity (N-AE).
- With Fiji Development Bank (FDB) identified as the candidate N-AE and the submission well underway and possibilities for the accreditation to be support through Enhanced Direct Access of the GCF, the focus on capacity development is on how the key involved entities will function post-accreditation and promote country-led access.
- The key entities in country-led GCF access for Fiji are the N-AE (FDB), CCU (Climate Change Unit, Ministry of Economy) and NDA (National Designated Authority, PS Ministry of Economy).
- Following consultations and a workshop (August 2016), four themes were identified for capacity development:
 1. Monitoring and evaluation
 2. Liaison of CCU with technical inputs
 3. Development of GCF bids
 4. GCF technical requirements in relation to ESS & Gender
- This document further details the capacity areas which require strengthening and indicative contents of capacity building initiatives. Furthermore, the possible modes of delivery and synergies with the wider government are identified.
- Resourcing for the capacity development could come from the GCF support window for “adaptation strategies” (capacity themes 1 and 2) and the GCF “readiness” support window (capacity themes 3 and 4).

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1.1 Preamble

This plan is part of the GCF “Readiness” Programme which developed between the United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP) and the World Resources Institute (WRI) in nine developing countries. Fiji is a partner country of this Programme supported by the German Government.

The Fiji GCF “Readiness” Project aims to (1) strengthen coordination to manage and deliver finance, (2) increase knowledge on GCF access and Accredited Entities (AEs), (3) strengthen GCF project formulation and development skills, and (4) strengthen local financial institutions in climate-related investment.

This Capacity Development Plan is positioned within Output 2 of the Fiji-component of the Programme: *“Enhanced institutional capacities (e.g. fiduciary standards) to align with internationally-accepted benchmarks and safeguards, as described in the Green Climate Fund and Adaptation Fund, and identifying an implementing entity with the goal of achieving direct access under the AF and GCF”*.

1.2 Task appreciation

This Plan represents Task 2.4 of the ProDoc *“Development of a Capacity Development Plan for identified IE(s), NIE and/or NDA. Once the IE(s) and/or NIE is identified, the gaps identified through the mapping exercise will be further be analyzed to support the development of a capacity development plan for the identified IE to meet the GCF fiduciary requirements. This would also include the feedback from the submission of the application to the GCF and AF”*. The specific achievement of this task is to *“Develop capacity building plan for identified IE(s), NIE and/or NDA”* (Outcome 2.4.1).

However, the project has been progressive in identifying and selecting a N-AE (National – Accredited Entity) and the GCF submission process for Fiji Development bank (FDB, submitted October 2015) is well advanced and ongoing feedback from GCF is directing further modifications. This progressive stance in the project has ramifications on the nature of this task in that developments within the selected N-AE are in-hand in relation to GCF accreditation. Thus the focus of this task has been modified to reflect the current needs for the emerging country-led GCF access modality.

As it is realistic that FDB is in-line to achieve N-AE accreditation, with possible support from GCF secretariat through Enhanced Direct Access (EDA), then this task can be re-focused to the post-accreditation capacity needs. Once accreditation is achieved by FDB, then the shift in focus becomes much more towards needs for project formulation, development and management to ensure a pipeline of country-led projects are successfully resourced by GCF.

This shift to the post-accreditation situation, also leads to involvement of a slightly wider group entities than just the N-AE of FDB. There is a need for close cooperation to occur between FDB (the GCF N-AE), CCU (the GCF coordinating entity) and PS Ministry of Finance (the GCF NDA). These entities will form the core triumvirate which drive and control country-led GCF access. Task 2.4 is thus still to develop a Capacity Development Plan, but with a shift to the needs post-accreditation and inculcating the key entities involved in this: FDC, CCU and the NDA.

1.3 Coordination and clarification of roles

The need for capacity development in the climate change response has been clearly articulated in the Climate Public Expenditure and Institutional review (CPEIR, 2016) in which one of the opportunities for improvements was to *“Build Capacity at All Levels to Address Climate Change and Disaster Risk Management”*.

