



13.02.2018



Standard Operating Procedures for Climate/DRR Project Appraisal

Training for Project Screening Committee



NATIONAL ADVISORY BOARD
on Climate Change and Disaster Risk Reduction
GOVERNMENT OF VANUATU

Overview

- Background
- Standard Operating Procedures
 - Process to review projects
 - Project proposal template
 - Project logical framework
 - Project budgeting template
 - Project risk assessment tool
 - Project screening tool
 - Reporting template
 - Feedback and grievance redress mechanism
 - Oath of service and code of conduct



Background

- Commenced mid-2017 as part of the GCF Readiness Programme
- Desktop review
- *Inception workshop (September 2017)*
- Consultation – one on one with stakeholders
- *Validation workshop (November 2017)*
- Endorsed by NAB (*February 2018*)
- *Project Screening Committee Training (February 2018)*



Why does the NAB/NDA need SOPs?

- **Coordination** of the endorsement of CCDRR projects
- Submission and **appraisal is fair, transparent**, greatest benefit
- Assist in **monitoring, reporting**, and **verifying** climate finance
- NIE fiduciary standards → **accreditation** → direct access
- Greater **ownership** over Vanuatu's sustainable development
- Recommended in **CPEIR 2014**, National CCDRR Policy
- To assist the project screening committee **assess projects**



National Implementing Entity & Direct Access

Adaptation fund operational since 2007

- First direct access in 2010
- Vanuatu still does not have direct access

GCF became operational in 2015

- First direct access in 2015
- Nearly 2018 and Vanuatu still does not have direct access

SOPs critical to achieving NIE status and direct access



What are the NAB's SOPs?

SOPs are a standardised process for CCDRR projects:

- Seeking/sourcing projects - **Process to review projects**
- Submitting projects for funding - **Project proposal template**
 - Project logical framework
 - Project budgeting template
 - Project risk assessment tool
- Appraising and approving projects - **Project screening tool**
- Monitoring and reporting on projects – **Reporting template**
- Managing and resolving grievances - **Feedback and grievance redress mechanism**
- Dealing with conflicts of interest – **Oath of service and code of conduct**



SOP activities so far

- Desktop review
- Inception workshop
- Inception workshop report with feedback and recommendations
- Validation workshop and report
- Finalise SOPs based on review, stakeholder consultations, and workshops outcomes
- Design, plan, and facilitate 1-day training on SOPs



Project appraisal process



Based on interim appraisal process used by the NAB

- Includes 3 stages:
 - 1. Identification** – to prevent duplication/overlap of projects
 - 2. Concept** – to assess whether a project is worth progressing
 - 3. Funding Proposal** – to determine whether the project design is complete and is likely to succeed

