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ANNEX III

of the Commission Implementing Decision on the financing of the annual action plan
in favour of the Pacific region for 2022

Action Document for Climate Resilience Financing Mechanism in the Solomon Islands (LoCAL)

ANNUAL PLAN

This document constitutes an annual work programme in the sense of Article 110(2) of the Financial Regulation, and an action plan in the sense of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Climate Resilience Financing Mechanism in the Solomon Islands (LoCAL) OPSYS number: ACT-60664 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No. This action will not contribute to the TEI “Green-Blue Alliance for the Pacific and Timor-Leste”.
3. Zone benefiting from the action	The action shall be carried out in the Solomon Islands.
4. Programming document	Pacific Multi-Country Multi-Annual Indicative Programme 2021-2027
5. Link with relevant MIP(s) objectives / expected results	Priority area 1 ‘Climate Action and Environmental Sustainability’ Priority area 2 ‘Inclusive and Sustainable Economic Development’ Priority area 3 ‘Fundamental Values, Human Development, Peace and Security’
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	OECD Gender marker G1 DAC 410 – General Environment Protection DAC 151 – Government & Civil Society-general
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 13 ‘Take urgent action to combat climate change and its impacts’ Other significant SDGs: SDG 5 ‘Gender equality and women’s empowerment’ SDG 11 ‘Make cities and human settlements inclusive, safe, resilient and sustainable’; SDG 16 ‘Promote peaceful and inclusive societies for sustainable

	development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels'			
8 a) DAC code(s)	15112 – Decentralisation and support to subnational government 15128 – Local government finance 15170 – Women's rights organisations and movements, and government institutions 15185 – Local government administration 41010 – Environmental policy and administrative management 41030 – Biodiversity 41081 – Environmental education/training 74020 – Multi-hazard response preparedness			
8 b) Main Delivery Channel	United Nations Capital Development Fund (UNCDF) – 41111			
9. Involvement of multilateral partners	No			
10. Targets	Target(s) this action is contributing to: <input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
11. Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Policy objectives	Not targeted	Significant objective	Principal objective

12. Internal markers and Tags:	Digitalisation		<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>
	digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital entrepreneurship		<input type="checkbox"/>	<input type="checkbox"/>
	digital skills/literacy		<input type="checkbox"/>	<input type="checkbox"/>
	digital services		<input type="checkbox"/>	<input type="checkbox"/>
	Connectivity		<input type="checkbox"/>	<input type="checkbox"/>
	transport		<input type="checkbox"/>	<input type="checkbox"/>
	people2people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	energy		<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
13. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14.020132-C1-INTPA Total estimated cost: EUR 6,300,000 Total amount of EU budget contribution EUR 6,000,000 This action is co-financed in joint co-financing by: <ul style="list-style-type: none"> • UNCDF for an amount of EUR 300,000 (yet to be confirmed) 			
MANAGEMENT AND IMPLEMENTATION				
14. Type of financing	Indirect management with the entity(ies) selected in accordance with the criteria set out in section 4.3.1.			

1.2 Summary of the Action

As a Small Islands Developing State (SIDS), the Solomon Islands are highly vulnerable to climate change. Changing weather patterns affect communities in different ways, including loss of agricultural production and food security, water stress and insecurity, rising sea levels and exposure to climate disasters, changes to ecosystems and loss of biodiversity, and human health.

The problem is compounded by the fact that the Provincial Governments (PGs) that have direct responsibility for addressing many of the climate change issues are unable to access the necessary funding. PGs have a mandate for coastal defences and water management, but financing for climate change adaptation is often undertaken through limited parallel, or off-budget, financing systems. This precludes Local Governments (LGs) from accessing resources to improve climate resilience in their communities. The proposed Local Climate Adaptive Living Facility (LoCAL) mechanism is designed to address this problem by providing access to climate finance for local governments, primarily in Least Developed Countries. LoCAL's methodology channels funds through central governments to reach the local level while providing incentives for LGs to mainstream gender responsive climate-adaptive thinking into everyday planning and investment, thereby encouraging systematic analysis of changing weather patterns and their impacts on local communities and economies. Climate change adaptation and coastal resilience have the potential to also address biodiversity conservation, restoration and sustainable use of natural resources as well as climate change mitigation (e.g. through nature-based solutions and women's full, equal and

meaningful participation). The proposed action will be targeting these aspects too as part of biodiversity-specific objectives in accordance with the Green Deal.

LoCAL will apply the Provincial Capacity Development Fund (PCDF) mechanism and empower the PGs to perform their roles through developing and funding adaptation and climate related disaster risk reduction strategies and plans, including climate induced displacement, and climate change adaptation (CCA) infrastructure and services. With improved capacity, PGs will be well placed to access additional national and international CCA funds through central government and act as coordinating agencies for integrated local climate response while providing the continuity and maintenance capacity that is often lacking from time-bound projects. Beyond supporting PGs to increase access to CCA financing, LoCAL will also support PGs' access to technical expertise on climate change adaptation and disaster risk reduction, in particular climate-induced displacement, gender responsive approach to support the implementation of CCA projects funded through Performance-Based Climate Resilience Grants (PBCRG) and to strengthen the entire project cycle from planning, execution to actual monitoring.

The proposed action aims at contributing to all three priority areas under the Pacific Multi-Country MIP 2021-2027, mainly priority area 1 'Climate Action and Environmental Sustainability' but also priority areas 2 'Inclusive and Sustainable Economic Development' and 3 'Fundamental Values, Human Development, Peace and Security'.

It contributes to the OECD gender marker G1; DAC 410 – General Environment Protection and DAC 151 – Government & Civil Society-general.