The CPEIR also identified that there was a need for *“Strengthen Institutional Arrangements to Establish Strategic Direction and Improve Coordination”*. Thus, the CPEIR supports the idea that capacity needs must be considered in relation to clearer roles in coordination of the climate response. In this case, with a focus on the government centralized country-led GCF access, it is important to define the involved entities and the role that they play in the GCF modality:

Entity	GCF-relevant role
Climate Change Unit “the coordinator”	Coordination of all government-related climate response efforts. NCCP policy delivery and reform. Prioritization of climate response efforts Ensure adequate climate response resourcing. Frame the points of GCF access and ensure pipeline.
Fiji Development Bank “the manager”	GCF compliant Concept Note and Full Project proposal development. Management and oversight of N-AE GCF projects according to GCF procedures. Progressive expansion of GCF accreditation to allow broader range of GCF projects.
National Designated Authority “the decision-maker”	Finalisation of policy and project prioritization. Support for identified GCF Concept notes and sign-off for Full Proposals.

The focus of the following areas for capacity develop are identified in relation to the determined roles of the various bodies in the GCF process and are notwithstanding capacity development requirements in the wider context of the national response to climate change.

2.1 Key capacity develop areas

The following capacity needs were identified from discussions on capacity needs with representatives from CCU and FDB and validated through a workshop in August 2016 (Appendix A). The key themes which were identified were:

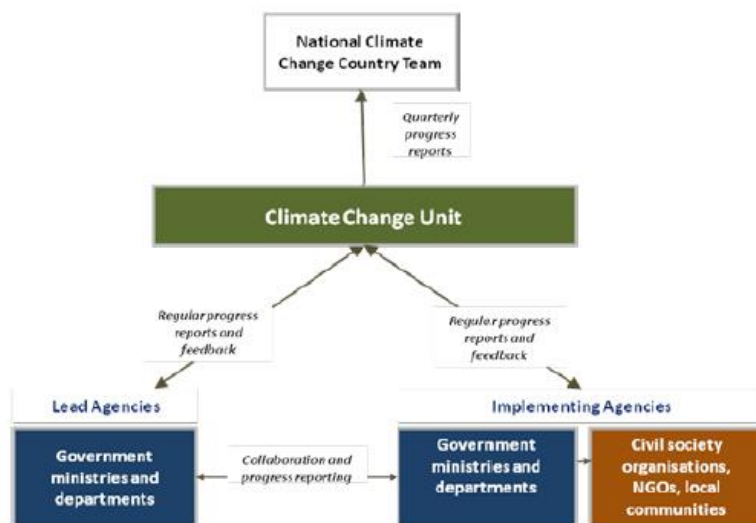
1. Monitoring and evaluation
2. Liaison of CCU with technical inputs
3. Development of GCF bids
4. GCF technical requirements in relation to ESS & Gender

These themes are considered in more details in the following sections.

2.1.1 Capacity theme 1: Monitoring and evaluation (M&E).

Effective and strategic M&E is essential to CC-response policy credibility. M&E processes should operate at the level of project and program implementation within each sector and at the high policy level of assessing the impact of total adaptation and mitigation policy efforts. Designing an M&E system for CC is a complex process due to the cross-cutting and mainstreamed nature of CC-response. However, a cohesive M&E system can be initiated with an early emphasis on capacity enhancements and a focus on strategically important indicators at all levels of implementation.

The NCCP (chapter 8) identifies policy-level monitoring and review with annual reporting to NCCCT and NEC (National Environmental Council) which is built up from quarterly progress reports from CCU. The quarterly reports were produced as per the following schematic (from NCCP, Fig 5):



The CPEIR makes clear the importance of M&E in the climate response in terms of both M&E in relation to policy objectives (as outlined in the NCCP) as well as in relation to mapping climate-related expenditures. It is also noted that the recommendations in the CPEIR “can also support Fiji to deliver

results from funding mechanisms such as the GCF and AF". Effective M&E can be a vital component for effective situational analysis and project formulation to allow objective framing of projects concepts for GCF or other funding instruments.

