



# **MID TERM EVALUATION LOCAL CLIMATE ADAPTIVE LIVING FACILITY**

**(ANNEXES)**

**March 2018**

<b>EVALUATION TEAM</b>	
<b>Team Leader</b>	<b>Alain Lafontaine</b>
<b>Team Members</b>	<b>Jon Garcia Bishwa Paudyal Jacquelin Ligot</b>

**MID-TERM EVALUATION: LOCAL CLIMATE ADAPTIVE LIVING FACILITY (LoCAL)**

---

© UNCDF (2018), all rights reserved.

The analysis and recommendations of this report do not necessarily reflect the views of the United Nations Capital Development Fund, its Executive Board or the United Nations Member States. This is an independent publication by UNCDF and reflects the views of its authors.

Design: UNCDF Partnerships Unit.

# Table of Contents

---

<b>Annex 1. Results and resources framework .....</b>	<b>4</b>
<b>Annex 2. Evaluation Matrix.....</b>	<b>7</b>
<b>Annex 3. List of persons interviewed and list of projects sites visited .....</b>	<b>35</b>
<b>Annex 4. Bibliography of main documents consulted .....</b>	<b>42</b>
<b>Annex 5. Country Reports.....</b>	<b>48</b>
5.1 Cambodia Country Report .....	48
5.2 Bhutan Country Report.....	107
5.3 Niger Country Report.....	159

## Annex 1. Results and resources framework

Table 1. Indicators, baselines and targets at output level

Output 1: CCA is mainstreamed into national and local government planning and budgeting systems in participating countries						
Indicator	Baseline	Target				
		Year 1	Year 2	Year 3	Year 4	Year 5
1.1 Number of countries using PBCRG system	Two (Cambodia, Bhutan)	Phase I LoCAL programmes designed and adopted in 24 LGs in 8 countries in Asia and Africa	Phase I LoCAL programmes designed and adopted in 6 LGs in an additional 2 countries in Asia and Africa	Phase I LoCAL programmes designed and adopted in 6 LGs in an additional 2 countries in Asia and Africa	Phase I LoCAL programmes designed and adopted in 6 LGs in an additional 2 countries in Asia and Africa	Phase I LoCAL programmes designed and adopted in 6 LGs in an additional 2 countries in Asia and Africa
1.2 Number of local governments in participating countries using the PBCRG system as part of LoCAL programme	Cambodia: 8 (5%) districts Bhutan: 2 (10%) districts and 2 (1%) Gewogs villages	16 LGs in 2 participating countries	24 LGs in 8 participating countries	30 LGs in 10 participating countries	36 LGs in 12 participating countries	42 LGs in 14 participating countries
1.3 % of participating local governments which have integrated the PBCRG system into their PEM/Intergovernmental Fiscal Transfer System	25% (Cambodia: 3/8 districts; Bhutan: 0)	30% of participating LGs	30% of participating LGs (Phase II)	45% of participating LGs	60% of participating LGs	80% of participating LGs
1.4 Number of private and public / private adaptation and resilience projects identified	No project is identified	6 projects identified (3 each in Bhutan)	TBD	TBD	TBD	TBD

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

under LoCAL project		and Cambodia)				
1.5 Number of projects under 1.4 linked to Local Finance Initiative	No project is identified	Not applicable	TBD	TBD	TBD	TBD
<b>Output 2:</b> Increased awareness of and response to climate change at the local level						
Indicator	Baseline	Target				
		Year 1	Year 2	Year 3	Year 4	Year 5
Timeliness of approval of LG development plans and budgets with CCA activities	TBD 2014	50% of the participating LGs approved their development plan and budget with CCA activities within Q1 of their fiscal year.	60% of participating LGs approve their development plan and budget with CCA activities within Q1 of their fiscal year.	70% of participating LGs approve their development plan and budget with CCA activities within Q1 of their fiscal year.	80% of participating LGs approve their development plan and budget with CCA activities within Q1 of their fiscal year.	60% of participating LGs approve their development plan and budget with CCA activities within Q1 of their fiscal year.
% change in implementation of development plan CCA activities (% change in rate of budget dispersal)	Cambodia: 25% of budgets in target LGs and PBCR grants implemented ; Bhutan: Awaiting report	60% of budgeted CCA activities implemented in 70% of participating LGs	70% of budgeted CCA activities implemented in 75% of participating LG	80% of budgeted CCA activities implemented in 80% of participating LG	90% of budgeted CCA activities implemented in 85% of participating LGs	70% of budgeted CCA activities implemented in 75% of participating LGs
# and type of sustainable awareness and advocacy tools developed and implemented by country, regionally and globally	TBD 2014	LoCAL Forum established	TBD	TBD	TBD	TBD

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

**Output 3:** Increased amount of finance available to local governments for CCA and resilience

Indicator	Baseline	Target				
		Year 1	Year 2	Year 3	Year 4	Year 5
Percent change in international CCA funds earmarked for LG use	TBD 2014	No Change anticipated	No Change anticipated	5% increase	10% increase	15% increase
Percent change in national government CCA funds earmarked for LG use in participating countries	TBD 2014	No Change anticipated	National government CCA funds earmarked for LG in participating countries increased by 10% over baseline.	Global CCA funds earmarked for LG in participating countries increase by 15% over baseline	National government CCA funds earmarked for LG in participating countries increase by 25% over baseline	Local revenue funds earmarked for CCA LG in participating countries increase by 25% over baseline
Percent change in LG own revenue earmarked for CCA activities in participating countries	TBD 2014	No Change anticipated	No Change anticipated	15% increase	20% increase	25% increase
Percent change in climate finance at the local level from the private sector	TBD 2014	No Change anticipated	No Change anticipated	10% of climate finance at the local level funded by private sector.	10% of climate finance at the local level funded by private sector.	10% of climate finance at the local level funded by private sector.

## Annex 2. Evaluation Matrix

<b>Question 1: <i>Relevance and quality of design of LoCAL internationally, nationally and at the local level</i></b>					
<b>Sub-questions</b>	<b>Judgement criteria</b>	<b>Performance indicators</b>	<b>Data points</b>	<b>Data collection and analysis methods</b>	<b>Sources</b>
1.1 How relevant is the LoCAL approach to the programme countries in which it has intervened and how distinct is it from similar initiatives by other national and international development partners in the areas of climate change adaptation?	LoCAL is well aligned with development, decentralization and climate adaptation priorities at international and national level	Degree of alignment with the priorities on development, decentralization and climate change adaptation at international level	Priorities of LoCAL	Documentation review	Documentation review: program document, annual report 2016
			International development priorities	Documentation review	Documentation review: Sustainable Development Goals (with an emphasis on SDGs no. 1 and 13)
			Climate change adaptation priorities	Documentation review Interviews	Documentation review: Fifth Assessment Report of the International Panel on Climate Change (IPCC AR5) Interviews: international development partners (United Nations Development Programme (UNDP), United Nations Environment, United

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

					Nations Programme on Human Settlements (UN-HABITAT))
		Degree of alignment with the development, decentralization and climate change adaptation priorities of LoCAL implementation countries, including with their CCA needs	Adaptation priorities of LoCAL in implementation countries	Documentation review Interviews	Documentation review: program document, annual report 2016 Interviews with programme staff at country level
			Adaptation priorities of LoCAL implementation countries	Documentation review Interviews Focus Group Discussions (FGD)	Documentation review: Intended Nationally Determined Contributions (INDCs), National Communications to the United Nations Convention Framework on Climate Change (UNFCCC), decentralization policies and budgets, WB Country Assessment Reports Interviews with international, national and local partners Focal groups with local partners



Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

	LoCAL is designed such that it can potentially support local governments access CCA finance by addressing the main barriers in this regard, and in complementarity to other main financial sources	Amount and type of CCA finance accessible to local governments in LDCs and LoCAL countries	Amount and type of CCA finance accessible to LDCs excluding LoCAL	Documentation review Interviews	Documentation review: IPCC, Climate Public Expenditures and Institutional Review (CPEIR), OECD, Overseas Development Institute (ODI)  Interviews with international partners (UNDP, UNEP, UN-HABITAT)
			Amount and type of CCA finance accessible to local governments in LDCs excluding LoCAL	Documentation review Interviews	Documentation review: IPCC, CPEIR, OECD, ODI  Interviews with international partners (UNDP, UNEP, UN-HABITAT)
			Amount and type of CCA finance accessible to LoCAL countries excluding LoCAL	Documentation review Interviews FGD	Documentation review: INDCs, National Communications to the UNFCCC

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

					Interviews with national and local partners  Focus groups with local partners
			Amount and type of CCA finance accessible to local governments in LoCAL countries excluding LoCAL	Documentation review Interviews FGD	Documentation review: INDCs, National Communications to the UNFCCC  Interviews with national and local partners  Focus groups with local partners
		Types of barriers for access to CCA finance by LDCs and by LoCAL countries	Types of barriers for access to CCA finance by LDCs	Documentation review Interviews	Documentation review: IPCC  Interviews with programme staff at global level and international partners (UNDP, UNEP, UN-HABITAT)

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

			Types of barriers for access to CCA finance by LoCAL countries	Documentation review Interviews FGD	Documentation review: INDCs, National Communications to the UNFCCC, decentralization policies and budgets, WB Country Assessment Reports  Interviews with national and local partners  Focal groups with local partners
			Types of barriers for access to CCA finance by LDCs and LoCAL countries addressed by LoCAL	Documentation review Interviews FGD	Documentation review: programme document  Interviews with programme staff at global and country level, and international, national and local partners

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

					Focal groups with local partners
		Additionality of the approach brought by LoCAL	Additionality of the types of the approach brought by LoCAL	Documentation review Interviews	Documentation review: IPCC AR5, UNDP TACC, UN-HABITAT CCCI, IIED Decentralizing Climate Finance project Interviews with program staff at global level, and international partners (UNDP, UNEP, UN-HABITAT)
1.2 As presently designed, how coherent is programme design across its three phases of implementation in view of its objectives i) at the local and national levels in partner countries and ii) internationally as a UNCDF global thematic initiative? To what extent does the programme support later expansion and replication in line with UNCDF's maturity model?	LoCAL is aligned with UNCDF priorities and agenda and the three LoCAL implementation phases are compatible with international best practices and aligned with the needs and priorities of participating governments	Degree of alignment with UNCDF priorities and agenda at the global level	UNCDF priorities and agenda at global level	Documentation review Interviews	Documentation review: UNCDF mission, vision, plan and maturity model Interviews with program staff at global level
			LoCAL priorities and agenda		Documentation review: programme document, 2016 Annual Report Interviews with program staff at global level

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

		Degree of compatibility of the three LoCAL implementation phases with international best practices or other similar experiences in decentralized finance and climate change adaptation	LoCAL implementation approach, including the use of grants and the phases	Documentation review Interviews	Documentation review: programme document, annual report 2016 Interviews with program staff at global level
			Implementation approaches of similar experiences, including best practices	Documentation review Interviews	Documentation review: IPCC AR5 Interviews with international development partners (UNDP, UNEP, UN-HABITAT)
		Degree of alignment of LoCAL's phases, priorities and approach with needs and priorities in terms of CCA at the local and national level	LoCAL's phases, priorities and approach at the local and national level	Documentation review Interviews	Documentation review: programme document, 2016 annual report, country progress reports Interviews with program staff at global and country level
			Needs and priorities in terms of CCA at the local and national level in LoCAL countries	Documentation review Interviews FGD	Documentation review: INDCs, National Communications, WB Country Assessment Reports Interviews with national and local partners

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

					Focus groups with local partners
	The logical framework of the programme is internally coherent	Degree of coherence of the program activities with outputs and outcomes	Degree of coherence of the program outputs and outcomes	Documentation review Interviews	Documentation review: programme document Interviews with program staff at global level
			Degree of coherence of the program activities	Documentation review Interviews	Documentation review: programme document Interviews with program staff at global and country level
			Degree of coherence of the program activities with the outputs and the outcomes	Documentation review Interviews	Documentation review: programme document Interviews with program staff at global and country level
	The foreseen number of countries targeted for replication is achieved	Number of countries and budget at which the program could be replicated	Initial program objective in terms of number of countries at which the program could be replicated	Documentation review	Documentation review: programme document
			Feasible number of countries at which the program could be replicated	Documentation review Interviews	Documentation review: Annual Reports, country progress reports Interviews with program staff at global and country level, and