2 RATIONALE

2.1 Context

National Context

As one of the SIDS, the Solomon Islands are highly vulnerable to climate change. Changing weather patterns affect communities in different ways, including loss in agricultural production and food security, water stress and insecurity, rising sea levels and exposure to climate disasters, changes to ecosystems and loss of biodiversity, and human health. There are several cases where islanders have been relocated because their islands are sinking, and food gardens affected because of soil salinity and irregular weather patterns. As a small archipelago country in the middle of the Pacific Ocean, the impact of climate change depends on the geography and local specificities of individual islands, and their adaptation strategies should vary accordingly. Unfortunately, their adaptive capacity to climate change is generally low. The Solomon Islands face serious threats to their ecosystem-based economy and their communities have few human and material resources with which to meet the challenge. The National Development Strategy states that the Solomon Islands are "extremely vulnerable" to climate change. Unable to deal with the climate change effects in their living area, the only possible solution for the affected communities has often been to relocate to other areas where they are less exposed to climate risks.

Meteorological records in the country over the past 50 years show a gradual rise in temperatures across the whole country, declining rainfall in some parts of the country, and increasing intensity of rainfall in other areas causing severe flood damage to properties and loss of lives. The small low lying outer islands and low coastal areas are experiencing accelerated coastal erosion due to rising sea levels and salination of well water during storm surges and king tides.

Vulnerability to climate change extends to ecosystems and water resources as a result of the relatively high exposure of parts of the country to increasingly intensive tropical cyclones, earthquakes, tsunamis, and generally poor governance of the use of natural resources. This is more pronounced in the forestry sector where despite a recommended sustainable yield of round logs of 350,000 m³ per year the total volume extracted in 2010 was 1,428,211 m³ (Central Bank of Solomon Islands, 2011). The Solomon Islands presented their Initial National Communications to the United Nations Framework Convention on Climate Change (UNFCCC) in 2004. A National Adaptation Programme of Action was completed in 2008 and, in line with guidance from the UNFCCC, identifies the urgent adaptation needs using a number of established criteria. Following review of past assessments and community consultations, the following sectors were identified as priorities: (a) Agriculture and food security, (b) Water supply and sanitation, (c) Human health, (d) Human settlements, (e) Fisheries and marine resources, (f)

Coastal protection, (g) Infrastructure, (h) Waste management, (i) Tourism, (j) Education, awareness and information. The second national communication was submitted in 2017.

As a Least Developed Country, the Solomon Islands require up-scaled and targeted financial resources to be able to effectively respond to the adverse effects of climate change and disasters especially at the provincial government level where impacts are severe, and where interventions are urgently required to strengthen resilience levels.

Civil unrest – November 2021

What started as a peaceful political protest, led by hundreds of people from Malaita Province who complained they were not being heard by the national government and asking for PM Sogavare to resign, turned to 5 days of riots that left at least three people dead and large parts of the city – especially the business area of ‘Chinatown’ – scorched to earth with violent protesters attempting to storm the Parliament, burning buildings and looting. Following the unrest and its dramatic implications, on 6 December 2021, Solomon Islands Parliament dismissed a motion of no confidence brought forward by the Leader of the Opposition Matthew Wale, against the “Democratic Coalition Government for Advancement (DCGA)” of PM Manasseh Sogavare.

2.2 Problem Analysis

Problem analysis

Climate change is negatively impacting the livelihoods of the majority of Solomon Islanders, and encumbering development and governance at the provincial level. There is a growing body evidence showing that women are generally more vulnerable to the negative impacts of climate change than their male counterparts. The impacts will be heightened because climate projections are unfavourable, e.g. in the form of increasingly intensive tropical cyclones. In addition, current efforts to adapt to climate change and its associated disasters are far from being transformational in scale and depth, and the need for adaptation across all sectors is immense. Consequently, it is important that adaptation to climate change is escalated at the provincial level to safeguard social and economic infrastructure, create opportunities for the communities living in the most vulnerable situation to meet their needs, safeguard and restore critical in gender responsive way. Numerous studies and assessments have shown a strong need for local level adaptation interventions to address the increasing impacts of climate change and to strengthen local resilience. The current Technical Assistance support to Provincial Governments in Solomon Islands is focusing on core governance, planning, public finance management (PFM), and human resources issues. In addition to these comprehensive initiatives, there is capacity building support in a few PGs within climate related areas, but without linkages to the core PCDF funding system. The recent National Action Plan (2019) reviews of previous CCA projects are aimed at improving livelihoods and the socio-economic status of the vulnerable communities, but with a short-term focus. Communities’ vulnerability to climate risks will continue, thus medium to long term coordinated actions are needed. Consideration should be given to investing in ecological and transformational CCA for long-term betterment of the communities.

The proposed programme will establish a mechanism whereby the capacity building support, as well as the support to mainstream climate change into planning, budgeting and execution, as well as advance knowledge and understanding of gender-responsive climate actions, will be linked with additional resources for climate change investments under the current government transfer mechanism, the PCDF, as well as offer incentives to improve performance in core areas of accountability, efficiency, and targeting of investments for climate change (CC) resilience and execution. Experiences from other countries demonstrate that even a relatively limited top-up to the current sub-national government financing may have a significant impact on the overall provincial government system and overall quality of the investments if linked with incentives, improved monitoring and targeting of support. The approach will be multi-sectoral and with strong synergies with existing interventions, especially the modalities that are currently operational under the PCDF.

Stakeholder Analysis

The section below shows the core stakeholders when it comes to the local level (Provincial Governments/duty bearers) climate adaptation, funding support, and their key roles and linkages with climate change programs in general.