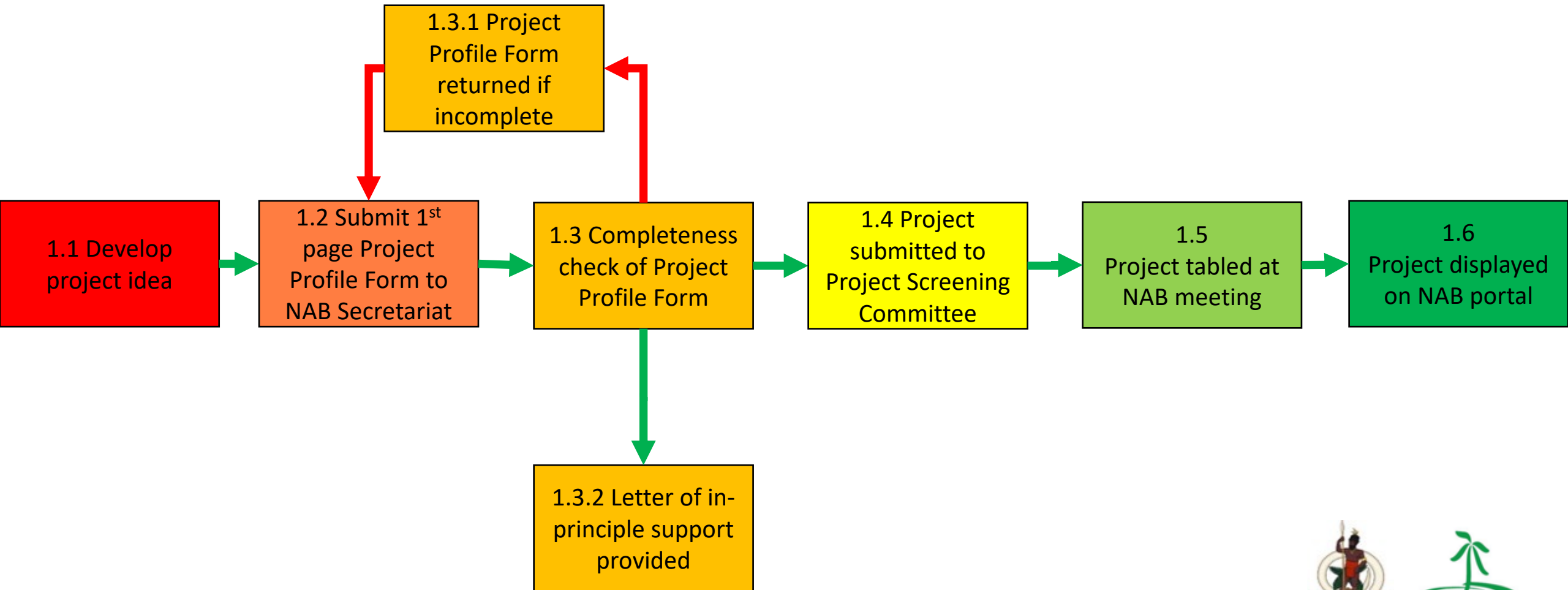


Project appraisal process – Identification

1	Project identification stage		
1.1	Develop project idea in consultation with agencies involved, and discuss with NAB Secretariat	Implementing / Executing Entity NAB Secretariat	
1.2	Completion and submission of 1 st page of Project Profile Form to NAB Secretariat nab@meteo.gov.vu	Implementing / Executing Entity	1 st page of Project Profile Form
1.3	Completeness of project profile form checked	NAB Secretariat	Completeness Check List
1.3.1	- Returns to implementing/executing entity if incomplete	NAB Secretariat	
1.3.2	- Letter of in-principle support provided	NAB Secretariat	Letter of in-principle support
1.5	Project is submitted to NAB Project Screening Committee and project number given	NAB Secretariat / NAB Project Screening Committee	1 st page of Project Profile Form
1.6	Project is tabled at NAB meeting	NAB Secretariat / NAB	1 st page of Project Profile Form
1.7	Project is listed on NAB Portal	NAB Secretariat	1 st page of Project Profile Form