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

					international (UNDP, UNEP, UN-HABITAT),
			Initial program objective in terms of level of funds at which the program could be replicated	Documentation review	Documentation review: programme document
			Feasible budget at which the program could be replicated	Documentation review Interviews	Documentation review: Annual Reports, country progress reports Interviews with program staff at global and country level, and international (UNDP, UNEP, UN-HABITAT)
1.3 How well are programme objectives supported by LDC partners at the central and local levels as well as by international development partners?	LoCAL uses a diverse range of mechanisms to engage international, national and local partners and the level of support originally sought is achieved	Number and type of mechanisms included in program design to engage international, national and local partners	Number of mechanisms included in program design to engage international, national and local partners	Documentation review	Documentation review: programme document
			Number of mechanisms actually used to engage international, national and local partners	Documentation review Interviews	Documentation review: Annual Reports, country progress reports Interviews with program staff at global and country level, and international (UNDP, UNEP, UN-HABITAT), national and local partners

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

			Type (and quality) of mechanisms included in program design to engage international, national and local partners	Documentation review	Documentation review: programme document
			Type (and quality) of mechanisms actually used to engage international, national and local partners	Documentation review Interviews	Documentation review: Annual Reports, country progress reports Interviews with program staff at global and country level, and international (UNDP, UNEP, UN-HABITAT), national and local partners
		Level of support by local, national and international partners for the objectives of the program	Originally sought level of support by local, national and international partners for the objectives of the program	Documentation review	Documentation review: programme document
			Level of support actually provided by local, national and international partners for the objectives of the program	Documentation review Interviews	Documentation review: Annual Reports, country progress reports Interviews with program staff at global and country level, and international (UNDP, UNEP, UN-HABITAT), national and local partners
1.4 To what extent is programme design sufficiently taking cross-	Cross-cutting issues such as gender equality	Inclusion of gender and human rights considerations in the context assessment	Inclusion of gender and human rights considerations in the context assessment	Documentation review	Documentation review: programme document



Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

cutting issues such as gender and human rights and social and environmental performance into account?	and human rights are adequately considered in the context assessment, the objectives, activities and the M&E framework	Inclusion of gender and human rights considerations in the objectives and activities			
			Inclusion of gender and human rights considerations in the objectives and activities	Documentation review	Documentation review: programme document
			Alignment with UNCDF's mainstreaming strategy on gender	Documentation review Interviews	Documentation review: programme document, UNCDG strategy on gender Interviews with programme staff at global level
		Alignment with national gender-related goals	Documentation review Interviews	Documentation review: national policies on gender Interviews with programme staff at country level	
		Inclusion of gender and human rights indicators in the Monitoring and Evaluation framework (including in the PBCRG evaluation process)	Inclusion of gender and human rights indicators in the Monitoring and Evaluation framework (including in the PBCRG evaluation process)	Documentation review	Documentation review: programme document
<b>Question 2 Efficiency</b> : Extent to which the programme has delivered quality outputs that are appropriately managed and overseen					
2.1 What is the quality of programme management?	The programme management structure, mandate and roles are well aligned with the needs of the programme, management costs fall within average UNCDF management cost	Level of alignment of the programme management structure and mandates/roles with the needs of the programme	Programme management structure and mandate/roles, including decision making, resource mobilisation and donor coordination	Documentation review	Documentation review: programme document
			Gender distribution of the management structure	Document review	Documentation review: programme document
			Evidence of limited alignment of the programme management	Documentation review Interviews	Documentation review: Monitoring and Reporting

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

	ratio, decision making is made in a timely manner, no major administrative bottleneck are impeding administration, and level of satisfaction of programme partners with management is good.		structure and mandates/roles with the need of the programme		Documents, Minutes of Board and Steering Committee meetings Interviews with program staff at global and country level
		Proportion of costs and budget allocation for the functioning of the management structure to the total programme budget	Planned cost of the functioning of the management structure	Documentation review	Documentation review: monitoring and reporting documents, including financial information
			Actual cost of the functioning of the management structure	Financial analysis	
			Planned total programme budget		
			Actual total programme budget		
			Planned proportion of costs for the functioning of the management structure to the total programme budget		
			Actual proportion of costs for the functioning of the management structure to the total programme budget		
		Average duration of decision making processes for funding approvals and disbursements	Planned average duration of decision making processes for funding approvals and disbursements	Documentation review	Documentation review: programme document
			Actual average duration of decision making processes for funding approvals and disbursements	Documentation review Interviews	Documentation review: Monitoring and Reporting Documents, Minutes of Board and Steering Committee meetings Interviews with program staff at

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

					global and country level
		Existence of administrative bottlenecks for program implementation	Existence of administrative bottlenecks for program implementation	Documentation review Interviews	Documentation review: Monitoring and Reporting Documents, Minutes of Board and Steering Committee meetings Interviews with program staff at global and country level
		Level of satisfaction from national and local partners with programme management	Level of satisfaction from national and local partners with programme management	Interviews	Interviews with national and local partners
2.2 How well has the initiative delivered its expected results to date and what is the quality of the programme outputs (deliverables) delivered to date?	LoCAL meets its targets for 2016 regarding the number of participant governments, integration of PBCRG system and number and relevance of investments, with a good financial performance and gender equality	Number of participating countries (included in the programme document's Results and Resources Framework (RRF))	Planned number of participating countries	Document review	Document review: program document
			Actual number of participating countries	Document review Interviews	Document review: 2016 Annual report Interviews with program staff at global level
		Number of participating local governments (RRF)	Planned number of participating local governments	Document review: program document	Document review: program document
			Actual number of participating local governments	Document review Interviews	Document review: 2016 Annual report Interviews with program staff at country level and national partners
		Number of countries which have integrated the PBCRG in	Planned number of countries using the PBCRG system	Document review	Document review: program document

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

		their inter-governmental fiscal transfer system (RRF)	Actual number of countries using the PBCRG system	Document review Interviews	Document review: 2016 Annual report Interviews with program staff at global level
		Percentage of participating local governments using the PRCRG system (RRF)	Planned percentage of participating local governments using the PBCRG system	Document review	Document review: program document
			Actual percentage of participating local governments using the PBCRG system	Document review Interviews	Document review: 2016 Annual report Interviews with program staff at country level and national partners
		Proportion of funds disbursed related to planned disbursements	Planned disbursements	Document review	Document review: program document
			Actual disbursements	Documentation review Interviews Financial analysis	Document review: 2016 Annual report Interviews with program staff at country level and national and local partners
		Number of adaptation and resilience investments	Planned number of adaptation and resilience investments	Documentation review	Documentation review: program document
			Actual number of adaptation and resilience investments	Document review Interviews	Documentation review: 2016 Annual report Interviews with program staff at country level and national and local partners

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

		Types, budget and stage of implementation of investments funded with LoCAL funds	Planned type, budget and stage implementation of programme at global level	Documentation review	Documentation review: program document
			Actual type, budget and stage implementation of programme at global level	Document review Interviews	Documentation review: 2016 Annual report Interviews with program staff at global level
			Planned type, budget and stage implementation of programme at country level (Planned number of investments to be successfully implemented or nearing successful implementation)	Documentation review	Documentation review: program document
			Actual type, budget and stage implementation of programme at country level (Actual number of investments to be successfully implemented or nearing successful implementation)	Documentation review Interviews	Documentation review: 2016 Annual report, country progress reports Interviews with program staff at country level and national and local partners
			Likely performance of investments		
		Level of alignment of investments funded with local needs and global priorities	Priorities of funded investments, including vulnerable groups	Documentation review Interviews	Documentation review: programme document, Annual Report 2016, country progress reports Interviews with program staff at national level and national and local partners

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

			Local CAA priorities, including vulnerable groups	Documentation review Interviews with program staff at national level and with national and local partners	Documentation review: INDCs, National Communications, WB Country Assessment Reports Interviews with program staff at national level and with national and local partners
			Global CCA priorities	Documentation review Interviews	Documentation review: IPCC AR5 Interviews with international partners (UNDP, UNEP, UN-HABITAT).
2.3 What is the quality of programme monitoring systems? To what extent do they help programme managers and stakeholders capture the likely economic, social and environmental results of these investments to increase resilience at the local level?	LoCAL has a well conceived M&E plan, which is sufficiently budgeted and funded during preparation and implementation, with appropriate monitoring indicators that are effective for measuring progress and performance; complies with progress and	Existence of a sound baseline assessment in the planning documents	Existence of a sound baseline assessment in the planning documents at the global level	Documentation review	Documentation review: program document
			Existence of a sound baseline assessment in the planning documents at country level	Documentation review	Documentation review: program document, programme country documents
		Existence of a sound performance measurement framework/logframe, with specific, measurable, attainable, relevant and time-bound (SMART) indicators, in the planning documents	Existence of a sound performance measurement framework/logframe, with specific, measurable, attainable, relevant and time-bound (SMART) indicators, in the planning documents at the global level	Documentation review	Documentation review: program document
			Existence of a sound performance measurement	Documentation review	Documentation review: program

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

	financial reporting requirements; discusses M&E reports with stakeholders; and management responds to lessons learned and recommendations.		framework/logframe, with specific, measurable, attainable, relevant and time-bound (SMART) indicators, in the planning documents at country level		document, country programme documents
		Level of quality and of relevance of the indicators used for PBCRGs	Level of quality of the indicators used for PBCRGs at the country level	Documentation review Interviews	Documentation review: programme country document Interviews with program staff at global and country level
			Level of relevance of the indicators used for PBCRGs at the country level	Documentation review Interviews	Documentation review: programme country document Interviews with programme staff at global and country level
		Existence of a sound M&E strategy, that includes a description of roles and responsibilities, a timeframe/work plan, a budget and reporting requirements	Existence of a sound M&E strategy, that includes a description of roles and responsibilities, a timeframe/work plan, a budget and reporting requirements at global level	Documentation review	Documentation review: programme document
			Existence of a sound M&E strategy, that includes a description of roles and responsibilities, a timeframe/work plan, a budget and reporting requirements at country level	Documentation review	Documentation review: programme country document
		Proportion of M&E budget executed to date	Proportion of M&E budget executed to date at global level	Documentation review	Documentation review: monitoring

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

					and reporting documents, including financial documents
			Proportion of M&E budget executed to date at country level	Documentation review	Documentation review: monitoring and reporting documents, including financial documents
		Proportion and types of reporting materials submitted correctly and on time (quarterly and annually)	Proportion and types of reporting materials submitted correctly and on time at global level	Documentation review	Documentation review: monitoring and reporting documents, including financial documents
			Proportion and types of reporting materials submitted correctly and on time at country level	Documentation review	Documentation review: monitoring and reporting documents, including financial documents
		Proportion of reporting materials that include evidence-based relevant and useful conclusions, lessons learned and recommendations with regards to LoCAL economic, social and environmental results	Proportion of reporting materials that include evidence-based relevant and useful conclusions, lessons learned and recommendations with regards to LoCAL economic, social and environmental results at global level	Documentation review	Documentation review: monitoring and reporting documents
			Proportion of reporting materials that include evidence-based relevant and useful conclusions, lessons learned and recommendations with regards to	Documentation review	Documentation review: monitoring and reporting documents



Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

			LoCAL economic, social and environmental results at country level		
		Number of mechanisms used to share M&E materials with stakeholders	Number of mechanisms used to share M&E materials with stakeholders at global level	Documentation review	Documentation review: monitoring and reporting documents, annual reports
			Number of mechanisms used to share M&E materials with stakeholders at country level	Documentation review	Documentation review: monitoring and reporting documents, country progress reports
		Number and types of M&E materials generated and/or lessons/findings they contain	Number and types of M&E materials generated and/or lessons/findings they contain at global level	Documentation review	Documentation review: monitoring and reporting documents, annual reports
			Number and types of M&E materials generated and/or lessons/findings they contain at country level	Documentation review	Documentation review: monitoring and reporting documents, country progress reports
		Evidence of evaluation lessons learned and recommendations used in management decisions	Evidence of evaluation lessons learned and recommendations used in management decisions at global level	Documentation review Interviews	Documentation review: minutes of Board and Steering Committee meetings Interviews with program staff at global level
			Evidence of evaluation lessons learned and recommendations used in management decisions at country level	Documentation review	Documentation review: minutes of Board and Steering