Provincial Governments: The PGs have the basic administrative and policy-making structures in place, with positions for planning, environmental management, financial management, reporting, etc. but there are strong

future needs for support in areas such as climate risk and vulnerability assessments, mainstreaming of climate change in planning, budgeting, execution, reporting, and targeting of resources towards vulnerable areas. The awareness of climate change is generally low, and incentives not yet established sufficiently to address the increasing challenges.

At the central level the following core agencies will be relevant for the future LoCAL:

Ministry of Foreign Affairs and External Trade (MFAET): MFAET is the political focal point for UNFCCC and the Solomon Islands UN Mission in New York; focal point for regional organisations and bilateral partners; focal point for Foreign Ministers Meetings that discuss Disaster Management.

Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM): The lead agency for Climate Change and Disaster Risk Management (CCDRM) in Solomon Islands is the Ministry for Environment, Climate Change, Disaster Management and Meteorology (MECDM). Established in 2010, the Climate Change Division (CCD) and National Disaster Management Office (NDMO) were brought together under this ministry to facilitate closer coordination on climate change, disaster risk reduction and disaster management work. MECDM is the National Designated Authority to the Green Climate Fund (GCF); technical focal point for UNFCCC; focal point for UNFCCC funds (GCF, Global Environment Facility, Adaptation Fund); lead coordinating agency for CCDRM in Solomon Islands; and focal point for Environment Ministers Meeting.

Ministry of Provincial Government and Institutional Strengthening (MPGIS): MPGIS oversees all core coordinating aspects of the provincial government operations, including funding systems and capacity building for provincial governments including organisation of general administration matters and staffing. The Provincial Government Strengthening Programme (PGSP) is the major flagship of the Ministry to coordinate all interventions at this level as well as the PCDF, which was established in 2008 for transfer of performance-based multi-sectoral capital funds to the PGs.

Ministry of National Planning and Development Coordination (MNPDC): MNPDC leads national development planning and manages aid coordination and development effectiveness. It monitors progress against the National Development Strategy (NDS) 2016–2035; focal point for traditional donors including Australia and New Zealand and the European Union.

Ministry of Finance and Treasury (MoFT): MoFT has a central position when it comes to climate change especially as the coordinator of the CC funding with a new CC unit, future coding on climate change, and is one of the authorities identified as a candidate to be the National Implementing Entity to be accredited to the GCF. It has established a dedicated climate change unit for coordination of all climate change funding and reporting including linkages with non-governmental organisations (NGOs). It is also responsible for transfers of funds to the PGs, and is the focal point for multilateral banks (Asian Development Bank, International Monetary Fund, World Bank), focal point for Forum Economic Ministers Meetings, and receives and disburses CCDRM funding.

Civil Society and communities: Participatory local development is critical for poverty reduction and to promote greater participation of rural communities to the climate resilient and sustainable development of Solomon Islands. PGs need to be part of this development process, promoting the economic, social and natural resources of their provinces and rural communities. To effectively initiate, stimulate and facilitate local development processes, it is important for PGs to understand and address the impacts of climate change and the resulting vulnerabilities and risks to communities as a whole. LoCAL will work with PGs, local communities and vulnerable groups such as women to integrate climate change adaptation into local plans and budgets, based on the findings of the CRA. When it comes to civil society in the Solomon Islands, it encompasses church groups, customary landowning groups, civic groups, women's organizations, disability groups, agricultural or farmers associations, environmental groups, community and youth organizations, sports clubs, trade unions, and advocacy and governance groups. Village communities are also increasingly being organized into formalized community-based organizations, called variously village councils, village committees, or village and community associations. These organizations are often formally constituted with the aim of attracting development and local resources to address high priority needs, and providing a unified voice for their communities. LoCAL will ensure civil society groups are involved in local adaptation planning process as well as in implementation and monitoring of investments.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

In this programme, the following Overall Objective, Outcomes and Outputs will be advanced:

The **overall objective** of the programme is to increase climate resilience of local communities in target provincial governments in the Solomon Islands.

The specific **outcomes** of the programme are to:

- 1) Increase Provincial Governments' access to climate finance to implement climate change adaptation investments in the Solomon Islands;
- 2) Improve national systems for effective delivery of climate finance at local level in the Solomon Islands.

The objective and outcomes will be addressed through the following three **outputs**:

Output 1.1: Awareness and capacities to respond to climate change adaptation are increased at the PG level.

Output 1.2: Enhanced capacities of Provincial Governments to integrate climate change adaptation and risks in local plans and to implement the planned investments

Output 2.1: Improved accessibility to performance-based climate finance for climate change adaptation investments/measures, aligned with the PCDF.

3.2 Indicative Activities

Indicative activities

Output 1.1: Awareness and capacities to respond to climate change adaptation are increased at the PG level.

Indicative **activities** under this output will include:

- Development and roll out of a Local Information Systems for Adaptation (LISA) to effectively provide climate information services to local governments (PGs) and their communities and help them better anticipate, assess and adapt to climate change and ensure climate risk informed local plans;
- General awareness raising on climate change issues targeting communities and civil society organizations,
- Capacity building (training, on the job assistance) on climate risk informed local plans at central (officials from core and line agencies/ministries) and PG levels targeting provincial government (PG) officials and elected local representatives;
- Targeted capacity building support to PGs addressing weaker areas as identified during the PG annual performance assessments under output 3;
- Support to PG policies and strategies on climate change adaptation in a gender responsive way (e.g. undertaking local climate risk assessments to inform adaptation planning and climate adaptation and risk mainstreaming under Output 1.2);
- Development and roll-out of the climate change handbook for PGs integrating human rights and gender aspects.