Project appraisal process – Identification

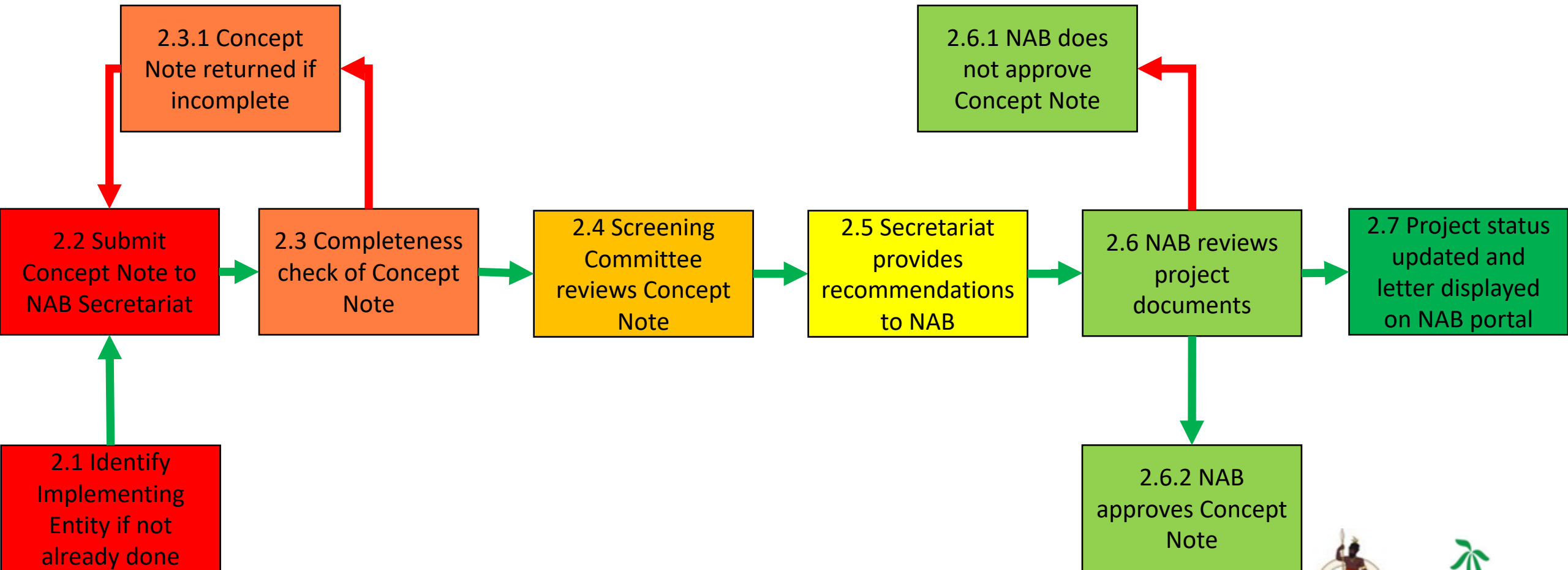


Project appraisal process – Concept note

2	Project concept stage		
2.1	Identification of implementing entity if not already done	Executing Entity	
2.2	Completion and submission of project concept note to NAB Secretariat nab@meteo.gov.vu	Implementing / Executing Entity	Project Concept Note 2 nd page Project Profile Form onwards
2.3	Completeness of project concept note checked	NAB Secretariat	Completeness Check List
2.3.1	- Returns to implementing/executing entity if incomplete	NAB Secretariat	
2.3.2	- If complete, submitted to Project Screening Committee	NAB Secretariat / Project Screening Committee	
2.4	NAB Project Screening Committee reviews project concept note	Project Screening Committee	Project Profile Form Project Concept Note Project Screening Form
2.5	NAB Secretariat provides the recommendations from the Project Screening Committee to the NAB	NAB Secretariat / NAB	Project Profile Form Project Concept Note
2.6	NAB reviews project documents	NAB	Project Profile Form Project Concept Note
2.6.1	- NAB does not approve project concept note	NAB / NAB Secretariat	Non Approval Letter
2.6.2	- NAB approves project concept note (with or without conditions)	NAB / NAB Secretariat	Letter of In-Principle Support
2.7	Project status updated and letter displayed on NAB Portal	NAB Secretariat	Letter of In-Principle Support / Non Approval Letter