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

					Committee meetings Interviews with program staff at country level
2.4 How well are partner contributions/involvement in the programme working at local, national and international levels?	The contributions of international, national and local partners meet original expectations	Expected contributions of international partners	Expected financial contributions of international partners	Documentation review	Documentation review: programme document
			Expected other contributions of international partners		
		Current contributions of international partners	Actual financial contributions of international partners	Documentation review Interviews	Documentation review: monitoring and reporting documents, including financial documents Interviews with program staff at global and country level
			Actual other contributions of international partners		
		Expected contributions of national partners (central government)	Expected financial contributions of national partners	Documentation review	Documentation review: programme document
			Expected other contributions of national partners		
		Current contributions of national partners (central government)	Actual financial contributions of national partners	Documentation review Interviews	Documentation review: monitoring and reporting documents, including financial documents Interviews with program staff at global and country level
			Actual other contributions of national partners		
		Expected contributions of local partners (local government)	Expected financial contributions of local partners	Documentation review	

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

			Expected other contributions of local partners		Documentation review: programme document		
		Current contributions of local partners (local government)	Actual financial contributions of local partners	Documentation review Interviews	Documentation review: monitoring and reporting documents, including financial documents Interviews with program staff at global and country level		
			Actual other contributions of local partners				
<b>Question 3: Effectiveness</b> (organizational and policy change) - Extent to which the programme is on track to supporting mainstreaming climate adaptation into planning and budgeting systems at both national and local levels in partner countries							
3.1 To what extent is the programme contributing to changes in the capacity of local governments to plan, budget and manage climate-adaptive investments at the local level across the countries in which it is operating?	As a result of the programme, there is increased awareness of the importance to plan, budget and manage climate change adaptation at local governments; participating local governments have more climate change vulnerability assessments; have reviewed planning instruments (i.e. local development plans, local	Variation in the level of appreciation of local government representatives of the importance of implementing CCA actions as a result of the number and type of awareness raising efforts conducted by the programme (including the development and implementation of tools)	Level of appreciation of local government representatives of the importance of implementing CCA actions before LoCAL	Interviews	Interviews with program staff at global and country level, and national and local partners		
			Level appreciation of local government representatives of the importance of implementing CCA actions with LoCAL	Interviews	Interviews with, program staff at global and country level, and national and local partners		
		Variation in the availability of climate change vulnerability assessments (or climate change scientific reports) as a result of the program	Availability (and quality) of climate change vulnerability assessments before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at country level, and national and local partners		
			Availability (and quality) of climate change vulnerability assessments after LoCAL as a result of the program				

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

	budgeting plans, land use plans, infrastructure development plans) to include explicit climate change adaptation considerations and have increased the number of investments with CCA components that they implement meeting the corresponding targets	Variation in the number of local development plans that explicitly include climate change adaptation as a result of the program	Number of local development plans that explicitly included climate change adaptation before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at country level, and national and local partners
			Number of local development plans that explicitly include climate change adaptation as a result of the program		
		Variation in the number of local budget or investment plans that explicitly include climate change adaptation as a result of the program	Number of local budgeting plans that explicitly included climate change adaptation before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at country level, and national and local partners
			Number of local budgeting plans that explicitly include climate change adaptation as a result of the program		
		Variation in the number of land use plans that explicitly include climate change adaptation as a result of the program	Number of land use plans that explicitly included climate change adaptation before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at country level, and national and local partners
			Number of land use plans that explicitly include climate change adaptation as a result of the program		
		Variation in the number of water, transport and energy infrastructure development plans that explicitly include climate change adaptation as a result of the program	Number of water, transport and energy infrastructure development plans that explicitly included climate change adaptation before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at country level, and
			Number of water, transport and energy infrastructure development plans that explicitly include climate		

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

			change adaptation as a result of the program		national and local partners
	Variation in the number and value of investments with CCA components implemented or currently into implementation		Number of investments with CCA components implemented before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at global and country level, and national and local partners
			Budget of investments with CCA components implemented before LoCAL		
			Number of investments with CCA components implemented or currently into implementation with LoCAL		
			Budget of investments with CCA components implemented or currently into implementation with LoCAL		
3.2 To what extent is the programme contributing to mainstreaming climate change adaptation into intergovernmental fiscal systems at the national levels in the countries in which it is operating?	The proportion of intergovernmental fiscal system in targeted countries that include CCA components meets the corresponding target	Variation in the proportion of intergovernmental fiscal systems in targeted countries that include CCA components as a result of the program	Proportion of intergovernmental fiscal systems in targeted countries that included CCA components before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at country level, and national and local partners
			Proportion of intergovernmental fiscal systems in targeted countries that include CCA components with LoCAL		
		Variation in the proportion of the amount of funds for CCA channelled through intergovernmental fiscal systems related to total funds channelled as a result of the program	Proportion of the amount of funds for CCA channelled through intergovernmental fiscal systems related to total funds channelled before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at country level, and national and local partners
			Proportion of the amount of funds for CCA channelled through intergovernmental fiscal systems related to total funds channelled with LoCAL		

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

Question 4: Likely Impact: likelihood of the programme to support increased flows of additional climate finance to the local level					
4.1 To what extent is the programme supporting increased flows of additional climate finance to the local levels	The targets in terms of additional funding for CCA for local governments and contribution to the access of local governments to international climate change funds have been met	Total funds made available by LoCAL for CCA to local governments	Funds planned to be made available by LoCAL for CCA to local governments	Documentation review	Documentation review: programme document
			Actual funds made available by LoCAL for CCA to local governments	Documentation review Financial analysis	Documentation review: annual reports, country progress reports
		Percentage change in national government climate change adaptation funds earmarked for local government use in participating countries (RRF)	Planned percentage change in national government climate change adaptation funds earmarked for local government use in participating countries	Documentation review Financial analysis	Documentation review: programme document
			Actual percentage change in national government climate change adaptation funds earmarked for local government use in participating countries	Documentation review Financial analysis	Documentation review: annual reports, country progress reports
		Percentage change in local governments' own revenue earmarked for climate change adaptation activities in participating countries (RRF)	Planned percentage change in local governments' own revenue earmarked for climate change adaptation activities in participating countries	Documentation review Financial analysis	Documentation review: programme document
			Actual percentage change in local governments' own revenue earmarked for climate change adaptation activities in participating countries	Documentation review Financial analysis	Documentation review: annual reports, country progress reports
		Percentage change in climate finance at the local level from the private sector (RRF)	Planned percentage change in climate finance at the local level from the private sector	Documentation review	Documentation review: programme document
			Actual percentage change in climate finance at the local level from the private sector	Documentation review	Documentation review: annual reports, country progress reports
		Types of mechanisms created to facilitate access of LDCs local governments to	Types of mechanisms planned to be created to facilitate access of LDCs local governments to international climate change funds	Documentation review	Documentation review: programme document

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

		international climate change funds	Types of mechanisms actually created to facilitate access of LDCs local governments to international climate change funds	Documentation review Interviews	Documentation review: annual reports, country progress reports Interviews with program staff at global and country level, and international, national and local partners
		Percent change in international CCA funds earmarked for local government use (RRF)	International CCA funds earmarked for local government use before LoCAL	Documentation review	Documentation review: programme document
			International CCA funds earmarked for local government use before LoCAL with LoCAL	Documentation review Interviews	Documentation review: annual reports, country progress reports Interviews with program staff at global and country level, and international partners
4.2 To what extent is the programme supporting, or likely to support, increased flows of additional climate finance to the local levels both now and in years to come, through direct access and other mechanisms?	LoCAL has created programmes, structures and mechanisms to channel and integrate CCA funding to investments at local level	Number of programmes, structures and mechanisms created or planned at the local level to channel and integrate CCA funding to investments (through direct access and other modalities)	Number and type of programmes, structures and mechanisms at the local level to channel and integrate CCA funding to investments (through direct access and other modalities) before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to programme staff at global and country level, and national and local partners
			Number and type of programmes, structures and mechanisms created at the local level to channel and integrate CCA funding to investments (through direct access and other modalities) with LoCAL		
			Number and type of programmes, structures and mechanisms planned at the local level to channel and		

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

			integrate CCA funding to investments (through direct access and other modalities) with LoCAL		
		Number of international mechanisms created to facilitate access of LDCs local governments to international climate change funds as a result of LoCAL sharing of best practices	Number of international mechanisms to facilitate access of LDCs local governments to international climate change funds before LoCAL	Document review Interviews	Documentation review: IPCC Interviews to program staff at global level and international partners (UNDP, UNEP, UN-HABITAT)
			Number of international mechanisms created to facilitate access of LDCs local governments to international climate change funds with LoCAL		
4.3 Changes in the living conditions of beneficiaries targeted by the investments in terms of resilience to climate variability and change, taking gender into account	There is a clear improvement in the living conditions of the beneficiaries targeted by the investments in terms of resilience to climate variability and change, taking gender into account	Variation in the resilience to climate variability and change of the beneficiaries targeted by the investments	Vulnerability to climate variability and change before LoCAL investments	Documentation review Interviews Focus groups	Documentation review: country reports Interviews: programme staff at global and country level and national and local partners Focus groups: beneficiaries, women and men (separate focus groups)
			Vulnerability to climate variability and change after LoCAL investments		
		Integration of gender equality in selected investments	Gender distribution of investments (how women and men benefit from programme activities at local level)	Documentation review Interviews Focus groups	Documentation review: country reports Interviews: programme staff at global and country level and national and local partners Focus groups: beneficiaries, women and men (separate focus groups)
			Existence of alternative strategies that would have reduced vulnerability in the same way further promoting gender equality		
Question 5: Sustainability of the program results within the broader policy environment					



Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

5.1 To what extent are changes at the policy and institutional level both nationally and locally supported by the programme likely to continue over time?	Ownership of the programme results has been built by identifying and sharing lessons learned	Number and type of lessons learned identified at national and local level in terms of institutional mechanisms and policies	Number of lessons learned identified at national and local level in terms of institutional mechanisms and policies Type of lessons learned identified at national and local level in terms of institutional mechanisms and policies	Documentation review Interviews	Documentation review: monitoring and reporting documents Interviews to program staff at country level, and national and local partners
		Mechanisms used to share lessons identified at national and local level in terms of institutional mechanisms and policies	Mechanisms used to share lessons identified at national and local level in terms of institutional mechanisms and policies		
		Number and type of lessons that have been integrated	Number and type of lessons that have been integrated	Documentation review Interviews	Documentation review: monitoring and reporting documents Interviews to program staff at country level, and national and local partners
		Perception of ownership of international, national and local partners in terms of institutional mechanisms and policies	Perception of ownership of international, national and local partners in terms of institutional mechanisms and policies	Interviews	Interviews to program staff at global and country level, and international, national and local partners

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

DRAFT EVALUATION REPORT

5.2 To what extent are changes in local investment and their role in increasing resilience likely to be sustainable over time?	Local planning instruments explicitly consider the maintenance of climate resilient investments in participating local governments	Number of local development, land-use and sectoral development plans that explicitly consider the maintenance of climate-resilient investments as a result of the program	Number of local development, land-use and sectoral development plans that explicitly consider the maintenance of climate resilient investments before LoCAL	Documentation review Interviews	Documentation review: INDCs, National Communications Interviews to program staff at country level, and national and local partners
			Number of local development, land-use and sectoral development plans that explicitly consider the maintenance of climate resilient investments with LoCAL		

## Annex 3. List of persons interviewed and list of projects sites visited

Table 32. Institutions and stakeholders interviewed online and by telephone

Country	Type of stakeholder	Institution	Position	Name	Interview Date
Global	Client	UNCDF	Executive Secretary	Judith Karl	12/07/2017
			Local Development Finance, Director	David Jackson	07/09/2017
			LoCAL Programme Manager	Fakri Karim	28/09/2017
			LoCAL Programme Manager (Africa)	Sophie de Connick	22/06/2017
Benin	Programme team	UNCDF	Program Officer	Cossoba NANAKO	11/07/2017
	Programme team		Assistant Technique (UNV)	Joël BEKOU	13/07/2017
	National counterpart	Direction Générale de	Directeur Général de	Martin Pépin AÏNA	10/07/2017

## DRAFT EVALUATION REPORT

		l'Environnement et du Climat (Ministère du Cadre de Vie et du Développement Durable)	l'Environnement et du Climat (Directeur National de LoCAL) • Coordonnateur LoCAL	Médard OUINAKONHAN	
	Sub-national counterpart	Commune de Copargo  Préfecture	Maire de la Commune  • • Secrétaire Général du Département (ex)	Ignace OROU  Mashoudi ASHANTI	19/07/2017
Mozambique	Programme team	UNCDF	Local Development Finance - Programme Officer.	Ramon Cervera	20/6/2017
	Sub-national counterpart	Gaza Provincial Directorate of Economy and Finances	-Technical Advisor Provincial Directorate of Economy and Finances.	Alipio Vaz	21/07/2017
Tuvalu	Other	NAPA 2 Project	Project Coordinator	Mr. Soseala Tinilau	28/06/2017
Bangladesh	Programme team	UNCDF	Programme Officer	Mr. Jesmul Hasan	28/06/2017

## DRAFT EVALUATION REPORT

	Sub-national counterpart	Godagari Upazila	Chairman Engineer, LGED	Mr. Samad and Mr. Sultanul Imam Rajib	03/07/2017
Global	International Development partners	UNDP-UNEP Poverty-Environment Initiative (Africa)	Programme Officer	Alex Forbes	13/07/2017
		WRI	Consultant	Colleen McGinn	18/09/2017
		SIDA	Program manager/Thematic coordinator Sustainable Inclusive Growth  Unit for Global Economy and Environment  Department for International Organisations and Policy Support	Ola Sahlen	05/07/2017

Table 33. People met during the Inception Phase<sup>1</sup>

Institution	Position	Name	Day
LoCAL Programme Team	Director, Local Development Finance, UNCDF	David Jackson	31/03/2017

---

<sup>1</sup> The list is incomplete because we do not have the contact details of every persons in the calls and the Board meeting.