A thorough review of progress in climate-related M&E is needed in order to take forward the proposals of the NCCP, the proposals of the CPEIR and to help place the requirements of the GCF into the wider national climate change M&E. Any resultant M&E must clearly be hierarchical, multifaceted and multi-level covering at the very least project-level, policy-level and link to expenditure tracking.

The following areas for capacity development have been identified:

Capacity area	Indicative content
1.1 Project-level M&E processes and protocols and specific GCF requirements	<p>Introduction to processes and role of generic M&E and how it is used to establish and guide project progress.</p> <p>Role of M&E in development project design and delivery and development partner specification and requirements.</p> <p>Specific requirements for the various level of GCF M&E and results and performance framework.</p>
1.2 A hierarchical system for national level reporting at project and policy level.	<p>Understanding of the existing NCCP and the way in which the NDP and GGS interact with NCCP.</p> <p>Identification of key areas for policy-level M&E within the national policy nexus.</p> <p>Linking policy-level with project-level M&E and forming an integrated and hierarchical system.</p>
1.3 M&E data management and reporting	<p>Data collection and possible forms of digital data management.</p> <p>Data input, storage and accessibility for a multilevel M&E system</p> <p>Using M&E data for creating routine and special reports and real-time study of the climate change response.</p>

2.1.2 Capacity theme 2: Liaison of CCU with technical inputs

CCU has a key role to play in structuring, receiving, accessing and communicating technical information on climate change. CCU does not have strong technical capacity itself and thus it needs to act as a conduit for information flow from the various sectors via the line ministries. CCU needs to ensure that this information is adequately structure for its various purposes, which may include linkage of sector endeavors to national planning documents (e.g. National Development Plan, Green Growth Framework) or for M&E purposes.

More specifically in relation to GCF, CCU needs also to develop open and active stakeholder engagement processes in a way that is sustainable and within the resource envelope. The active stakeholder engagement process, coupled to the understanding and prioritisation of future needs within the sectors, form the base of GCF project proposals which can then be passed on to FDB, or other AE's as appropriate.

The following areas for capacity development have been identified:

Capacity area	Indicative content
2.1 The role of prioritisation and effective stakeholder engagement processes	<p>Resource limitations for climate change and the need to prioritise.</p> <p>Who and how to prioritise government-led change response to ensure adequate inclusion.</p> <p>How to engage and involve stakeholders in a sustainable process in the prioritisation process.</p> <p>Prioritisation of key elements for seeking support from GCF.</p>
2.2 Using prioritisation to support project GCF situational assessment and project formulation	<p>Development and selection of project ideas from the prioritisation process.</p> <p>Formulating GCF projects from a well-informed situational assessment for GCF.</p>

2.1.3 Capacity theme 3: Development of GCF bids

Obtaining resources from GCF for projects / programmes require successful proposals to be submitted to GCF. The process can involve a Concept Note and then a full proposal, or just submission of a full proposal. One of the roles of AE's is to develop bids, in the case of FDB, those that have been identified and outlined by CCU as for pursuing by the N-AE. It should be noted that the proposals are significant and highly complex documents which must exhibit among other things, adequate feasibility assessments for the proposed interventions, compliance to licensing requirements and robust stakeholder engagement.

FDB does not have a significant technical climate capacity in climate change. However, the requirement for FDB is for the process of bid development to be understood to allow effective and efficient management of technical support required to write the document. It is likely that relevant technical experts will be mobilized from the line ministries of contracted-in and managed to help deliver technical aspects of proposal. FDB, in collaboration with CCU, will need to maintain oversight of project preparation to ensure that the proposal is being developed along compatible lines of national priorities and policy documents.