Project appraisal process – Concept note

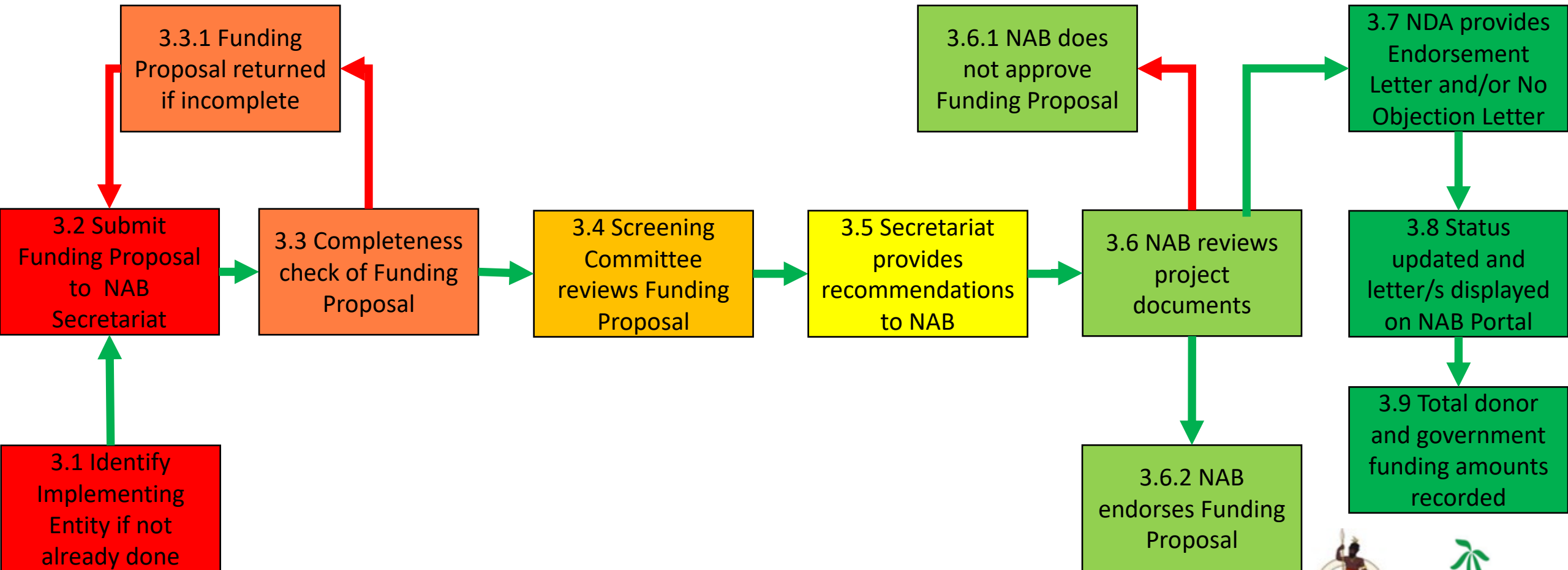


Project appraisal process – Funding proposal

3	Project funding proposal stage		
3.1	Identification of implementing entity if not already done	Executing entity	
3.2	Completion and submission of project funding proposal to NAB Secretariat nab@meteo.gov.vu	Implementing / executing entity	Project Profile Form Project Funding Proposal
3.3	Completeness of project funding proposal checked	NAB Secretariat	Completeness Check List
3.3.1	- Returns to implementing/executing entity if incomplete	NAB Secretariat	
3.3.2	- If complete, submitted to Project Screening Committee	NAB Secretariat / Project Screening Committee	
3.4	NAB Project Screening Committee reviews project funding proposal	Project Screening Committee	Project Funding Proposal Project Screening Form
3.5	NAB Secretariat provides the recommendations from the Project Screening Committee to the NAB	NAB Secretariat / NAB	Project funding proposal
3.6	NAB reviews project documents	NAB	Project Funding Proposal
3.6.1	- NAB does not approve project funding proposal or provides conditions	NAB / NAB Secretariat	Non-Approval Letter
3.6.2	- NAB endorses project funding proposal	NAB / NAB Secretariat	Endorsement Letter
3.7	For GCF projects, the NAB instructs the NDA to provide a No Objection Letter	NAB / NDA	No Objection Letter
3.8	Project status updated and Endorsement Letter (and No Objection Letter if applicable) displayed on NAB Portal	NAB Secretariat	Endorsement Letter / No Objection Letter
3.9	Total donor and Government funding amounts recorded	DSPPAC / MFEM	



Project appraisal process – Funding proposal



Project appraisal process exercise

1. A project profile form is received by the NAB Secretariat but only half of the first page is completed – what happens next?
2. A concept note is reviewed by the Project Screening Committee but they do not recommend that the project be approved – what happens next?
3. The NAB endorses a GCF project at the funding proposal stage – what happens next?



Project appraisal process exercise - answers

1. The form is returned to the implementing/executing entity as the form is incomplete and needs to be resubmitted
2. The recommendation is passed to the NAB by the NAB Secretariat for the next NAB Meeting, but as it is only a recommendation, the NAB may decide to approve or not approve the project
3. For GCF projects, the NAB instructs the NDA to provide a NOL, the project status is updated, and endorsement letter listed on the NAB portal



Project profile form - Overview

- **New** project profile form for CC and DRR projects
- Takes from current **NAB forms, DSPPAC forms** and **GCF forms**
- Follows on from **3-stage process** with separate 'identification', 'concept' and 'full proposal' processes
- **Completeness check stage** ensures if the forms are incomplete they are returned to the applicant for resubmission
- Includes **all key project information**



Project profile form exercise

1. USD 20 million / 2 billion Vatu
2. Mangroves/boardwalk in tourist resorts
3. UNEP
4. Department of Environment
5. GCF project
6. Concept note
7. Efate
8. Gudfala Vanuatu Climate Project
9. Ecosystems and ecosystem services
10. Provincial Secretary's signature
11. Project timetable



Project profile form exercise - answers

1. USD 20 million / 2 billion Vatu – **Total funding**
2. Mangroves/boardwalk in tourist resorts – **Project description**
3. UNEP – **Implementing entity**
4. Department of Environment – **Executing entity**
5. GCF project – **Funding window**
6. Concept note – **Approval sought**
7. Efate - **Location**
8. Gudfala Vanuatu Climate Project – **Project title**
9. Ecosystems and ecosystem services – **Results areas**
10. Provincial Secretary's signature – **Certification**
11. Project timetable – **Supporting documents**