## DRAFT EVALUATION REPORT

	Programme Manager (Africa)	Sophie de Coninck	31/03/2017
	Programme Manager	Fakri Karim	31/03/2017 ; 27/04/2017
	Focal point in Niger	Idrissa Moussa	24/04/2017
	Focal point in Cambodia	Kosal Sar	08/05/2017
Other key stakeholders	Deputy director, Local Development Finance, UNCDF	Christel Alvergne	27/04/2017
	Regional Technical Adviser, UNCDF	Suresh Balakrishnan	27/04/2017
	Secretary, Ministry of Federal Affairs and Local Development, Government of Nepal	Kedar Bahadur Adhikari	27/04/2017
	National Director of Planning and Budget, Ministry of Economy and Finance, Government of Mozambique	Momad Piaraly Juthá	27/04/2017
	Minister, Ministry of Home Affairs and Rural Development,	Namoliki S Neemia	27/04/2017

## DRAFT EVALUATION REPORT

	Government of Tuvalu		
	Permanent Secretary, Ministry of Home Affairs and Rural Development, Government of Tuvalu	Iete Avanitele	27/04/2017
	Counsellor, Permanent Mission of Benin to the United Nations	Erick Jean-Marie Zinsou	27/04/2017
	Ambassador and Permanent Representative of Bangladesh to the United Nations	Masud Bin Momen	27/04/2017
	Programme Manager, Climate change, food security and disaster management, European Union	Muamar Vebry	27/04/2017
	Senior Research Officer, Risk and Resilience, Overseas Development Institute	Alice Caravani	27/04/2017
	Director of Climate Change, Climate Change Group, International Institute for	Clare Shakya	27/04/2017

## DRAFT EVALUATION REPORT

	Environment and Development		
	Technical Expert, GCCA+ Support facility, European Union	Guido Corno	27/04/2017
	Director, Climate Justice Resilience Fund	Heather McGray	27/04/2017
	President, Governance and Policies for Sustainable Development	Luc Gnacadja	27/04/2017
	Social Research Consultant and Relief and Development Advisor	Colleen McGinn	27/04/2017

Table 33. List of sub-projects visited

Country	Area	Sub-project	Type of investment	Date
Niger	Sokorbe Commune	Village de BAZIGA	Land rehabilitation	16/05/2017



## DRAFT EVALUATION REPORT

		Farey gourou kaina	Well	17/05/2017
	DogonKiria Commune	Toudoun Zakka	Land rehabilitation	
		Woutchia	Well	
Bhutan	Daga Gewog	Taksha-Silli farm road	Farm Road	07/06/2017
		Gebekha farm road		
	Phangyuel Gewog	Genkha rural water supply scheme	Water supply scheme	08/06/2017
		Yuebaam irrigation channel	Irrigation channel	
		Pechhu irrigation channel		
	Cambodia	Baray Sangkat	Climate Proof Road Project	
Roka Krao Sangkat		Climate Adaptation Canal Project		02/08/2017
Doung Kpos Commune		Climate Adaptation Canal Project		

## Annex 4. Bibliography of main documents consulted

Table 34. List of the key documentation and data sources reviewed.

Document Type	Title	Level	Country
Initially approved Programme Document	Programme document (signed)	Global	
	HQ Project Appraisal Committee (PAC) 2014		
Annual Work Plans	2014: AWP 2014 LoCAL revision Oct 2014 (final signed version)	Global	
	2015: 2015 LoCAL AWBP Annual Budget and Work plan (25 Nov. 2015)		
	2016: AWP2016 LoCAL approved and signed (April)		
	2016: EU LoCAL Budget revision July 2016		
	PFIS SIDA LoCAL Budget revision July 2016		
	2017 LoCAL AWBP Annual Budget WP 20 Feb 2017		
	2014: LoCAL Annual		

## DRAFT EVALUATION REPORT

Annual reports	Report 2014	Global	
	2015: LoCAL Annual Report 2015 English web		
	2016: LoCAL Annual Report 2016		
Implementation status of LoCAL per programme country <sup>2</sup>	LoCAL combined programme status monitoring report Q1-Q3 2016 (summary)	Global	
	Bangladesh: Programme progress report third quarter 2016 (3 <sup>rd</sup> 2016)	Country	Bangladesh
	Lao PDR: Assessment Report Sept 23 2016		Lao PDR
	Mali: Rapport annuel 2015/2016 LoCAL Mali V du 22 August 2016		Mali
	Mozambique: LoCAL Moz Annual Report July 2015-June 2016		Mozambique
Documentation linked to resource mobilization from the programme donor	EU signed contract 2013 and budget	Global	
	EU Bangladesh PAGODA EU Submission	Country	Bangladesh
	GEF Lao PDR project	Country	Lao PDR

<sup>2</sup> For Bhutan, Cambodia and Niger see the bibliography in the corresponding country reports.

## DRAFT EVALUATION REPORT

	document		
	Liechtenstein Signed Agreement 2014	Country	Tuvalu
	Liechtenstein Proposal 2017-2018		
	SIDA Bangladesh programme framework document	Country	Bangladesh
Documents from meetings of the Programme Board	Draft minutes 23/06/2014	Global	
	Decision of LoCAL programme board 2015		
	LoCAL programme board decision 2016 Final		
	Minutes of the programme board meeting Local 2012	Regional	
	LoCAL programme board meeting minutes final 2015 and 2016		
Combined Delivery Reports	2012: CDR 2012 00076365	Global	
	2012: CDR 2012 00082251		
	2013: CDR 2013 00076365		
	2013: CDR 2013 00082251		

	2014: CDR 2014 Q1-Q4		
	2015: CDR 2015 Q1-Q4		
	2016: CDR 2016 Q1		
	2016: CDR 2016 Q2		
	2016: CDR 2016 Q3 (July-September)		
Country Context information	INDC	Country	All countries

**Table 35. Additional bibliography at global level**

United Nations Evaluation Group (UNEG)'s Norms and Standards for Evaluation in the UN System

United Nations Development Programme's (UNDP) Evaluation Policy

UNCDF's Evaluation Plan 2016-2017

UN Stats Demographic Yearbook 2005

Sustainable Development Goals

World Bank, Decentralization and Subnational Regional Economics, <http://www1.worldbank.org/publicsector/decentralization/what.htm>

Development Partners Network on Decentralisation and Local Governance (DeLoG) - DeLoG, About DeLoG, <http://delog.org/web/about/video-about-delog-dlg/>

Un-Habitat, <https://unhabitat.org/governance/>

United Nations Framework Convention on Climate Change (UNFCCC), Summary of the Paris Agreement, <http://bigpicture.unfccc.int/#content-the-paris-agreement>

Inter-governmental Panel on Climate Change (IPCC), Fifth Assessment Report (AR5) of the Working Group II (WG2) on Impacts Adaptation and Vulnerability - Summary for policymakers -

Global Environment Facility (GEF), GEF Programming Strategy on Adaptation to Climate Change: Least Developed Countries Fund (LDCF), Special Climate Change Fund (SCCF), [https://www.thegef.org/sites/default/files/publications/GEF\\_AdaptClimateChange\\_CRA\\_o.pdf](https://www.thegef.org/sites/default/files/publications/GEF_AdaptClimateChange_CRA_o.pdf)

Kocornik-Mina, Adriana and Fankhauser, Sam (2015): Climate change adaptation in dynamic economies. The case of Colombia and West Bengal. London: Grantham Research Institute on Climate Change and the Environment and Global Green Growth Institute

Caravani, Alice; Watson, Charlenne; and Liane Schalatek (2016): Climate Finance Thematic Briefing on Adaptation Finance; Overseas Development Institute (ODI) and Heinrich Boll Stiftung (HBS).

Barnard, Sam; Caravani, Alice; Nakhooda, Smita; and Liane Schalatek (2015): Climate Finance Regional Briefing: Asia, Overseas Development Institute (ODI) and Heinrich Boll Stiftung (HBS).

Marigold Norman, Sam Barnard, Smita Nakhooda, Alice Caravani, ODI and Liane Schalatek (2015): Climate Finance Regional Briefing: Sub-Saharan Africa, Overseas Development Institute (ODI) and Heinrich Boll Stiftung (HBS).

Database of the Climate Funds Update; data from <http://www.climatefundsupdate.org/themes/adaptation> (accessed 21/09/2017)

ODI (2015): 10 things to know about climate finance in 2015.

UN Environment: The Adaptation Gap Report 2016: Finance.

UNCDF 2016 Annual Report

UNCDF, Local Development Finance, <http://www.uncdf.org/local-development-finance>

Youthstart programme – Final Evaluation Report

Down to Earth: Territorial Approach to Climate Change. Green, Low-Emission and Climate-Resilient Strategies at Sub-national level. 2012 Update, p. 3. See also: <http://adaptation-undp.org/projects/dc-overall-tacc>

UN-HABITAT (2015): Climate Change Strategy 2014-2019.

Appadurai, Nambi; Dinshaw, Ayesha; McGinn, Colleen and Heather McGray (2016): Evaluating Climate Change Adaptation: A Framework for UNCDF-LoCAL. Design Options Discussion Paper; World Resources Institute (WRI)

WRI (2016): WRI feedback on LoCAL Minimum Conditions and Performance Assessment Criteria

USAID, Comparative Assessment of Decentralization in Africa: Mozambique in-country assessment report, 2010

World Bank, Mozambique country profile, 2017,  
<http://www.worldbank.org/en/country/mozambique/overview>

Bangladesh World Bank, [http://web.worldbank.org/archive/website01061/WEB/0\\_CO-25.HTM](http://web.worldbank.org/archive/website01061/WEB/0_CO-25.HTM)

Mozambique's INDC

Tuvalu's INDC

Benin's INDC

Vanuatu's INDC

## Annex 5. Country Reports

### 5.1 Cambodia Country Report

Acronym	Definition
ACES	Association of Councils Enhanced Services
ADB	Asian Development Bank
APA	Annual Performance Assessment
ASPIRE	Agriculture Service Programme for Innovation, Resilience and Extension
Australia Aid	Australian Agency for International Development
CCA	Climate Change Adaptation
CCBAP	Cambodia Community Based Adaptation Programme
CCCA	Cambodia Climate Change Alliance
CDP	Community Development Plan
CIDA	Canadian International Development Agency
CIF	Climate Investment Fund
CIP	Community Investment Plan
CNCCSP	Cambodia National Climate Change Strategic Plan
DANIDA	Danish International Development Agency
DCCAS	District Climate Change Adaptation Strategy
D&D	De-concentration and Decentralisation
DDLG	Democratic and Decentralised Local Governance
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
GCF	Green Climate Fund
GEF	Global Environmental Facility
GGGI	Global Green Growth Institute
GIZ	German Society for International Cooperation (by its initials in German)
GNI	Gross National Income
GO	Green Ownership