The combination of FDB project management and budget functions, coupled to external technical inputs, will be used to develop proposals. Resourcing for the proposals can be through the Project

Preparation Facility (PPF) of the GCF. PPF will provide up to 10% of requested GCF funding with a maximum of \$1.5 m for any single proposal. The PPF provides support in the following areas:

1. **Technical project development** – Feasibility Assessment: Due diligence, including detailed financial, legal, engineering, environmental, social appraisals and gender assessment required to develop reports that validate and develop concepts further. Completing project feasibility assessment.
2. **Transaction advisory** - Project structuring: including multi-stakeholder engagement, detailed financial and legal structuring, and the preparation of financial models and legal documentation.

The following areas for capacity development have been identified:

Capacity area	Indicative content
3.1 The GCF bid process and profoma documents	<p>Introduction to the various stages of the GCF bid process.</p> <p>GCF supplied documentation and guidance.</p> <p>Detailed overview of structure and content of Concept Notes and Full Proposals.</p> <p>Clarity of GCF investment criteria and performance and results management processes.</p> <p>Requirements for supporting documentation and feasibility studies.</p>
3.2 Writing GCF bids	<p>The roles and responsibilities of the GCF bid writing process.</p> <p>Resources and technical requirements for writing Concept Notes and Full Proposals.</p> <p>Engagement and inclusion process of stakeholders to support bid writing process.</p>

2.1.4 Capacity theme 4: GCF technical requirements in relation to ESS & Gender

As part of the accreditation process, the GCF has set strict requirements in terms of standards for ESS (Environmental and Social Safeguards) and Gender. It is required by the GCF that successful projects will have compliant ESS and gender approaches at the proposal stage and also monitored through project oversight by the AE. Historically, FDB has not been required to have strong policies related to these aspects. Through the GCF accreditation process, FDB is required to strengthen these areas beyond the business-as-usual approach and subsequently it will be required to implement these approaches in proposal development and project oversight and reporting.

The implementation of the newly derived of strengthened process in FDB with respect to ESS and gender will need to be strengthened to ensure that these new areas are delivered in a GCF compliant way. These requirement are actually somewhat of a moving target as the GCF might well refine and update the requirements in due course, as it build experience form various AE's and implemented projects.

The following areas for capacity development have been identified:

Capacity area	Indicative content
4.1 ESS requirements for GCF	The role of ESS in the GCF Determination of key environmental and social risks in projects of the N-AE. Using the GCF ESS system.
4.2 The role of gender in GCF	Fundamental principles of the GCF Gender Policy Role of N-AEs in implementation of the Gender Policy Outputs and indicators of the GCF Gender Policy.

3.1 Capacity development delivery

The following table outlines the proposed modes of delivery, key beneficiaries and possible areas of synergy for the identified capacity areas:

Capacity theme	Delivery, beneficiaries and potential synergies
1. Monitoring and evaluation	Delivery: (i) Presentations for knowledge base of M&E and differences between project and policy-level M&E. (ii) A sequence of workshop sessions on development of a multilevel M&E, including some key climate-relevant line ministries. Prime beneficiary: CCU (area 1.1 – 1.3), FDB (1.1) Synergies: Link into development of a substantial M&E system compliant to the NCCP policy reform process in which GCF M7E is embedded within.
2. Liaison of CCU with technical inputs	Delivery: (i) Workshops prioritisation, including mitigation, to develop a working model for CCU to use which includes stakeholder engagement processes. (ii) Workshop on development of priorities and forming a justified situational assessment as basis for a GCF project and trial knowledge using one real example.