These activities will have to be started up-front upon the signing of all agreements.

Output 1.2: Enhanced capacities of Provincial Governments to integrate climate change adaptation and risks in local plans and to implement the planned investments.

Indicative **activities** under this output will include:

- Support to adaptation planning and budgeting and PG selection of projects addressing key findings of the Climate-Risk Vulnerability Assessment (in a gender responsive way), regularly updated through Local Information Systems for Subnational Adaptation. PGs will be supported to develop Provincial CC Adaptation

Strategies based on a CVRA carried out using participatory and gender-sensitive methods at community or ward level, and expert inputs reflecting science-based predicted climate change trends;

- Transfer of an annual allocation of PBCR grants based on performance of PGs in the PG's annual performance assessments;
- Support to PGs for efficient utilization of funds for targeted investments in line with the menu of eligible climate investments (itself aligned with the latest Nationally Determined Contribution and National Action Plan).
- Support to participation of communities and civil society in local risk informed decision making processes, particularly the most vulnerable members of communities, e.g. elderly, women, indigenous groups.

This output will provide support to all aspects of the public financial management cycle from planning to flow of funds for climate relevant and smart resilience projects.

Output 2.1: Improved accessibility to performance-based climate finance for climate change adaptation investments/measures, aligned with the PCDF.

Indicative **activities** under this output will include:

- Detailed design of the LoCAL PBCRG mechanism closely linked with the PCDF grant system and applying the core features of this system, including financial flows, minimum access conditions with few additional conditions, performance measures with added CC indicators on CC adaptation performance, formula for the PBCRG, investment menu and related manuals for PGs, as brief and simple annexes to the PCDF Operational Manual and the current PCDF Performance Assessment Manual;
- Establishment of an expenditure tracking system for expenditures within the accounting and reporting system linked to the existing PCDF to ensure that the additional finance can be monitored;
- Deployment of the “Assessing Climate Change Adaptation Framework” for quality assurance, monitoring and evaluation and reporting linked and complementary to the existing national frameworks. As it appears this system fits well with the further refinement of the PCDF.

Team Europe Initiative

This action will not contribute to the Team Europe Initiative “Green-Blue Alliance for the Pacific and Timor-Leste”.

3.3 Mainstreaming

Environmental Protection & Climate Change

LoCAL is designed to help local authorities implement climate change adaptation activities; addressing climate issues is therefore at the core of the action. Deforestation and land degradation are associated with biodiversity loss and contribute to global climate change through CO₂ emissions. On the other hand, land and forest through sustainable management contribute to climate change adaptation and provide a carbon sink. There is therefore a potential to address climate change and land degradation or biodiversity loss at the same time, harnessing co-benefits in terms of ecosystems, land preservation and climate change adaptation and mitigation. Measures that are beneficial for both climate, combating land degradation and restoring biodiversity are integrated in a menu of investments (e.g. sustainable land management and land restoration, agroforestry, mangrove and tree planting). Performance measures that incentivize the inclusion of environmental considerations in the selection and design of investments will also be included in the design. Legal provisions for Environmental and Social Impact Assessments will be fully complied with.

The proposed action will provide technical assistance to the Government of the Solomon Islands to develop a **Climate Risk Assessment (CRA)** for subnational adaptation and the establishment of a local information system for climate change adaptation. The CRA will support and strengthen adaptation planning and budgeting and PG selection of projects addressing key findings of the **Climate-Risk Vulnerability Assessment**, which will be regularly updated through a local information system for climate change adaptation. The CRA includes localized analyses of climatic risks, looking at local hazards, exposure and vulnerabilities. Nation-wide climate risk assessments will consist of: (i) a climate downscaling of past and future climate projections at a lower resolution

than data available from most climate models and (ii) a risk analysis exploring climate stressors and the vulnerability causality chain, trends and main drivers for priority sectors. These studies will provide a useful starting point for climate risk-informed local development planning, as they will identify and map climate risks, exposure and vulnerability hotspots at the local government level, and as they will help to prioritize climate change adaptation actions and investments based on quantified and scientifically based analysis. Under this activity, consultations and workshops will be undertaken with relevant local stakeholders, including local governments, private sector and communities to refine the analysis, further contextualize key findings and create actionable knowledge to engage in local climate action. Evidence of use of CRA to inform PGs' adaptation plans will be included as performance indicators.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the proposed action will recognize the different ways in which women and men can be affected by climate change, as well as the importance of their particular contributions to solutions. Consideration will be given to diverse cultural, political and other norms in the Solomon Islands affecting the role of women and people living in the most vulnerable situations, such as persons with disabilities. This will inform approaches to involve women and people living in vulnerable situations like minorities in the capacity needs assessments and Climate-Risk Vulnerability Assessment and for participation in the decision-making process, the implementation of investments and the monitoring and oversight that follows. Climate change risk, vulnerabilities and adaptation responses are identified and analysed at local level using both quantitative and participatory approaches. The assessment will provide gender and sex-disaggregated findings and poverty alleviation linkages. Whilst the specific criteria for the PBCRG system vary from one country to another, gender-sensitive performance measures and performance measures that promote participation will be integrated in the mechanism. At the stage of assessing performance, dedicated interviews with different communities and separate interviews with women and children will be performed in line with the performance assessment manuals. Menu of investments will include measures that are specifically targeted at women to further ensure that concrete investments directly benefit them. When communities and women are involved through community contracting, the action will ensure they are paid according to national and/or international standards set by the International Labour Organisation.