## DRAFT EVALUATION REPORT

IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
INDC	Intended Nationally Determined Contribution
IP <sub>3</sub>	Three-year Implementation Plan
LDCs	Least Developed Countries
LGCC	Local Governments and Climate Change
LoCAL	Local Climate Adaptive Living Facility
MAFF	Ministry of Agriculture, Forestry and Fisheries
MoE	Ministry of Environment
MEF	Ministry of Economy and Finance
MoI	Ministry of Interior
MRD	Ministry of Rural Development
NAPA	National Adaptation Plan of Action
NCDD	National Committee for Sub-National Democratic Development
NCDDS	National Committee for Sub-National Democratic Development Secretariat
NCSD	National Committee for Sustainable Development
NDA	National Designated Authority
NIE	National Implementing Entity
NP-SNDD	National Programme for Sub-National Democratic Development
PADEE	Programme for Agricultural Development and Economic Empowerment
PBCRG	Performance-Based Climate Resilience Grants
PEM	Public Expenditure Management
PIM	Project Implementation Manual
PMSD	Project Management and Support Division
SDG	Sustainable Development Goals
SHIFT	Shaping Inclusive Finance Transformations
SIDA	Swedish International Development Cooperation Agency
SMART	Specific, measurable, attainable, relevant and time-bound (indicators)
SNA	Sub-National Administration
SNDD	Sub-National Democratic Development
SNIF	Sub-national Investment Fund
ToC	Theory of Change
ToR	Terms of Reference
UN	United Nations
UNCDF	United Nations Capital Development Fund

DRAFT EVALUATION REPORT

UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-Habitat	United Nations Programme for Human Settlements
VRA	Vulnerability Reduction Assessment
WB	World Bank
WRI	World Resources Institute

## 1.1. Introduction

After some pilot activities in Bhutan and Cambodia, where activities started in 2010-2011, the United Nations Capital Development Fund (UNCDF) launched the Local Climate Adaptive Living (LoCAL) Facility in 2014. With a projected budget of USD 40 million, this five-year programme aims to promote climate change resilient communities and economies by increasing financing for and investment in climate change adaptation (CCA) at local level in Least Developed Countries (LDCs) by improving the access of local governments in these countries to climate finance, contributing to the achievement of the Sustainable Development Goals (SDGs). In this context, LoCAL aims specifically to enhance mainstreaming of climate change adaptation into local government's planning and budgeting systems (output 1), increase awareness of and response to climate change at the local level (output 2) and increase the amount of climate change adaptation finance available to local governments and local economies (output 3), while being implemented effectively, efficiently and transparently in line with UNCDF programme management regulations (output 4).

Halfway through its implementation of LoCAL, UNCDF seeks to review initial progress in the different countries in which it is active, assessing relevance, efficiency, (likely) effectiveness, likely impacts and sustainability of programme performance so far. The purpose of this assignment is to conduct the review indicated just above. In particular, according to the Terms of Reference (ToR), this mid-term review has the following objectives:

- “To assist UNCDF and its partners to understand the relevance, efficiency and effectiveness of the LoCAL programme as well as the key programme mechanisms which underpin it;
- To consider the likely impact and sustainability of the LoCAL approach on the policy and institutional environments at the national levels and on the implementation structures at the local levels in the countries in which LoCAL is being implemented; and
- To consider the appropriateness to date of UNCDF's positioning as a UN agency support the direct access by LDCs to international climate finance at the local level”

The evaluation methodology includes preparing three country reports. Following a sampling strategy, Niger, Bhutan and Cambodia were selected for these reports, which were informed by in-country visits. This report summarizes the evaluation findings regarding Cambodia.

## 1.2. Relevance

### 1.2.1. How relevant is the LoCAL approach to Cambodia and how distinct is it from similar initiatives?

#### *1.1.2.1.1. Degree of alignment with the development, decentralization and climate change adaptation priorities of Cambodia*

As noted in the assessment of its second phase, in Cambodia LoCAL<sup>3</sup> is in tune with the decentralisation and climate change adaptation priorities of the country. Since 2002 Cambodia has been promoting a decentralisation process, implementing a De-concentration and Decentralization (D&D) reform. In the same year, the election of the commune councils was formally announced, officially favouring participatory local development. In June 2005, the country adopted the Strategic Framework for the D&D Reform, which aimed to create a subnational governance system that would “...operate with transparency and accountability in order to promote local development and delivery of public services to meet the needs of citizens and contribute to poverty reduction within the respective territories”. In May 2008, the National Assembly approved the Law on Administrative Management of Capital, Provinces, Municipalities, Districts and Khans (Organic Law), which provides for the establishment of new sub-national governance structures based on the reassignment of public services functions and resources between the central government agencies and the sub-national administrations (SNAs). To coordinate and lead the implementation of this law, a royal decree created the National Committee for Sub-National Democratic Development (NCDD) in December 2008. In this context, the indirect election of district and provincial councils was adopted in May 2009. In April 2010, the Council of Ministers approved the National Programme for Sub-National Democratic Development (NP-SNDD), which aims to provide a framework for implementing D&D reforms over a 10-year period (2011-2020).

To strategically implement the NP-SNDD, the NCDD has formulated three-year Implementation Plans (IP<sub>3</sub>). The first covered the period 2011-2014. It focused on (a) the establishment of governance structures at sub-national level starting with districts and municipalities; (b) the effective and efficient support and cooperation between districts/municipalities and communes/sangkats<sup>4</sup>; (c) capacity development of the capital and provinces; and (d) the completion and further development of the overall policy and regulatory framework for decentralized democratic development. A second IP<sub>3</sub> was then approved for 2015-2017. Currently in its final stages, this IP<sub>3</sub> focused on (a) decentralizing the delivery of core services from ministries and provinces to districts and municipalities; (b) increased sub-national administrations’ and Board of Governors’ accountability through an oversight system that preserves autonomy; (c) Increased sub-national administration’s initiative and local autonomy; and (d) expanding sub-national administration’s resource envelopes through the transfer of financial and human resources and increased access to the DM Fund, to their own source revenues and to the Sub-National Investment Facility. The IP<sub>3</sub> for the period 2018-2020 is now being prepared.

In Cambodia LoCAL is harmonious with the decentralization legislation and policy, namely the D&D Framework, the Organic Law, the NP-SCDD and the IP<sub>3</sub> 2011-2014 and 2015-2017, in terms of supporting local planning, budgeting, service delivery and democratic accountability processes. Interviews suggest it has contributed greatly to the D&D reform. Indeed, interviews conducted during the in-country visit point out that along the D&D process there was a need to complement the development of the legal framework and generic efforts on capacity building with actual implementation of functions in terms of budget management, delivery of public services and democratic accountability at district and commune level.

<sup>3</sup> In Cambodia LoCAL is known as Local Governments and Climate Change (LGCC). Given that the report on Cambodia is part of the global assessment, in this document the term LoCAL is used to refer to LGCC.

<sup>4</sup> Sangkats are to municipalities the equivalent of communes to districts.

In addition, in Cambodia LoCAL is congruous with the climate change adaptation agenda. Cambodia developed a National Adaptation Plan of Action (NAPA) in 2006. It identified agriculture, forestry, human health and coastal zones as the most vulnerable sectors to the impacts of climate change. Water resources were also considered a key sector due to its inseparable link with the four earlier mentioned sectors, but especially with agriculture, and its importance for Cambodia's socio-economic development (p. 7). In this light, more than 50% of the 39 adaptation projects prioritized by the NAPA focused on water resources and agriculture, 20% focused on coastal areas, 15% on malaria and 13% covered several sectors (p. 8).

Cambodia's Intended Nationally Determined Contribution (INDC) to the global climate change agenda in the framework of the 21<sup>st</sup> Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC), which was prepared in 2015, follows the same lines. It highlights water resources (i.e. pumping stations, groundwater research), agriculture (i.e. climate proof agriculture systems, improved seeds) and human health (malaria, acute respiratory infection, diarrhoea and cholera), with references as well to urban areas (i.e. flood protection dykes), coastal zones (i.e. sea dikes) and protected areas, and to aquaculture (p. 4). In addition, the INDC prioritizes the reparation, rehabilitation and maintenance of road infrastructure. Besides these sectoral aspects, the INDC stresses some processes or approaches, such as increased climate change information production, dissemination and use (i.e. early warning systems, climate change impact assessments), climate change mainstreaming into sector and sub-sector development plans, and community and ecosystem-based adaptation.

In 2013 the country approved the Cambodia National Climate Change Strategic Plan (CNCCSP) 2014–2023. It is organized in 8 strategic objectives: Strategic Objective 1 seeks to promote climate resilience through improving food, water and energy security; Strategic Objective 2 aims to reduce sectoral, regional, gender vulnerability and health risks to climate change impacts; Strategic Objective 3 aims to ensure climate resilience of critical ecosystems<sup>5</sup>, biodiversity, protected areas and cultural heritage sites; Strategic Objective 4 aims to promote low-carbon planning and technologies to support sustainable development of the country; Strategic Objective 5 tries to improve capacities, knowledge and awareness for climate change responses; and Strategic Objective 6 intends to promote adaptive social protection and participatory approaches in reducing loss and damage due to climate change; Strategic Objective 7 focuses on strengthening institutions and coordination frameworks for national climate change responses; and Strategic Objective 8 is to strengthen collaboration and active participation in regional and global climate change processes. Under Strategic Objective 7, one of the priorities involves mainstreaming climate change into national and sub-national development plans and the National Social Protection Strategy. This strategy is operationalized in three phases: the immediate term (2013-2014), which involved institutional set up and detailed action plans by concerned ministries; the medium term (2014-2018) for implementation of the planned actions; and the long term (2019-2023) for research, learning, up-scaling of successful pilots and carrying on with mainstreaming of climate change at national and sub-national levels. The strategy involves multiple line ministries for each Strategic Objective, including: the Ministry of Environment; Ministry of Agriculture, Forestry and Fisheries (MAFF); Ministry of Industry, Mines and Energy; Ministry of Education, Youth and Sport; Ministry of Health; Ministry of Women's Affairs; Ministry of Water

---

<sup>5</sup> Critical ecosystems include Tonle Sap Lake, Mekong River, coastal ecosystems, highlands, etc.

Resources and Meteorology; Ministry of Public Works and Transport; Ministry of Rural Development; and the National Committee for Disaster Management (NCDM).

Interviews with government staff at the national level also emphasize local infrastructure in rural areas to cope with drought and flooding: mainly water to drink and irrigation (channels, dams, ponds and wells; some water harvesting infrastructure) and roads to access markets and communication, together with technology transfer on agriculture to increase the competitiveness of the sector.

Interviews with government staff and communities in the target areas point out to droughts and floods. According to interviewees, the former happen almost every year, with major events in 2006/2007, 2009/2010 and 2013-2014, last around 2 months, and result in the destruction of crops, leading to famine, and lack of water for human and animal consumption and farms. They also affect school attendance as it becomes too hot. According to interviewees, major floods have occurred in 2000, 2011, 2012 and 2013. They last over one month and affect many villages along the rivers. The 2013 flood affected more than 100 families as well as animals. One person died. Rice fields, houses, schools and roads were flooded. During the flood only men stayed in the houses; women and children moved to a pagoda (almost 300 meters far from the community) for shelter for 2 or 3 months (from mid August to mid December). All families stayed in the same pagoda. Red Cross Cambodia provided food and tent in 2011, 2012 and 2013. Strong winds are also an issue in some areas. Interviews with development partners indicate that there is an important need to implement projects on the ground, engaging communities and local governments, after a significant progress on policy development.

While, as in other countries<sup>6</sup>, the vulnerability assessment and adaptation prioritisation of Cambodia seem not to have factored in critical aspects and trends in the country<sup>7</sup>, LoCAL is aligned to Cambodia's stated adaptation priorities. In terms of approach, LoCAL in Cambodia promotes mainstreaming of CCA into planning and budgetary processes and facilitates participatory adaptation processes. Moreover, the programme seeks to increase resilience to droughts and floods. Furthermore, as it will be further discussed in section 3.5.2, in order to achieve this, LoCAL investments mostly focus on agriculture, water and roads, climate-proofing irrigation channels and roads and on the promotion of climate-smart agriculture, all of which are priorities identified in the NAPA, the INDC and the CNCCSP, and are issues highlighted in interviews.

#### *1.1.2.1.2. Amount and type of CCA finance accessible to local governments in Cambodia*

---

<sup>6</sup> See, for instance: Kocornik-Mina, Adriana and Fankhauser, Sam (2015): Climate change adaptation in dynamic economies. The case of Colombia and West Bengal. London: Grantham Research Institute on Climate Change and the Environment and Global Green Growth Institute. We will come back to this in section 6 on sustainability.