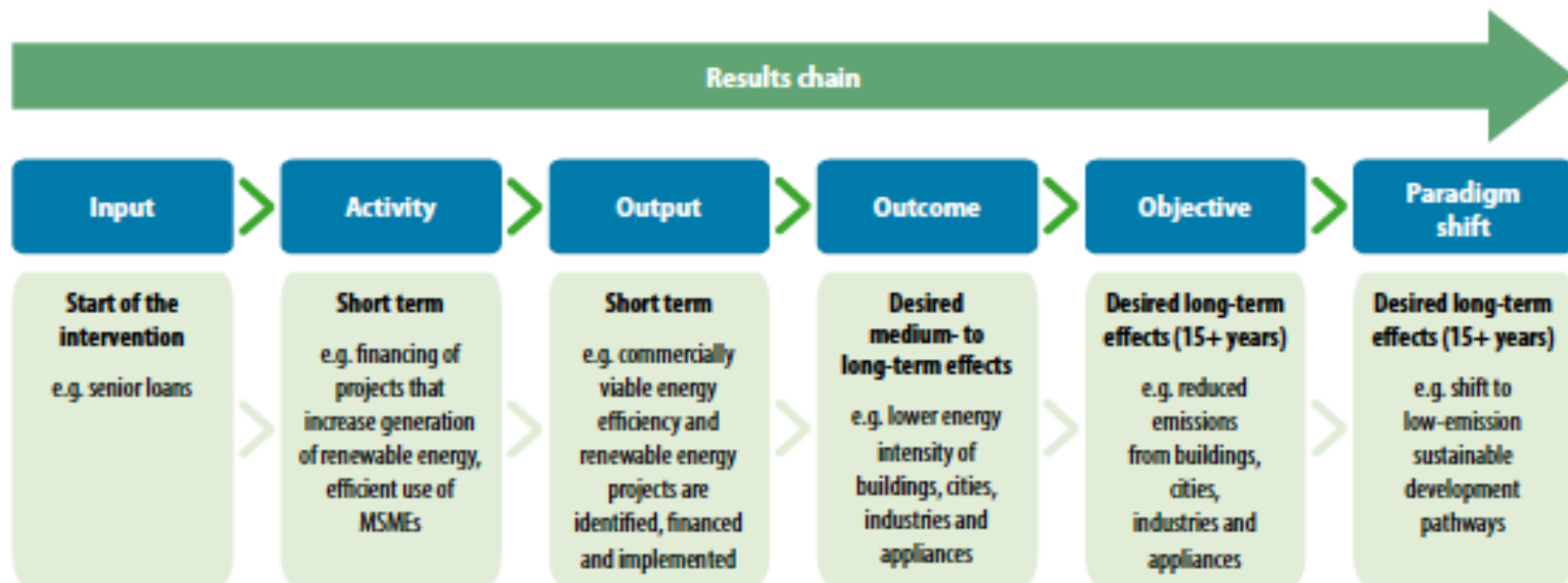


Logical framework - Overview

- One of the most used methods to articulate and clarify **how a set of activities will achieve the desired outcomes and objective of a project** (its 'theory of change')
- The log frame represents a results map or results framework and **captures basic monitoring and evaluation (M&E) requirements**
- A project's log frame is critical to determining the costs at the activity level required in the proposal template, the overall budget, and the timeline and key milestones



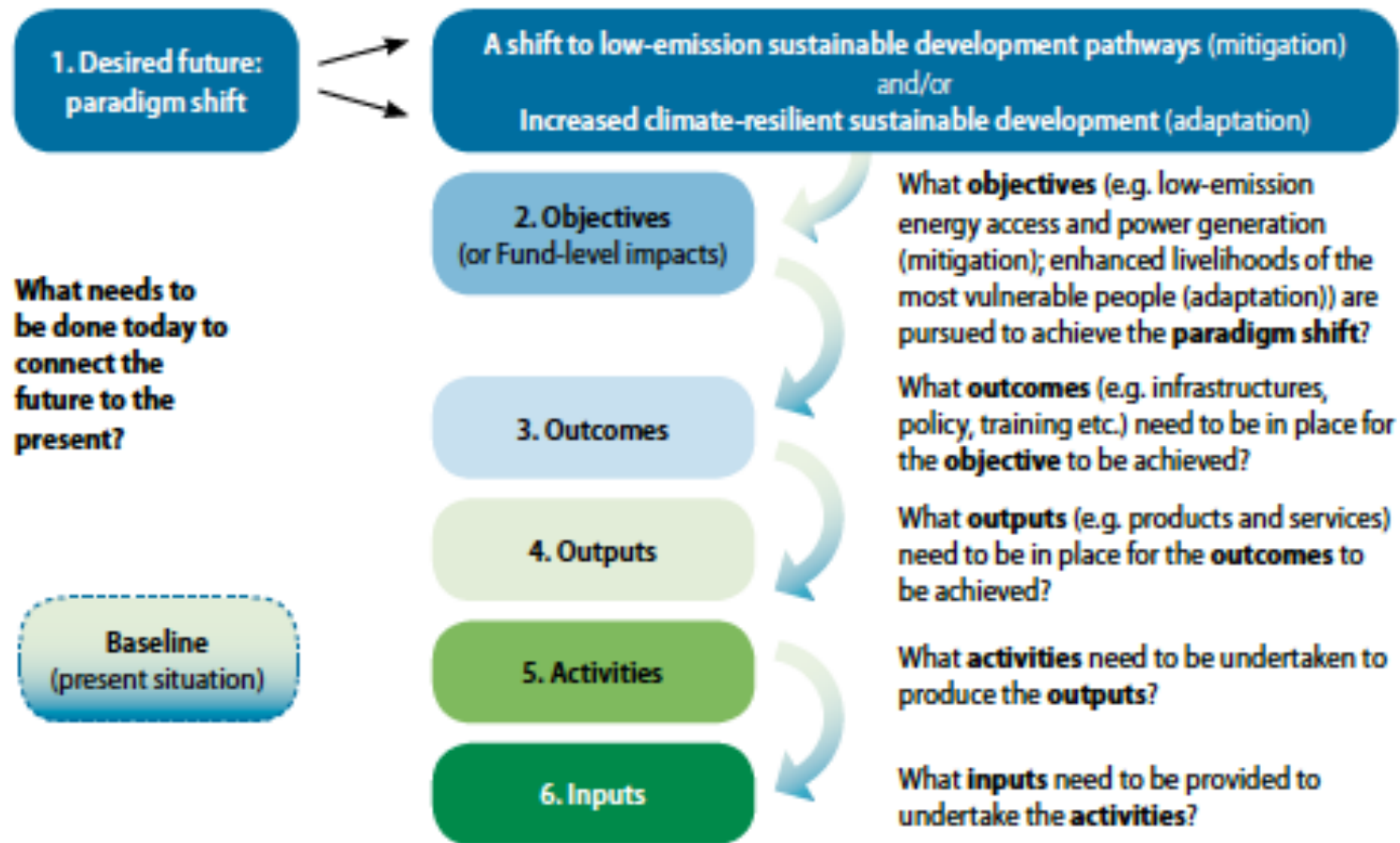
Logical framework – 6 levels of the model