The action will contribute to the EU Gender Action Plan III 2021-2025 and specially to the thematic priorities aiming at addressing the challenges and harnessing the opportunities offered by the green transition

Human Rights

The action presents an integrated approach to technical assistance, capacity building and financing, which establish alongside robust quality assurance, knowledge and know-how transfer and monitoring systems. This will contribute to the achievement of the Sustainable Development Goals (SDGs) and align actions for SDGs in an environmentally, socially and economically sustainable manner. More specifically, the programme will contribute through local governments to achievement of SDG 1 – poverty eradication, SDG 5 – Gender equality, SDG 11 – Sustainable cities and communities, SDG 13 – Climate action and SDG 17 – Partnerships. LoCAL supports sustainable development additionality, which means that the intervention has direct development impact and alignment with the SDGs, with the goal of being inclusive, sustainable and leaving no one behind. Development additionality entails incorporating social equity considerations into project design and execution, including pricing products and services with public good features at affordable levels.

The action builds on a people-centric approach, addressing the climate crisis as a human right and ensuring fulfilment of human rights in the face of climate change (Climate Justice). Several human rights/SDG related indicators are included in the annual performance assessment system, e.g. participation of local communities in the planning, implementation, monitoring and management of investments, as well as the benefits of investments in terms of food security, health and education; the active participation of women, youth and persons with disabilities in decision-making processes and structures as well as in the implementation and management of investments, human-rights based approaches, etc.

Human rights-based approach and its key principles (participation, non-discrimination, accountability, and transparency) will be integrated throughout the action.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. Disability is not targeted per se but vulnerability and vulnerable groups will be targeted through the CRA, links with planning, selection of projects etc. under the “Assessing Climate Change Adaptation Framework” (ACCAF).

The proposed action aims at potential social co-benefits by incorporating adaptation-related financial flows directly into local budgets (in consultation with local communities). It will be possible to strengthen participative, inclusive, transparent and accountable local practices and governance with a particular focus on ensuring that the most vulnerable communities – including persons with disabilities – are represented in the process from planning to implementation and monitoring of the investments.

Democracy

The action will strengthen government institutions, deepen decentralization processes and promote enhanced multilevel governance, ultimately promoting and supporting efficient democratic institutions. Performance indicators related to democratic values and principles, social performance strengthening and social grievances mechanisms will all be included in the annual performance assessment system of PGs, indirectly promoting social cohesion, for peace and resilience.

Conflict sensitivity, peace and resilience

By strengthening national and subnational institutions and encouraging performance improvements in areas related to governance and public financial management, the Action will create an enabling environment for enhanced public service delivery that will yield positive outcomes for communities and local economies at large, and minimize potential social unrest and conflicts and social instability. In fact, people-centered governance is a core element of the Action. In addition, by including participation of different social, ethnic and/or religious groups in local decision making as a performance indicator, the Action will seek to reduce potential tensions and conflict among them.

Disaster Risk Reduction

Disaster risk reduction (DRR) will be integrated in the action. DRR activities such as DRR infrastructure, early warning systems etc. will be considered as eligible interventions under the investment menu. In addition, technical assistance and capacity building support will be provided to both national and subnational governments on linking local development planning with DRR/CCA.

Considering the strong linkages between climate action/adaptation, disaster risk reduction and prevention, adaptation and response with climate displacement, the proposed action will seek to mitigate the adverse impacts of climate-related events through adaptation measures and will enable communities to anticipate and adapt to the adverse impacts of climate change, while reducing the risks of climate-related displacement.

3.4 Risks and Lessons Learnt

Risks	Impact (High/ Medium/ Low)	Mitigating measures

<p>Limited capacities of provincial governments and communities</p>	<p>M (<i>to high</i>)</p>	<p>Performance-based grants system provides incentive for continuous improvement and informs annually the needs for technical and capacity building support.</p> <p>Dedicated activities for skills development under the complementary PGSP II.</p> <p>Strong prior capacity assessment done at local level and adequate training and technical assistance deployed at the beginning of the programme.</p> <p>The programme will supplement the support from PGSP and support the gaps identified for inter alia climate risk and vulnerability assessments and mainstreaming of climate change in all processes.</p>
<p>Environment and climate risks are not addressed sufficiently</p>	<p>M</p>	<p>The PCDF will include performance measures addressing CC and the menu of investments, aligned with the Nationally Determined Contribution and National Action Plan, will include ecosystem-based adaptation and green technologies.</p> <p>Technical assistance will support enhanced capacities to address these issues.</p> <p>The ACCAF framework is addressed across the programme during design, implementation and evaluation, ensuring the use of a risk informed investment menu and the alignment of local interventions with local adaptation priorities.</p>
<p>Misuse of funds by government officials (maladministration, corruption or “clientelism”)</p>	<p>M</p>	<p>Regular financial checks and annual performance assessments act as a deterrent to corruption and “clientelism” or identify any misuse of funds at the earliest opportunity.</p> <p>Financial reports received from the PGs must comply with pre-defined quality requirements to secure the disbursement of the next tranche of funds.</p> <p>Follow-up on audit reports, and impact of these on the allocation of funds.</p> <p>Good governance and audit results are integrated in the design of the PCDF/PBCRG system in the form of minimum conditions to access the grants at local level each year.</p> <p>The MPGIS enforcing compliance with the revised Financial Management Ordinance (FMO) 2018 and the PGs’ financial instructions will reduce the risk level.</p>
<p>Low level of participation of communities and people in the planning, and follow-up</p>	<p>M</p>	<p>Support to implementation of participatory planning processes and interactive dialogue in vulnerable areas, sectors, and segments of the population.</p>

		<p>Appropriate channels and messages used to ensure targeted beneficiaries are aware of the opportunities.</p> <p>The performance measures will provide better incentives for local governments to strengthen participation and the programme will work with PGSP to focus on improvements.</p>
Insufficient political buy-in	M	<p>Advocacy activities will build on evidence generation and strong leaders and networks for lobbying. The participation in LoCAL will be voluntary and based on MoUs.</p> <p>At the national level, government policies will be regularly reviewed to monitor alignment with and of the programme.</p> <p>Continued dialogue with the PGs, as started during the most recent Premiers Conference with a request for a CC targeted programme.</p>
Delays in programme launch and implementation	L	<p>Preparatory work will be undertaken with co-financing of:</p> <ul style="list-style-type: none"> - The design of the delivery mechanism (Output 3); - Synergies with existing programmes financed by the partners.