<sup>7</sup> It is surprising that the INDC doesn't make any reference to residential, touristic and manufacturing-related infrastructure, when a significant part of Cambodia's population does live in flood-prone areas in non-coastal areas (e.g. along rivers, as the Mekong), and tourism and garments are the main economic sectors of the country, according to the World Bank Country Profile.

## DRAFT EVALUATION REPORT

Desk review and interviews with national government officials and development partners indicate that substantive international financial resources have been flowing to Cambodia for climate change adaptation over the last decade through development partners on a project basis.

According to the Climate Funds Update<sup>8</sup>, Cambodia received USD 143.2 m in the period 2003-2016 through multilateral public finance under and beyond the UNFCCC umbrella. Funds under the UNFCCC umbrella concentrated USD 32.16 m or 22% of multilateral funds; non-UNFCCC funds, USD 110.9 m or 77%. Within the UNFCCC, LCDF channelled USD 22.61 m or 70% of funds; the AF, USD 4.95 m or 15%; the SCCF, USD 4.6 m or 14%. Outside the UNFCCC, USD 95.96 m or 86% of funds flowed through the PPCR and USD 15 m or 13% through the ASAP.

In this context, before 2012, at least seven (7) internationally funded projects were promoting climate change adaptation in Cambodia. In particular, at least the following projects were active in the country: i) the Rural Livelihoods Improvement Project, funded by the International Fund for Agricultural Development (IFAD) and the United Nations Development Programme (UNDP); ii) the Ketsana Emergency Reconstruction and Rehabilitation Project, funded by the World Bank (WB); iii) the project Promoting climate resilience, water management and agriculture practices in rural Cambodia, with funds from the Global Environmental Facility (GEF); iv) the Cambodia Community Based Adaptation Programme (CCBAP), with funds from Swedish International Development Cooperation Agency (SIDA), the Australian Agency for International Development (Australia Aid) and UNDP; v) the project called Strengthening the adaptive capacity and resilience of rural communities using micro watershed approaches to climate change and variability to attain sustainable food security, with funds from the GEF and the Food and Agriculture Organisation of the United Nations (FAO); vi) the Strategic Programme for Climate Resilience, funded by the Climate Investment Fund (CIF), the WB and Asian Development Bank (ADB); and vii) the Cambodia Climate Change Alliance (CCCA), funded by SIDA, the European Union (EU), UNDP and the Danish International Development Agency (DANIDA). These projects had committed around USD 507 million on climate change adaptation. Most of them focused on rural development, in particular on agriculture, water and roads in rural areas. The Ministry of Environment (MoE) and the Ministry of Agriculture, Forestry and Fisheries (MAFF), and to a lesser extent the Ministry of Rural Development (MRD), were the main implementing partners. In this sense, before 2012, mobilized through development partners, international climate change adaptation finance was mostly managed by the central government, engaging the provincial level.

Desk review and interviews indicate that LoCAL was the first programme to directly engage districts and communes on climate change adaptation in 2012. In that year, the Local Government and Climate Change (LGCC) project implemented the LoCAL model with USD 250,000 from the CCCA Trust Fund, plus USD 50,000 from UNCDF. Since then LoCAL implemented a second phase, mobilizing USD 1 million from SIDA. Moreover, two projects (largely) replicating LoCAL's model have been approved and are now active, although resources have not yet been disbursed to sub-national governments. The project Strengthening the resilience of Cambodian rural livelihoods and sub-national government system to climate risks and variability will mobilize USD 4.5 m from the GEF in the period 2017-2020.

---

<sup>8</sup> Climate Funds Update is an independent website that provides information on the growing number of international climate finance initiatives designed to help developing countries address the challenges of climate change.

With a total budget of USD 82 m, the Agriculture Service Programme for Innovation, Resilience and Extension (ASPIRE) will mobilize at least USD 4 m from IFAD for climate-proofing local infrastructure<sup>9</sup>. While not following the LoCAL model, in coordination with the Ministries of Environment and Interior (Mol), the Global Green Growth Institute (GGGI) also works directly with sub-national governments, specifically with the 8 municipalities.

While LoCAL was active and its model was replicated, several climate change adaptation projects working at the national level have been approved in Cambodia. These include i) the Programme for Agricultural Development and Economic Empowerment (PADEE), with funds from IFAD; ii) the second phase of the project Promoting climate resilience, water management and agriculture practices in rural Cambodia, with funds from Canadian International Development Agency (CIDA); iii) the second phase of CCCA, with funds from EU, SIDA and UNDP; iv) the Community-Based Disaster Risk Reduction project, with funds from the Japan Fund for Poverty Reduction; v) the Green Ownership (GO) project, with funds from SIDA; and vi) the Cambodia Disaster Risk Management Programme, with funds from the WB. These projects have a total budget of around USD 85.4 m<sup>10</sup>.

These projects were designed and were and are being implemented in a context where the overall resources of sub-national governments are limited in Cambodia. Interviews indicate that, since 2013, 2.85% and 0.9% of the total national revenue goes to communes and districts, respectively. Interviews suggest that within these resources districts and municipalities try to raise awareness and provide guidance on CCA and general sustainable practices. They also do investments that contribute to resilience with their own budgets, such as fixing roads, building canals, ponds and wells and preparing hills as safe rescue areas. In any case, while increasing, most CCA resources come from international players, domestic funding in this area not yet being significant.

In this context, several projects have been supporting the decentralization process, with a prominent role being played by the EU. Between 2006 and 2011, in partnership with UNDP, the EU implemented the Democratic and Decentralised Local Governance (DDLG) project, with a budget of USD 10 m. This was followed in 2012 by the Association of Councils Enhanced Services (ACES) Project, and more importantly by the EU Support to Sub-National Democratic Development (SNDD) project. Phase 1 (2013-2016) mobilized E 15 million, while phase 2 (2017-2020) will mobilize E 40 million. The SNDD project provides budget support and includes sub-projects on local management of education and health funds, with the German Society for International Cooperation (GIZ by its initials in German), and social accountability processes<sup>11</sup>.

---

<sup>9</sup> ASPIRE does not replicate exactly the LoCAL model: LoCAL works with NCDDs and districts, while ASPIRE works with MAFF and communes. However, it is fair to say that it follows its main characteristics and spirit.

<sup>10</sup> While not exhaustive, and based on desk review and interviews with national stakeholders and development partners, Table 6 in annex 3 summarizes the key information of the most relevant climate change adaptation projects in Cambodia in the last decade. Other projects at the national level include support of the EU to resilient fisheries and aquaculture. Interviews in Takeo province indicated that World Vision has provided support on local infrastructure and emergency response. The Red Cross has also supported the latter.

<sup>11</sup> Table 7 in annex 3 presents some critical elements of decentralization-related projects in Cambodia in the period 2007-2017.



### *1.1.2.1.3. Types of barriers for access to CCA finance by Cambodia*

#### **Types of barriers for access to CCA finance by LoCAL countries**

Desk review and interviews suggest that the lack of accreditation of Cambodian institutions before international climate change funds compromises the capacity of the country to access international CCA finance. While, as shown above, significant international funds have been mobilized for Cambodia on CCA over the last decade, this has relied on development partners. Although programmes and projects have been endorsed by national institutions and therefore reflect national priorities, the accreditation of Cambodian institutions before international climate change funds would allow direct access and arguably a greater and more pertinent mobilization of CCA finance in the country.

In any case, interviews highlight that accreditation alone would have a small impact if administrative and technical capacities are not strengthened. While this is a condition for the accreditation, interviews indicate that Cambodian institutions have increasing but still limited capacities to understand the international climate change financial architecture and mobilize resources and manage them.

#### **Types of barriers for access to CCA finance by local governments in LoCAL countries**

Interviews with national stakeholders and development partners indicate that the substantive engagement of the NCDDDS is key for mobilizing CCA resources to sub-national governments. The CNCCSP envisioned the NCDDDS, the Ministry of Planning and the MoE as its key coordinating and implementing partners. A review of CCA over the last decade reveals that sectoral ministries, and especially the MAFF, have had a prominent role in managing CCA finance through a rather top-down approach. In this sense, the limited involvement of NCDDDS, and its lack of accreditation to international climate change funds, have played against a more significant involvement of local governments.

In addition, the transfer of functions to local governments is a critical barrier for CCA at the local level. Interviews indicate that, unlike education, health and water, environmental management has not been transferred to local governments. Climate change being across all sectors, this an important barrier, especially given the efficacy of ecosystem-based adaptation practices.

Furthermore, desk review, interviews and observation point out that the limited technical capacity on climate change at local level constitutes a bottleneck for accessing climate change funds. Although efforts are being made to increase it, there is still significant room to strengthen the capacity of local governments to plan, budget, implement, monitor and evaluate climate change adaptation measures. Reporting is one of the aspects. To follow international standards, Cambodia introduced the Financial Management Information System (FMIS) at project level in 2014; at central level in 2015 and at provincial level in 2016, this being used for the government budget only in 2017.

Moreover, interviews suggest that local culture is a crucial barrier. According to national stakeholders and development partners, local governments are still defined by a passive approach, rarely seeking

external finance proactively, applying a permissive function. They often wait to be told which resources they have and what to do with them. In this sense, local governments are slowly emerging from a top down framework. Interviews suggest that this is also linked to limited social accountability, with relatively weak participatory processes. Both decentralization and climate change adaptation are indeed relatively new concepts and processes in Cambodia.

#### **Types of barriers for access to CCA finance addressed by LoCAL**

In Cambodia LoCAL is addressing the most critical barriers for accessing CCA finance at the national and local level. LoCAL is supporting the accreditation of the NCDDS before the Green Climate Fund (GCF). A proposal for readiness was submitted in early 2017. NCDDS' accreditation would not only arguably imply greater and more pertinent mobilizations of CCA finance for the country as a whole, but would particularly benefit local governments, given NCDDS's role in decentralisation. As part of the accreditation process, LoCAL is supporting the strengthening of the administrative and technical capacities of NCDDS to mobilize and manage CCA resources. The proposal requested USD 113,000 for two years only for that aspect.

Furthermore, at sub-national level, the LoCAL methodology is strengthening the capacity of local governments to plan, budget, implement, monitor and evaluate climate change adaptation measures, including environmental practices, although the environmental function has not yet been transferred. As interviewees put it, local governments are in this sense learning by doing through LoCAL processes and tools, including those designed to assess vulnerability and their own performance. Moreover, as interviews highlight, through that process, LoCAL is contributing to a behavioural change, raising awareness and promoting a bottom-up approach, with a more pro-active attitude from local governments. Minimum conditions put forward a good planning process and a more proactive approach, which is further strengthened by the fact that LoCAL covers a fraction (theoretically between 30 and 35%) of investment costs and uses a performance-based grant system that establishes incentives for local governments to improve their performance in different aspects. In addition, the assessment of the performance promotes and facilitates social accountability, working towards transparency and against corruption. Sections 4 and 5 provide nuance as to the extent to which this has been achieved so far and is likely to be achieved in the near future, but, as a model, LoCAL contributes to address the barriers noted above through those mechanisms.

#### *1.1.2.1.4.      Additionality of the approach brought by LoCAL*

The comparative analysis with the projects presented above (and presented in matrices in Annex 3) and interviews with national and local stakeholders and development partners reveal that LoCAL in Cambodia has some distinctive features.

At the international level, LoCAL is the only programme or project supporting the accreditation of a Cambodian institution for the GCF. At the national level, LoCAL was the first to work significantly with the NCDDS.

At the sub-national level, LoCAL was the first to work directly with districts on environment and climate change. Before LoCAL, all climate change projects were implemented either by the national government, through the MoE or sectoral ministries, especially MAFF and MRD, or NGOs. In this sense, LoCAL was the first internationally-funded CCA project to put financial resources in the district's pockets, testing the existing de-concentrated system to identify what the bottlenecks were, if any, and help address them, when possible. Therefore, LoCAL was a genuine pilot in terms of raising awareness and engaging local governments in planning and budgeting to address the climate change needs of local communities, including the use of tools such as the Vulnerability Reduction Assessment (VRA). Briefly after LoCAL kicked-off in Cambodia, in 2013, through the GIZ, the EU supported decentralisation on health and education, but until 2016 LoCAL remained the only project to connect CCA and decentralisation. Indeed, the projects currently working on CCA at the sub-national level, although without the direct involvement of UNCDF, are in reality a follow up of LoCAL, as they replicate that model, exactly in the case of the UNDP model and quite similarly in the case of IFAD.