Source: GCF Initial Results Management Framework of the Fund. Seoul: Green Climate Fund
www.greenclimate.fund/ventures/portfolio/fine-print



Logical framework – Backcasting



Source: Green Climate Fund Proposal Toolkit 2017: Toolkit to develop a project proposal for the GCF Acclimatise, CDKN



Logical framework exercise

1. Increased low-emission energy access and power generation
2. Grants
3. A shift to a low emission sustainable development pathway
4. More small, medium and large low-emission power suppliers
5. Increased investment in renewable energies
6. Lower country energy intensity trajectory



Logical framework exercise answers

1. Impact
2. Input
3. Paradigm shift objective
4. Output
5. Activity
6. Outcome



Project budget template - Overview

- Allows for **more information** regarding project financing to be provided and therefore analysed and monitored
- Allows for **listing of all funding sources**
- Allows for listing of **component costs**



Project budget exercise

- The Gudfala Vanuatu Climate Project
- 1 billion Vatu loan over 5 years
- 1 billion Vatu grant over 5 years
- 500 million Vatu for equipment
- 500 million Vatu for staff
- 500 million Vatu for training
- 500 million Vatu for travel



Project budget exercise (2)

43. Project budget summary (estimated in Vatu '000)

Items/component	Year 1	Year 2	Year 3	Year 4	Year 5	Total	% of Total
Loans <i>[specify source]</i>	200	200	200	200	200	1000	50
Grants <i>[specify source]</i>	200	200	200	200	200	1000	50
Aid in kind*							
Government of Vanuatu							
Other e.g. GCF, community							
<i>expand table as needed</i>							
Total	400	400	400	400	400	2000	100%

* contributions made directly towards projects realisation such as equipment, materials, labour, T/A, building works, vehicles, time etc. and other quantifiable resources that count towards the achievement of the project results



Project budget exercise (3)

44. Project component costs (estimated in Vatu '000):

Items/component	Year 1	Year 2	Year 3	Year 4	Year 5	Total	% of Total
Equipment/materials	100	100	100	100	100	500	25
Personnel/staff/labour	100	100	100	100	100	500	25
- e.g. technical assistance							
- e.g. local salaries							
Training/workshops etc.	100	100	100	100	100	500	25
Travel	100	100	100	100	100	500	25
<i>expand table as needed</i>							
Total	400	400	400	400	400	2000	100%

This is for main project components only. Not every cost needs to be specified. Other examples of components might be accommodation, vehicles, fuel, freight, allowances, VNPF contributions, telephone, computers, stationery, an implementing entity administrative fee (if included as part of the loan/grant), project monitoring, contracts, rent, printing, overheads etc.



Risk assessment tool - Overview

- Allows for risks to be clearly outlined and classified
- Allows for impact and probability to be estimated
- Allows for project developer and/or project assessor to give a score to each risk and an overall risk score
- **Assists in determining whether project should proceed and if so, how risks will be managed and mitigated**



Risk assessment exercise (1)

Risk 1: Local community reneges on approval for project

Risk 2: Co-financing no longer available

Is the risk social/environmental, technical/operational, financial, other?

Is the impact of the risk likely to be:

- Low < 5% of project value
 - Medium $5\% \leq$ of project value $\leq 20\%$
 - High > 20% of project value
- What is the probability of the risk: low, medium or high?



Risk assessment exercise (2)

Risk 1: Local community retracts approval for project

Category = Other, Impact = High, Probability = Low

= $3 \times 1 = 3$ moderate

Risk 2: Loan no longer available

Category = Financial, Impact = High, Probability = Low

= $3 \times 1 = 3$ moderate

Total risk = $3 + 3 / 2 = 3$ which is a moderate risk



Risk assessment exercise (3)

Risk factors, mitigation measures, and assessment tool

[Use tool to describe the financial, technical/operational, social/environmental and other risks that may prevent the project objectives from being achieved, and proposed risk mitigation measures.]

Selected Risk Factor 1				
Description	Risk category	Level of impact	Probability	Score
Local community retracts approval for project	Other	High (3)	Low (1)	3
Mitigation Measure(s)				
<i>[Describe how the identified risk will be mitigated or managed. Do the mitigation measures lower the probability of risk occurring? If so, to what level?]</i>				
Selected Risk Factor 2				
Description	Risk category	Level of impact	Probability	Score
Loan no longer available	Financial	High (3)	Low (1)	3
Mitigation Measure(s)				
<i>[Expand table as needed]</i>				
Total score (add all the scores and divide by the total number of risk factors)				3
<i>[Describe other potential issues which will be monitored as “emerging risks” during the life of the project (i.e. issues that have not yet raised to the level of “risk factor” but which will need monitoring). This could include issues related to external stakeholders such as project beneficiaries or the pool of potential contractors.]</i>				