Lessons Learnt:

The Solomon Islands' experience with performance-based grant allocations under PCDF from 2008-2020 shows that capacity building support has a more significant impact when it is combined with strong incentives and additional funding for investments and service delivery, especially when it comes to addressing new challenges and innovations. It contributes to improved accountability, transparency and strengthening of the overall M&E systems and focus on dialogue and improvement of the PGs' performance. PCDF has moved from a smaller pilot to the core overall modality for the Government of the Solomon Islands for transferring of grants to PGs, and has led to an increase in local investments, infrastructure, and service delivery. It has led to an increased stock of infrastructure within core sectors such as water, health, education, etc. and improved accountability in terms of roll-out of audit and addressing the needs of the PGs, paving the way for additional funding for core sector investments.

The experiences from LoCAL with linkages of these procedures with climate change adaptation performance have been similarly encouraging in terms of strengthening the existing performance-based grants in countries where these were already established or support from the beginning where they were not yet there. It works through the government system, using the current or established performance-based transfer system as a vehicle for the flow of funds and mobilization of additional required climate adaptation funding. The different components – funding flows, performance assessments to provide incentives, accountability linked with funding, and capacity building support have been mutually strengthening and conducive for focusing on climate change adaptation performance.

3.5 The Intervention Logic

Phased approach, roll-out and sustainability

LoCAL is typically designed to be rolled out in three main phases (the last is country-wide application) of which two phases are covered by this proposal: Phase I, which is the initial pilot covering selected local governments (in Solomon Islands, Provincial Government), will also prepare the way for the gradual up-scaling in the second phase, and ensure that this is ready for country-wide roll-out. The second phase typically covers 2-3 additional years and will prepare for the national up-scaling to a countrywide programme. Additional PGs will then be identified in the second year of LoCAL and these may then receive substantial support (support to vulnerability assessments, adaptation planning and strategies, plan identification of use of LoCAL funds and PFM support to be ready for enrolment).

The proposal covers phases I & II, with four PGs in phase I and up to six PGs in phase II. The support will encompass five grant cycles (rounds) of performance-based grant allocations initially targeting four PGs in the first two years, and then scaling-up in the 3rd and 4th year onwards to up to nine PGs. The size of the grants will be designed in a way to balance the need for incentives, sufficient to ensure meaningful and high impact investments, with the view to ensure future sustainability and scaling-up opportunities. The costs will depend on the selection of PGs, but the proposed action estimates 4 smaller PGs which are generally well performing in the assessments for phase I and two larger PGs in phase II with a 20% top-up of the PCDF, which is the typical LoCAL concept. Other costs will be related to support for Climate-Risk Vulnerability Assessment, local information system for climate change adaptation, mainstreaming of climate change in all PG processes, awareness raising, annual performance assessments, development of systems and procedures, capacity strengthening at local and central level, support to further unlock resources including through direct access to the Green Climate Fund, etc. depending on PG selection and numbers. The Solomon Islands will also join as a voting member the LoCAL Board together with 20 other Least Developed Countries, allowing south-south exchange and direct exchange with funding partners such as the EU and Sweden, GCF and UNFCCC as permanent observers to the LoCAL Board, among others.

The impact, lessons and success of this programme will provide the basis for the funding development partner(s) and the Government of Solomon Islands to scale up this initiative to an increasing number of PGs on the basis of their relative vulnerability to climate change impacts with access to other funding streams. In this effort, UNCDF would partner with the MoFT, MPGIS and MECDM and target PGs. It would make use of the partnership to engage with communities, CSOs and PGs to establish critical awareness of the specific climate challenges and desirable investments, provide technical assistance to develop the investment plans and gender sensitive implementing strategies, and deliver top-up grants which will be performance-based and aligned with the procedures under the PCDF to the PGs.

The selection of target PGs will be based on criteria such as i) capacity of the PGs as evident in the annual performance assessments to handle funds; ii) vulnerability of the PGs, iii) other initiatives which can create synergies; iv) the wish to reflect and test the mechanism in various geographical settings with different vulnerabilities.

The approach would leverage the capacity development initiatives being established under PGSP-II and offer instruments and approaches to expand awareness and preparedness to scale up climate resilience in a gender responsive way. It would also leverage the current overall transfers to PGs, to allow climate awareness and top up financing through the proposed programme to enable a multiplier impact on climate resilience.