In addition, LoCAL was the first to link the allocation of grants to the annual changes in the performance of beneficiaries, in this case districts, therefore not only contributing to fiscal decentralisation, but also to democratic governance and social accountability. Furthermore, LoCAL was the first to bring a top-up approach, funding the incremental cost of climate change in infrastructure works (in theory 30 to 35% of the cost) instead of the full cost of the investments<sup>12</sup>.

LoCAL is similar to most CCA programmes in Cambodia in that it focuses on rural areas and agriculture-related infrastructures<sup>13</sup>.

### 1.2.2. As presently designed, how coherent is programme design across its three phases of implementation in view of its objectives?

#### *1.1.2.2.1. Degree of alignment of LoCAL with needs and priorities in terms of CCA at the local and national level*

The alignment of LoCAL Cambodia with CCA priorities at national and local level has been analysed in section 2.2.1 above. This section focuses on LoCAL Cambodia's phasing approach. LoCAL in Cambodia has been implemented in two phases, plus an extension. The first phase of LoCAL in Cambodia was in 2011-2013, that is, two fiscal years – the performance was assessed twice, in 2012 and 2013. During this phase, LoCAL was implemented in 1 province (Takeo) and 3 lower level administrations: 1 municipality (Daun Keo) (in theory urban) and 2 districts (Bati and Borei Chulsar) (rural). The total budget was USD 300,000, of which USD 50,000 came from UNCDF and USD 250,000 from the CCCA Trust Fund.

<sup>12</sup> The extent to which this is applied and its pertinence is analysed in sections 2.3 and 4.1.4 below.

<sup>13</sup> With the exception of GGGI and the UNDP pipeline project, all CCA projects in Cambodia focus on rural areas. On LoCAL Cambodia the investments in Takeo Municipality focus to a great extent in rural areas. In terms of the size of investments the WB is the only one in Cambodia to focus on large-scale investments for CCA. All other programmes and projects focus on small-scale investments. LoCAL's investments are small-to-medium size.

The second phase of LoCAL in Cambodia started in 2013 and, given delays in implementation, concluded in 2016. The performance was assessed twice, in 2014 and 2015. During this phase, LoCAL was implemented in 2 provinces, the province where the programme was already active (in the same districts) and one additional province (Battambang), where the programme was implemented in 5 districts (Bavel, MOUNG RUSSEI, RUHAKIRI, SAMPONG LOUN and THMAR KOUL). Total budget was USD 1 m, all of it provided by SIDA.

A bridging phase took place in 2016-2017. This consisted in finalizing infrastructure works and did not involve new provinces – but it did involve new districts<sup>14</sup>. The performance was assessed once, in 2016.

A concept note of a third phase of LoCAL was designed by UNCDF and sent to the GCF in early 2017. It requested 14 m USD (plus 1 m of co-financing from UNCDF) to cover 20 districts in 2018 and 60 districts in the period 2019-2021. The specific provinces and districts are not yet decided. The proposal focuses on districts, and does not consider municipalities. In parallel, UNCDF is supporting the process to accredit NCDD as National Implementation Entity (NIE) before the GCF, which could facilitate the scaling up and replication of LoCAL in Cambodia.

It is worth mentioning that the LoCAL model has been replicated without using the same name and the direct involvement of UNCDF. As noted above, UNDP and IFAD are implementing projects that put forward the LoCAL model. The UNDP project Strengthening the resilience of Cambodian rural livelihoods and sub-national government system to climate risks and variability will mobilize USD 4.5 m from the GEF in the period 2017-2020. It is implemented in 2 provinces (Siem Reap and Kampong Thom), 10 districts and 89 communes. With a total budget of USD 82 m, IFAD's ASPIRE project will mobilize at least USD 4 m from their own resources for climate-proofing local infrastructure. ASPIRE is active in 5 provinces (Battambang, Pursat, Kampong Chhnang, Preah Vihear and Kratie). In 2018 five new provinces will join (Takeo, Kampot, Kandal, Pray Veng and Svay Rieng). The idea is to cover all provinces by 2023.

The definition of the number of sub-national governments in each phase deserves specific attention. According to the global LoCAL project document, Phase 1 involves a very small number of local governments; Phase 2 between 5 and 10% of national local governments; and Phase 3 implies a national roll-out. Cambodia has 25 provinces, 165 districts and 26 municipalities; 1621 communes and 227 sangkats. As noted, phase 1 involved 1 province and 5 districts and phase 2, 2 provinces (8% of all provinces) and 7 districts (4% of all districts)- as well as a municipality. If the concept note were approved by the GCF, phase 3 would involve 20 districts (12%) in 2018 and 60 districts (36%) by 2021. This means that the target percentage was met in the second phase both for provinces and districts, but that it would not be followed for districts in the third phase if the concept note were approved by the GCF. The numbers change if the UNDP and IFAD projects are considered as LoCAL's third phase. In that case, the number of provinces would raise to 7 (28% of all provinces) at the moment and to 12 (48%) in 2018, without the GCF project. It is not possible to estimate i) the number and percentage of

---

<sup>14</sup> The districts of Bavel, MOUNG RUSSEI and THMAR KOUL were replaced by Phnom Preuk, Ratanak Mondul and Koh Kralar. as the three first were selected by ASPIRE.

districts covered by UNDP and IFAD, because this detail is not available for the latter (only the target number of provinces is known); and ii) the number and percentage of provinces covered if the GCF proposal were approved, because this detail is not available for the latter (only the target number of districts is known). It is important to note that the global project document does not specify whether “local governments” refer to provinces, districts or communes. The percentages would be lower for communes.

It is important to note that, as it will be discussed in section 4 below, without specific investments in all provinces and districts, LoCAL nevertheless had some impacts in the capacity to mainstream CCA in all of them. In particular, in coordination with NCDDS, the programme has helped to produce planning and monitoring guidelines for subnational authorities, which would allow the mechanism to be scaled up to the national level.

Interviews suggest a balance between investments and operational costs was sought in the first phase, in the sense that management and operational costs are greater the larger the number of provinces and districts. In this regard, LoCAL seemed to be aware that while the selection process should ideally be a nationally open system, the management and operational costs would be very high if districts are distributed among many provinces. This was combined with a consideration of the budget of districts, to try to ensure that the grant was meaningful (not too small) but not overwhelming (not too big). However, specific minimum and maximum thresholds regarding proportions of investment grant versus management and operational costs and investment grant versus district budget were not used when defining the number of provinces and districts. In the first phase, USD 40,000 was allocated to each of the three districts/municipalities. It was agreed to allocate a similar amount in the second phase.

Interviews indicate in any case that more than the overall allocation the principle of covering only 30-35% of the total cost of infrastructure investment has been an issue to attract interest from some communes. While some want to test the approach and value the extra money, some others don't find the LoCAL grant attractive or convincing if the investment is not part of their priorities. In this sense, there have been discussions on raising this to 50% to attract more communes. This means that the key thing might not be the total amount and/or the number of investments, but instead, or also, the degree of concessionality for each particular investment. This is indeed a crucial discussion in a programme that tries to demonstrate to local governments and communities the real value of climate-proofing infrastructure investments (and that competes with other programmes that provide 100% of the costs on the basis that communes don't have resources to co-finance). (For actual levels of co-financing, see section 2.3 below).

The selection of specific provinces, districts and communes also deserves a more detailed discussion. Interviews indicate that provinces and districts were mainly selected on the basis of their vulnerability, their capacity to implement and the fact that other development partners were not applying the same model there. The province of the first phase (Takeo) was selected due both to its vulnerability, as indicated in a map on vulnerability to climate change developed by the MoE, and because a previous UNCDF project (Innovation for Democratic Local Development) was already working there. While, according to the NAPA (Figures 1 and 2), Takeo is not the most vulnerable province to floods and droughts, it is certainly affected by both aspects. The selection of districts (Takeo has 11) was based on vulnerability and the need to target diverse environments.

Interviews mention that the selection of Battambang was not tremendously scientific, but it was based on vulnerability assessment, in particular on the vulnerability index developed by the MoE (according to the NAPA, Battambang is the most vulnerable province to droughts, and the second to floods). Interviews also suggest that the districts (Battambang has 14) were mainly decided by the NCDDS and the province, with limited involvement of UNCDF.

The selection process was more robust in the extension phase. As 3 of the districts already covered by LoCAL in Battambang were going to be covered by ASPIRE, LoCAL decided to replace them<sup>15</sup>. It was agreed to stick with the same provinces, and select new districts. UNCDF and NCDDS analysed all districts based on the official vulnerability index of the MoE and their own vulnerability assessment based on historical (5 years) village data: they had two different vulnerability rankings, quite similar. They selected the 3 districts with the highest ranks.

In all phases, consultations with several stakeholders at national, provincial and district levels were carried out. It is also worth noting that interviews reveal that medium term socio-economic trends and dynamics were not rigorously factored in, taking only into account changes from one year to another.

#### *1.1.2.2.2. Degree of coherence of the program activities with outputs and outcomes*

LoCAL in Cambodia was organized around 3 outcomes and 3 outputs. The first outcome refers to increased awareness on CCA and focuses specifically on integrating CCA strategies in subnational plans and investment programmes<sup>16</sup>. The second outcome refers to proving systems and procedures and focuses specifically on the execution of CCA strategies through sub-national public expenditure and management systems<sup>17</sup>. The third outcome refers to developing national guidelines for the sub-national level on mainstreaming CCA into their planning, budgeting, expenditure and management systems<sup>18</sup>.

The outcomes and outputs are coherent. They also show consideration for a comprehensive approach. However, when it comes to outcome 2, while capacity building was certainly important

---

<sup>15</sup> Coordination with key national stakeholders and other development partners is further discussed in section 2.3 below.

<sup>16</sup> Specifically: Outcome 1: Increased awareness of climate change and potential adaptation and resilience building responses among sub-national governments and local communities. The direct output associated with this outcome is "Integration of cross-sectoral, analysis-based strategies for building climate change resilience in sub-national plans and investment programmes in 2 provinces, 8 districts/municipalities and at least 30 communes/sangkats".

<sup>17</sup> Specifically: Outcome 2: Systems and procedures for mainstreaming climate change resilience within sub-national government public expenditure management systems in a fiscally sustainable manner are proven and available for scaling up. The output associated with this outcome is "Sub-projects responding to climate change resilience strategies are executed through the sub-national public expenditure and management systems in 8 districts/ municipalities and at least 20 communes/ sangkats in two annual budget cycles".

<sup>18</sup> Outcome 3: National guidelines for subnational public expenditure management facilitate mainstreaming of climate change resilience, particularly through cooperative action between district/municipal and commune/sangkat councils and administrations. The associated output is "National guidelines for sub-national planning, investment programming, medium-term expenditure framework and annual budget plan adapted to facilitate integrated, cross-sectoral strategies for climate change resilience implemented jointly by district/municipal and commune/ sangkat councils and administrations".

across phases, as it will be shown in section 3.2.5 below<sup>19</sup>, collected information suggest there was room for strengthening the soft part of adaptation efforts with more consistent technical backstopping. Interviews point out in this sense that capacity building might not have been enough and that the involvement of sectoral officials in the district could have been more substantive. Interviews at district level showed limited ownership of the programme and limited capacity on CCA planning and management – this is discussed in depth in section 4.1.1. It is worth noting that while this has not been addressed in the UNDP LDCF project, the IFAD project (ASPIRE) tries to overcome this by complementing investment in infrastructure (hard adaptation) with increased extension services (soft adaptation), particularly on agriculture. Although this technical assistance should also be considered for other aspects beyond agriculture, ASPIRE's provides a reasonable improvement on LoCAL's approach.

It might also be convenient to strengthen the technical component of the investments themselves, as it was raised in the report of the first phase. This stated that, given the small range of investments proposed for funding and its predictability (confirmed also in other phases – see section 3.2.5 below), LoCAL should improve the technical quality of the most important investments with further engagement of higher level technical agencies or NGOs, developing for instance investment packages (p. 5). Although some controls were established, this aspect could have been further strengthened.