Project screening form - Overview

- NAB Project Screening Committee has 7 members (quorum is 4)
- Appraises projects prior to every NAB meeting
- NAB Secretariat, DSPPAC sectoral analyst, MoCC PMU, MFEM, Environment, Local Authorities and Women's Affairs
- Expedites project appraisal processes by reviewing and recommending to the NAB based on Vanuatu's priorities and needs
- Project screening tool will assist NDA/NAB Project Screening Committee in making transparent, informed and equitable decisions by outlining the following areas for appraisal:



Project screening form (2)

- Strong climate rationale and objective for project
- National policy alignment
- Organisational suitability/Governance arrangements
- Risk management strategies
- Engagement, local ownership and consultation
- Proof of no duplication of work
- Technical and economic/financial viability
- Environmental and social (gender) impacts
- Monitoring and evaluation
- Sustainability
- GCF (strategic results areas and investment criteria/priorities)

Project screening form exercise

1. No baseline has been given
2. The project rationale is 'to make money' for the project developer
3. Consultation took place with only one Government department
4. There was another project exactly the same in the same location 2 years ago
5. The project does not appear to have any relevance to any Government policy
6. There does not appear to be any funding for year 5 of the project
7. There is no monitoring process
8. The project is likely to kill 1000 dugongs

Project screening form exercise - answers

1. Criteria 2 – a baseline is needed for the theory of change and to assist in monitoring, reporting and evaluating the project
2. Criteria 1 – simply making money isn't a satisfactory rationale for a CCDRR project
3. Criteria 6 – one Government department is sufficient consultation
4. Criteria 7 – why is there need for the same project to be replicated in the same location?
5. Criteria 3 – all projects must align with the Government of Vanuatu's development goals
6. Criteria 9 – the financial viability of the project should be questioned if there is no funding for year 5
7. Criteria 12 – there needs to be a robust monitoring process outlined
8. Criteria 10 – have the environmental considerations been taken into account sufficiently?

Project reporting template - Overview

- Uses DSPPAC 6-monthly report (SMR) and the GCF (Evaluation Framework) as basis
- Allows for outlining of total funding
- Amount of budget committed
- Total expenses liquidated
- Report on outputs delivered
- Report on issues, challenges, and opportunities for growth
- Report on strategies in place to address or mitigate these challenges
- Sign off



Oath of Service and Code of Conduct

- Assists in advising on, and avoiding, **potential conflicts of interest**
- Assists in advising on **confidentiality of information**
- Ensures there is a signed statement by NAB members
- Ensures Project Screening Committee and NAB members are aware of their responsibilities
- Gives project developers and the **public greater confidence** in the NAB members and decisions made by the NAB
- Any disclosed interest by a NAB member recorded in minutes of meeting, and NAB member removed from voting on that project



Oath of Service

*“I solemnly declare that I will **perform my duties** as a member, or authorised officer representing a member, of the National Advisory Board on Climate Change and Disaster Risk Reduction (NAB) pursuant to Section 9 of the Meteorology, Geological Hazards and Climate Change Act 2016, **honourably, faithfully, impartially and conscientiously.**”*

*“I further solemnly declare and promise that I shall **have no financial interest** in any project or programme considered by the NAB. Subject to my responsibilities to the NAB, I shall **not disclose**, even after the termination of my functions, **any confidential or proprietary information** coming to my knowledge by reason of my duties for the NAB.”*

*“I shall **disclose** to the NAB **any interest** in any matter under discussion before the NAB which may constitute a **conflict of interest** or which might be **incompatible with the requirements of integrity and impartiality** expected of a member of the NAB, and I shall **refrain from participating in the work of the NAB in relation to such matter.**”*



Code of conduct (1)

Each member, or any authorised officer representing a member, of the National Advisory Board on Climate Change and Disaster Risk Reduction (NAB) will:

- Discharge his/her duties with honesty, integrity and full regard for his/her responsibilities as a NAB member
- Respect the confidentiality of all confidential information acquired in his/her position as a NAB member and not make improper use of or disclose such confidential information to third parties
- Observe the principles of independence, accuracy and integrity in dealings with other NAB members, the NAB secretariat and NAB stakeholders
- Exercise personal discretion in deciding whether s/he has a real or perceived conflict of interest with respect to any matter under consideration by the NAB and take appropriate action, which may include remaining silent and/or leaving the room during deliberations and decisions of the NAB, and disclose to the NAB any actual or perceived conflicts of interest of a direct or indirect nature of which s/he is aware and which s/he believes could compromise in any way the reputation or performance of the NAB



Code of conduct (2)

- Maintain the principle of transparency in the preparation and delivery of information to other NAB members and NAB stakeholders
- Remain committed to observing, developing and implementing the principles embodied in this Code in a conscientious, consistent and rigorous manner.