3.6 Logical Framework Matrix

Results	Results chain	Indicators	Baselines (2020)	Targets (Year 5)	Sources & means of verification	Assumptions
Overall objective	The overall objective of the programme is to increase climate resilience of local communities in target provincial governments in the Solomon Islands.	1. Number of direct beneficiaries (disaggregated by sex)	0	100,057 (50% women)	National Statistical Data	
Outcomes	<ul style="list-style-type: none"> i. Increase Provincial Governments' access to climate finance to implement climate change adaptation investments in the Solomon Islands; ii. Improve national systems for effective delivery of climate finance at local level in the Solomon Islands. 	<ul style="list-style-type: none"> 1.1 Number of Provincial Governments using the PBCRG mechanism linked to the PCDF 2.1 Number of sources of climate finance channelled through LoCAL supported PBCRG mechanism (disaggregated by source) 	<ul style="list-style-type: none"> 1.1 0 2.1 0 	<ul style="list-style-type: none"> 1.1 Up to 9 PGs (by end of programme) 2.1 Minimum 2 by end of programme 	<ul style="list-style-type: none"> 1.1. Memoranda of Understanding or equivalent with participating Provincial Governments; 2.1 National financial report to the mechanism 	National transfer systems to local authorities are sufficiently operational and/or offer avenues to be strengthened.
Outputs	<p>Output 1.1: Awareness and capacities to respond to climate change adaptation are increased at the PG level</p> <p>Output 1.2: Enhanced capacities of Provincial Governments to integrate climate change adaptation and risks in local plans and to implement the planned investments</p>	<ul style="list-style-type: none"> 1.1.1 Number of participating provincial governments meeting the minimum conditions without need for corrective action 1.1.2 Number of national and local stakeholders trained with support of the EU-funded intervention with increased knowledge and/or skills in... (disaggregated by sex) 1.2.1. Number of climate- interventions and investments implemented under the PBCRG scheme with support of the EU-funded intervention (disaggregated by type, sector and ecosystem) 1.2.2. Number of PGs with climate change and/or disaster risk reduction strategies (or equivalent) (a) developed with EU support** 1.2.3. Number of PGs with climate change and/or disaster risk reduction strategies (or equivalent) (b) under implementation with EU support** 	<ul style="list-style-type: none"> 1.1.1 0 1.1.2 0 1.2.1 0 1.2.2 0 1.2.3 0 	<ul style="list-style-type: none"> 1.1.1 8 (in the last year) 1.1.2 This will be define during inception phase 1.2.1 At least 64 small scale investments (over 5 years) 1.2.2 9 PGs (by end of programme) 1.2.3 9 PGs (by end of programme) 	<ul style="list-style-type: none"> 1.1.1 Annual performance assessments 1.1.2 Pre- and post-training test reports Annual performance assessments; Field visits; Online database of investments (all indicators) 	<ul style="list-style-type: none"> The introduced PBCRG system will provide sufficient incentives for PGs to join the mechanism and meet the standards Capacity constraints of local authorities (PGs) can be addressed through capacity building efforts and technical assistance Participating local governments (PGs) are committed to addressing climate change adaptation at local level

	<p>Output 2.1: Improved accessibility to performance-based climate finance for climate change adaptation investments/measures, aligned with the PCDF.</p>	<p>2.1.1 Amount of grants (PBCRG and capacity building grants) disbursed through MoU or LoA with support of the EU-funded intervention</p> <p>2.1.2. Number of ministerial/high-level* initiatives actively** attended by the government of the Solomon Islands for global advocacy on scaling up the PBCRGs with support of the EU-funded intervention</p> <p>2.1.3. Evidence of institutionalization of the PBCRG system</p>	<p>2.1.1 0</p> <p>2.1.2 0</p> <p>2.1.3 0</p>	<p>2.1.1 At least USD 3.6 million (over 5 years)</p> <p>2.1.2. 5 (over 5 years)</p> <p>2.1.3 1 (by end of programme)</p>	<p>2.1.1. Annual financial reports</p> <p>2.1.2. Progress reports for the EU-funded intervention</p> <p>2.1.3 Annual performance assessment reports and the LoCAL Design document with in-build scaling up plan***</p>	<p>Other development partners will contribute to the effort, avoiding ad hoc and/or parallel systems.</p>
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*High level = ministerial and high level officials

**Actively = active participation during events

*** Annual performance assessments and the updated LoCAL Design document showing expansion of the PBCRGs to additional PGs

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **48 months** from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹.

4.3.1 Indirect Management with an international organisation

This action may be implemented in indirect management with the United Nations Capital Development Fund (UNCDF).

The UNCDF has been selected based on the below listed selection criteria:

- leading role at global, regional and national level on climate finance for local governments, primarily in Least Developed Countries;
- proved experience on Local Climate Adaptive Living Facility (LoCAL) methodology;
- track record of successfully managing large programmes in the Solomon Islands and the Pacific region, on a similar scale to the present action;
- existing in-country and regional institutional leverage.

UNCDF

UNCDF's presence in the Solomon Islands. UNCDF has been present in the Solomon Islands since 1982, improving governance and service delivery through fiscal decentralization and increased local investment capacity, bridging funding and service gaps in provincial areas, and enhancing basic capacity for public expenditure management to produce and execute credible budgets through appropriate participatory and transparent procedures. For instance, UNCDF supported the development of the Provincial Capital Development Fund (PCDF), a performance-based capital grant system which has been running in the Solomon Islands since 2007. UNCDF provided technical design input for the establishment of the PCDF and subsequent reforms of the recurrent service grants under the joint PGSP Phase I and Phase II, which is using the PCDF to deliver cross-sectoral local investments in core infrastructure and for service delivery. More recently, at Government's request, UNCDF has been supporting the integration of LoCAL into the PCDF aimed to assist PGs to develop and fund adaptation strategies and plans, and CCA infrastructure and services that best meet communities' adaptation needs.

UNCDF/LoCAL Added Value. The proposed action builds on 40 years of experience at UNCDF with decentralization programmes globally and particularly in the Solomon Islands, as well with the design and piloting of the Local Climate Adaptive Living (LoCAL) Facility in 30 countries across Asia, Africa and the Pacific, including in the Solomon Islands. More specifically, the proposed action is embedded in the existing performance-

¹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

based grant system that has been running in the Solomon Islands since 2007, i.e. the PCDF, thus avoiding the creation of parallel and/or ad hoc systems/frameworks.