	<p>Prime beneficiary: CCU (2.1 – 2.2), FDB (2.2)</p> <p>Synergies: This builds on the prioritisation tool for adaptation trained through the WRI workshop in January 2016 as part of the “readiness” project.</p>
<p>3. Development of GCF bids</p>	<p>Delivery: (i) Presentations developing the knowledge base of the GCF criteria and requirements and example proposals. (iii) Case examples from successful project and experiences of proposal developers / AE’s (e.g. ADBs water sector project in Fiji). (iii) Practical mentoring of an ongoing real project development process which is documented and discussed in a workshop setting with key individuals.</p> <p>Prime beneficiary: FDB (3.1 – 3.2)</p> <p>Synergies: The experience of the bid writing process can be combined with actual project implementation to extend capacity in FDB and ultimately for expanded accreditation with GCF.</p>
<p>4. GCF technical requirements in relation to ESS & Gender</p>	<p>Delivery: (i) workshop on ESS and gender guidelines as well as detailed requirements as per GCF as well as practical examples taken from other projects.</p> <p>Prime beneficiary: FDB (4.1 – 4.2)</p> <p>Synergies: The linkage of the GCF requirements to national guidelines (e.g. National Gender Policy) requires illumination and possibilities for strengthening national systems and aligning with GCF standards.</p>

The capacity areas 1 and 2 (M&E and technical inputs) should be scheduled first and could potentially be covered by the support window the adaptation strategies (up to USD 1m per annum per Member Country). The benefits are primarily accrued by CCU and can potentially help to further align GCF with a reformed NCCP in due course.

Capacity areas 3 and 4 (GCF bid development and ESS / gender) should be scheduled after areas 1 and 2 are in delivered when prioritised and “real” projects are in needs of development by the N-AE. Support for these project development activities could potentially come from the GCF Readiness funds which Fiji has not accessed (the present Readiness project is support by the German Government and not GCF).

Appendix A: Coordination and Capacity workshop description and timetable.



Green Climate Fund (GCF) Readiness Programme in Fiji

Workshop: Coordination and capacity for strengthening the climate change response in Fiji

11th August, 2016, Holiday Inn, Suva

Preamble

Coordination is a vital due to the cross-government and multi-stakeholder nature of the climate change response. The National Climate Change Policy (NCCP), which was launched in 2012, identified a coordination approach. However, with changes in the ministerial positioning of Climate Change Division, future plans for NCCP reform as well as increasing impetus in many aspects of the climate change response, further strengthening of the coordination process may be required. In addition, mobilisation of the Green Climate Fund (GCF) and submission of Fiji Development Bank (FDB) for accreditation as a National Implementing Entity (N-IE) means that the role of FDB needs to be inculcated into the coordination processes.

Allied to the institutional architecture and processes involved in coordination is the need for appropriate capacity. With the ministerial shift in CCD and the increasing involvement of FDB, it is timely to identify capacity gaps which could threaten the climate response resourcing and delivery. The possible inputs to help meet capacity gaps and the target groups can be identified to help strengthen the overall resource mobilisation and coordination processes.

Workshop aim and objectives

The aim of this workshop is to:

Strengthened coordination processes among stakeholders and institutions of national and sub-national entities and identify capacity needs to manage and deliver climate finance.

Objectives:

1. Determine a coordination strategy with clear roles and responsibilities across government entities, and other stakeholders, and clear processes and systems for action on climate change
2. Assess how province/division-level (including urban) climate-resilient planning integrates with national policies and support for implementation
3. Identify capacity needs to permit effective climate change resource mobilisation and coordination.

The workshop is designed for staff from the key central government entities for climate change resource mobilisation and coordinating the response: CCD and FDB.

Timetable

9.00 – 9.15	Workshop welcome and introduction to the need for coordination (CCD / UNDP)
9.15 – 10.30	Presentation: Climate change coordination - a review of the existing approach, key contextual changes and an outline revised coordination structure (Jeremy Hills)
10.30 – 11.00	Morning tea
11.00 – 11.45	Working groups: review and revision of revised coordination guidelines
11.45 – 12.45	Presentation & discussion: capacity needs – present assessment, gaps and required inputs (Jeremy Hills)
12.45 – 1.00	Closing comments and reflections (CCD / UNDP)
1.00 – 2.00	Lunch