A “conflict of interest” refers to any current professional, financial or other interest which could:

- significantly impair the individual’s objectivity in carrying out his or her duties and responsibilities for the NAB, or
- create an unfair advantage for any person or organisation. For the purposes of this code, circumstances that could lead a reasonable person to question an individual’s objectivity, or whether an unfair advantage has been created, constitute a potential conflict of interest.



Conflicts of Interest exercise

1. NAB member is Chief of the village where the project will be undertaken
2. NAB member's daughter is CEO of project company
3. NAB member is Director of, and has shares in, project company
4. NAB member is DG of sponsoring ministry
5. NAB member worked for project company 20 years ago
6. Project is to be undertaken in the Prime Minister's village

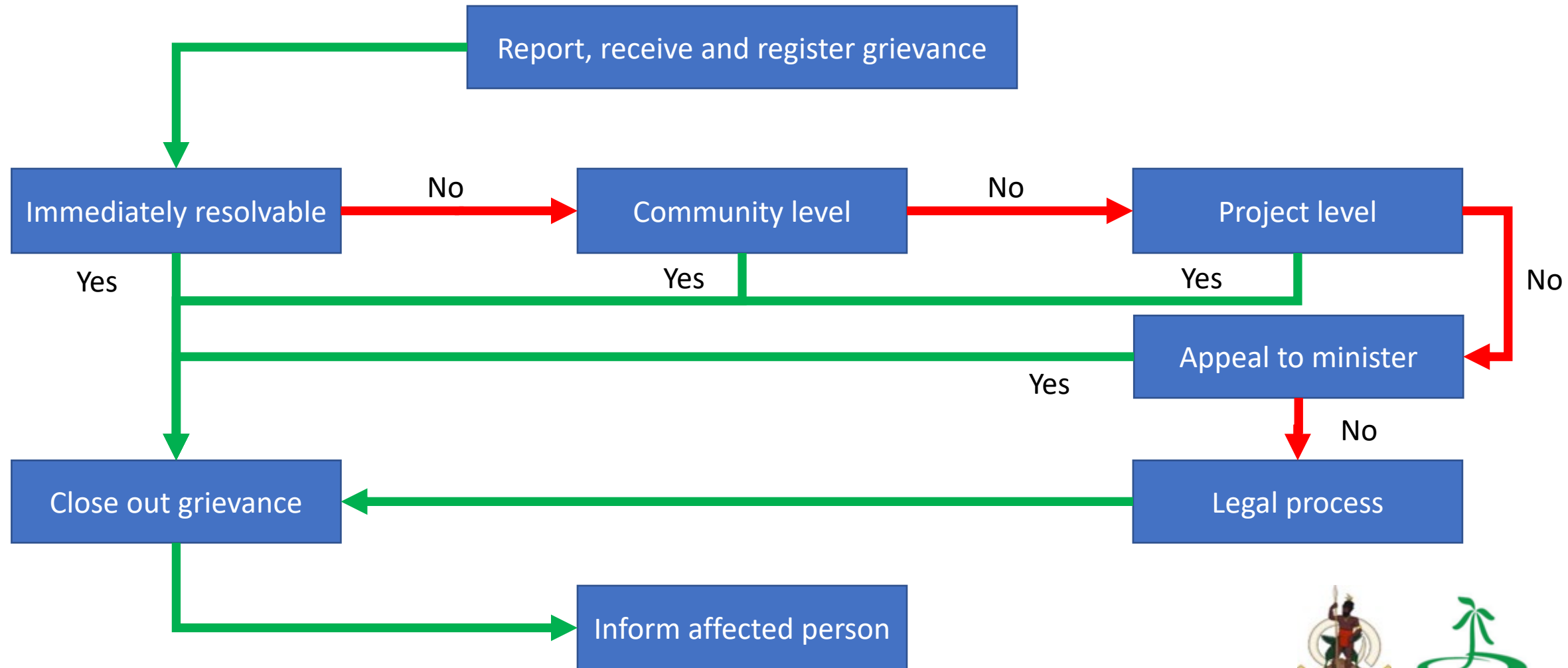


Feedback & grievance redress mechanism (1)

- Provides **formal process for making complaints**
- Does not replace existing processes
- Can still pursue customary system, organisational audit mechanisms
- Can pursue legal remedies, e.g. redress through courts, administrative law procedures, or other formal dispute resolution mechanisms
- Corruption, coercion, or major/systematic violations of rights or policies normally handled by organisational accountability mechanisms



Feedback & grievance redress mechanism (2)



Feedback & grievance exercise

1. For an upcoming project consultation workshop, a key stakeholder did not receive an invitation
2. A fence was damaged in a village during the installation of a solar PV power system
3. Fence owner still not happy with resolution provided



Feedback & grievance exercise - answers

1. Immediately resolvable, provide invitation to key stakeholder
2. Discuss at Nakamal
3. Take to project level and determine if eligible for FGMR



Questions

If you have any questions, please let me know



Tenkyu tumas!