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components²	EU contribution (amount in EUR)	UNCDF contribution (amount in EUR)
Indirect management with UNCDF – cf. section 4.3.1	6 000 000	300 000 (TBC)
Total	6 300 000	

4.6 Organisational Set-up and Responsibilities

Programme governance and management

Overall, the PGSP and the PCDF, including other related grants to PGs are coordinated by a Steering Committee – the Joint Oversight Committee (JOC). The JOC will act as the highest management organ for the overall joint action. In line with Programme Management best practice, the JOC will be ultimately responsible for the programme and ensure the overall programme monitoring, particularly the monitoring of results and delivery of activities put forward in the work plan. In addition, the JOC will provide policy direction, programme funding and overall programme performance monitoring of the action. The JOC is composed of the Permanent Secretaries of MPGIS, MoFT, Ministry of Women, Youth, Children and Family Affairs (MWYCFA), Ministry of Development Planning and Aid Coordination (MDPAC), Ministry of Rural Development (MRD), Ministry of Infrastructure Development (MID), Ministry for Environment, Climate Change, Disaster Management and Meteorology (MECDM), and Ministry of Public Service (MPS), the Secretary to the Cabinet, core sector ministries of importance for PG investments, including Ministry of Health and Medical Services and Ministry of Education and Human Resources Development, the Accountant General, representative of the Ministry of Justice, the Auditor General, and Provincial Secretaries of three Provinces (on the basis of rotation). Contributing representatives from development partners, including the EU, may also join as observers. Development partners will attend JOC meetings as observers by invitation.

One or several technical committees and/or working groups composed of technical staff from the Ministry of Provincial Government and Institutional Strengthening, Ministry of Environment, Climate Change, Disaster Management and Meteorology, Ministry of National Planning and Development Coordination (MNPDC) and the members of the JOC will be mandated to work with the project team and task managers on specific result areas.

² N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

A project office team located in Honiara will be responsible for the daily management of the project including overall monitoring of project implementation and substantive and financial reporting. The team will be headed by a programme management specialist who will be technically supported by a local governance finance specialist and a climate change expert. The project team will also include personnel responsible for visibility operations, finance and administration and transport. National United Nations Volunteers located in targeted provinces will provide direct support at local and Provincial Government levels. The project team may include additional long-term national technical advisers and consultants that will be recruited for the implementation of specific components. The project team will be in charge of engagement with the EU, the government, development partners and other key stakeholders.

Approval of annual work plans, annual reports and the final results of the annual performance assessments are determined by the proposed action's steering committee (the Project Board).

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). Indicators shall be disaggregated at least by sex. All monitoring and reporting shall assess how the action is taking into account the human rights-based approach and gender equality. Annual performance assessments (APA) undertaken by independent experts will also be used as source of verification for assessing progress towards targets under the Action's logframe. UNCDF will be responsible for commissioning such APAs.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The partner will be responsible for coordinating their approach to monitoring, through a set of complementary monitoring frameworks. While the logframe enclosed in this action document may evolve during the course of the action, the indicators in the complementary monitoring frameworks should be reflective of the logframe indicators at the time of their conception. One single annual report covering all result areas will be submitted for the programme each year, in line with the special and general conditions of the co-delegation agreement.

Monitoring will be done at both local and national levels - ensuring alignment across the various levels. UNCDF LoCAL will make use of the ACCAF, developed in partnership with the World Resources Institute (WRI), as a guiding framework for climate change adaptation monitoring and evaluation within the action. The ACCAF will be addressed across the programme during design, implementation and evaluation, ensuring the use of a risk informed investment menu and the alignment of local interventions with local adaptation priorities. The ACCAF is structured around building blocks of an ME system targeted at the country initiative; local adaptation outcomes; local investments; minimum conditions, performance measures and annual performance assessments; and evaluation of adaptation results including sustainability and impact. ACCAF will support monitoring of the extent to which the results of the programme are contributing to increased climate resilience.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner will establish a permanent internal, technical and financial monitoring system for the action and elaborate annual progress reports and final reports (that include the contribution of the action to the result framework as referred to in the indicative logframe matrix). Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, lessons learned as well as the degree of achievement of its results (results and

outcomes) as measured by corresponding indicators, using as reference the indicative logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. In addition to the annual global progress report (narrative and financial), annual country reports (narrative and financial) will be developed and made available to the EU on demand, together with the annual performance assessments of the participating local authorities.

The EU delegation may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the EU delegation for independent monitoring reviews (or recruited by the responsible agent contracted by the EU Delegation for implementing such reviews).

UNCDF will report on a number of common NDICI-Global Europe indicators, upon request by the EU.

5.2 Evaluation

Having regard to the nature of the action, an independent external final evaluation will be carried out for this action via the Organisation. The evaluation will follow the United Nations Evaluation Group Norms and Standards for Evaluations and it will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the progress made towards the expected results, identify lessons learned and present recommendations for any potential further programme phases.

All evaluation shall assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

The evaluation report shall be shared with the partner countries and other key stakeholders following the best practice of evaluation dissemination³. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluation and, where appropriate, in agreement with the partner countries, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

³ See best [practice of evaluation dissemination](#)

APPENDIX 1 REPORTING IN OPSYS

Option 1: Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Option 2: Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Option 3: Contract level		
<input type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>	Single Contract 2	
<input type="checkbox"/>	Single Contract 3	
	(...)	
<input type="checkbox"/>	Group of contracts 1	