### 1.2.3. How well are programme objectives supported by partners in Cambodia?

#### Contribution of development partners

LoCAL has been able to engage several development partners in Cambodia. A very significant percentage (83% or USD 250,000 out of USD 300,000) of the funds of the first phase of the programme came from development partners, in particular from the CCCA Trust Fund, which was funded at that time by EU, SIDA, DANIDA and UNDP. The second phase was totally funded by SIDA, which provided USD 1 million. The extension phase was also funded entirely by SIDA.

However, despite the call for attention of the report of the first phase in this regard<sup>20</sup>, coordination between UNCDF and other development partners doesn't seem to have been optimal at least since 2015. Since then the LoCAL model has been replicated in the IFAD and UNDP projects mentioned above, starting in 2016 and 2017, respectively. As explained below, none of these projects involved UNCDF directly, with UNCDF not being at least part of the Steering Committees to share the lessons of LoCAL. Interviews indicate that this is fine with UNCDF, which is interested not only in direct

<sup>19</sup> Capacity building represented 29% of all projects, but, except in 2015, between 4 and 8% of all project funds. In terms of sectors, education represented between 20 and 30% of all measures across phases.

<sup>20</sup> The report highlighted the opportunity "to scale up funding and to do so in a coordinated manner so as to achieve economies of scale and achieve mainstreaming of a unified approach to climate change adaptation in the sub-national public expenditure management systems. NCDDDS should take the lead in establishing a coordinated approach and development partners should actively seek opportunities for cooperation and partnership, rather than simply developing a set of projects with similar objectives but different implementation approaches" (p. 11).



implementation, but also in facilitating the replication of the model, but actual evidence of this facilitation is weak.

Efforts not to work on the same districts can be demonstrated, at least on the UNCDF side. As noted earlier, in the extension phase, 3 of the LoCAL Phase 2 districts were changed not to work in the same districts as ASPIRE. Although the logic behind it (to avoid confusion) makes some sense, it would also make sense to seek complementarities in the districts, particularly to ensure the pilot phase is long enough to generate ownership in each district, given that an innovative and ambitious concept and approach like the PBCRG needs long term policy support. UNCDF claims that joint technical meetings have also been conducted by the three projects and that they meet and share experiences in the UNDP Informal Donor Meeting on climate change.

Nevertheless, while there are contested views on the extent to which UNCDF and IFAD representatives know each other and ASPIRE's technical assistance team might prove it different, the representative of IFAD showed limited familiarity with LoCAL: the name (LoCAL or LGCC) didn't ring a bell and he only knew about UNCDF because of a micro-finance programme, with no clue about LoCAL's proposal to the GCF for the third phase. Interviews suggest that knowledge was indeed transferred through an international consultant that has been largely involved in LoCAL and designed the ASPIRE programme. While this has certainly ensured a trustful transference, it raises concerns about the sustainability of the transfer mechanism. It is also important to note that although very similar the model in LoCAL and ASPIRE is a bit different in terms of the national and sub-national implementing partner (NCDDS and districts in LoCAL versus MAFF and communes in ASPIRE), an issue that was warned against in the final report of the first phase<sup>21</sup>, and which creates confusion.

The relationship between UNCDF and UNDP is closer. While UNDP doesn't know the details of the GCF proposal, its Climate Change Policy Analyst did participate in the consultation process. However, UNCDF was not considered during project design as a key institution to be part of the project steering committee of the UNDP LDCF project.

Coordination and communication efforts with other development partners could also be enhanced. Interviews reveal that critical stakeholders were not familiar at all with LoCAL. Some others were not familiar with some key elements of the programme, such as how interventions are prioritised. A critical funding partner of LoCAL in Cambodia, SIDA has already raised concerns on this, explicitly requesting coordination at least with ASPIRE. It would be relevant to consider also other projects. The CCCA and ADB projects have national coverage; the GO project is active in 15 provinces; PADEE and ASPIRE are and will be active in Takeo, respectively; and ASPIRE and the GIZ projects are active in Battambang.

---

<sup>21</sup> "NCDDS has been approached by three or four different development partners wishing to support projects that are "similar but different" from LGCC. Harmonisation around a single model would be more productive – this does not mean "harmonization around the UNCDF model" but rather, that NCDDS should take the lead in determining the basic framework for donor support to sub-national climate change adaptation and require donors to design projects that support that framework." (p. 12)



To a certain extent, coordination amongst development partners seems to be a significant challenge in Cambodia beyond LoCAL. Although the GoC and the UN have created permanent coordination structures, in the form of groups of practitioners, interviewees from the government and development partners agree that these are in need of improvement. According to the interviewees, CCA funding is coming from different sources, because it's a cross-cutting issue, with limited harmonisation and sharing of lessons, which created confusion and compromises the impact of programmes and their ability to build sustainable capacities. Indeed, a lack of coordination can not only limit synergies and complementarities, but can also result in redundancy and planning fatigue, for instance in terms of VRAs and DCCAS, as noted by the assessment report of the second phase.

#### Contribution of national stakeholders

LoCAL has been significantly supported by the NCDDDS, which has provided day-to-day management of the two full phases and the extension phase of LoCAL in Cambodia as well as financial co-financing for the GCF readiness efforts. NCDDDS ownership of LoCAL has indeed been outstanding. Not only has it provided the aforementioned support, but it also has demonstrated a clear commitment to replicate LoCAL's model. Indeed, while UNCDF didn't play a major role on the UNDP LDCF and ASPIRE projects, NCDDDS was crucial in them, especially in the former. It can actually be argued that the LoCAL model is already successfully embedded in NCDDDS model. UNDP helped mobilize resources to implement NCDDDS idea and UNCDF didn't object. This is significant because, according to interviews, before LoCAL NCDDDS didn't work at all on CCA and LoCAL kick-started it. Now interviews indicate a roadmap to mainstream CCA into local planning through different approaches and sources: in government planning through LoCAL, in sectors through CCCA and in the civil society through CCBAP and GO.

LoCAL has been considerably less successful in engaging other national stakeholders. The programme had a close relationship with the MoE in the first phase that was supported by the CCCA Trust Fund, given that the MoE was its main implementing partner. Interviews reveal that the involvement of MoE in the second phase of LoCAL and its extension was very limited, without any functional or operational engagement, despite MoE being the national implementing partner of major CCA projects. A key official of the MoE didn't know basic elements of LoCAL (e.g. how often the performance of districts is assessed). LoCAL has failed to engage also the MAFF, although most of its investments focus on rural areas and many of them are agriculture-related, and the MAFF is actually the main implementing partner of ASPIRE. LoCAL hasn't engaged either the Mol, which has a critical role to play when functions are transferred to local governments (NCDDDS is in charge of pilots on decentralization and coordinates with other ministries, but it is the Mol who implements once a function has been transferred).

This points to a problem that to a great extent goes again beyond LoCAL. Development partners claim that the GoC is still working in silos, even on CCA. Interviews also point out that there is also competition and friction when it comes to mobilizing and managing external financial resources, for instance between NCDDDS and MoE. In addition, there is a difference in the approaches between NCDDDS, which works with districts and communes, and line ministries, including MoE, which work with the provincial line departments.

Some coordination seems however to be in place. According to NCDDDS, government officials in these ministries know each other, share experiences and do work together in developing guidelines. They also use the same tools, such as the VRA, and the same technical teams to provide joint technical support at the provincial level. NCDDDS also follows regulations from MoE. In turn, MoE has been showing willingness to decentralize some functions (e.g solid waste) and nominated NCDDDS as NIE for GCF.

Institutional fragmentation can nevertheless become a risk to the sustainability of work supported by LoCAL on mainstreaming climate change adaptation at the local level. Interviews reveal that the GoC is aware that LoCAL is not going to support them longer and that they need to pull in. But while commitment of the NCDDDS to LoCAL is great, it is the MoE which needs to convince the Ministry of Economy and Finance (MEF) to support the national rollout of the LoCAL model. Discussions between MoE and MoF are on the early stages.

### **Contribution of local governments**

Local governments are providing in-kind co-financing in terms of support of government staff at district and commune level to carry out all activities on the ground. This includes operation and management of planning, budgeting, implementation and monitoring all the local level governance structures and their financial operations. Despite the limited technical and management capacity (see section 4), this has been important for LoCAL.

### **Co-financing**

According to the data made available to the evaluation team, co-financing represented almost 50% of all project funds. Financial co-financing was not mobilized in 2012 and 2015, but it represented 50% in 2013, 62% in 2014 and 68% in 2016 of the total amount of funds mobilized by the programme. In general, financial co-financing was mobilized in infrastructure works, and was not raised for capacity building and the provision of equipment. While this is true in 2013, 2014 and 2016, the lack of financial co-financing in 2012 and 2015 cannot be explained by the lack of infrastructure work: infrastructure was climate-proved in those years without any financial co-financing.

The sources of cash co-financing are mostly unclear (that's why this comes as a separate point and not under national or local government contributions). It is unclear what the sources were in 2013 (the matrix only uses the category "co-finance other", without specifying which – two investments got co-financing from the provinces); and 2016 (the matrix doesn't distinguish between CS and DM funds). According to the 2012-2015 matrix, in 2014 the provinces (that is the lowest level of the central government) provided all the co-financing, which is to a certain extent controversial for a programme that tries to push decentralisation and raise awareness and commitment of sub-national governments, that is, in Cambodia, districts and communes.

It is worth noting that while the idea is that LoCAL would cover the additional cost of climate-proofing the infrastructure and the GoC the cost of the infrastructure itself case by case, a specific analysis and budgeting is not conducted as part of the LoCAL process.

Finally, although not explicitly indicated in the available data matrix, observations reveal that, in some cases, communities have also provided in-cash co-financing. For instance, in Roka Krao Sangakt, the community contributed with 200,000 KHR. While a small percentage (0.7%) of the cost of the investment, the fact is still relevant.

#### 1.2.4. To what extent is programme design sufficiently taking cross-cutting issues such as gender and human rights and social and environmental performance into account?

The assessment of the second phase indicated a significant inclusion of gender considerations in LoCAL. Some positive aspects are confirmed by desk review and interviews. During project design, gender sensitive indicators were included in the project result framework. Output 1 explicitly refers to equal numbers of men and women of provincial, district and commune officials participating in cross-provincial exchange visits and learning workshops. To assess outcome 2 the percentage of funding projects responding to priorities identified by women's groups in VRA is considered. Moreover, women have been involved in a substantive manner in all project processes and activities, including provincial project orientation workshops, VRA trainings, VRA assessments, District CCA strategy workshops, project planning in Community Development Plans (CDPs) and Community Investment Plans (CIPs), project priorities and selection, and project monitoring and evaluation, which involved focus group discussions with women.

However, there are important gaps in the inclusion of gender considerations. While, as it will be discussed immediately, the methodology to assess the performance of districts takes into account the inclusion of vulnerable groups, gender aspects are not explicitly or directly included in the assessment, as the vulnerable group is not disaggregated by gender.

Indeed, there is limited hard evidence to assess the relevance of investments to women, as information on the gender sensitivity of the implementation activities is not routinely collected. The latest 2012-2015 project matrix only provides gender-disaggregated information on the beneficiaries for 2014 and 2015 for the Takeo Province: there is no disaggregated information for Takeo in 2012 and 2013 and for Battambang in 2014 and 2015. The 2016 project matrix does provide gender-disaggregated data for the two provinces. The conclusions of available data are in any case positive. As noted in section 5.3 on likely impacts below, using project data, in Takeo, women represented 56% of the total number of beneficiaries of LoCAL sub-projects in 2014 and 52% of total number of beneficiaries of LoCAL sub-projects in 2015. Women represented 51% of the total number of beneficiaries of LoCAL sub-projects in Takeo and Battambang in 2016. According to this data, the programme benefited equally men and women in capacity building and awareness raising (51% of participants in these activities were women). According to this source, in Cambodia women represented 53% of the beneficiaries of physical interventions.

As noted, vulnerable groups, without gender considerations, are explicitly considered in LoCAL. The 2015 and 2016 matrices to assess the performance of districts and allocate grants gave 25% of all points to the category beneficiaries. In 2015, of these 33% of the points were given to the number of

beneficiaries who are poor and/or vulnerable. In 2016, of these 20% of the points were given to cost per beneficiary and proportion of beneficiaries that are poor, meaning holders of “ID-poor” cards. The remaining points in this category were given to the results of a participatory evaluation conducted by the beneficiaries themselves. The results for 2015 and 2016 are provided in section 5.3 on likely impacts below. It must be noted, in any case, that information on the population with ID-poor cards is not provided for 2012-2015 – it is only available for 2016. While in Cambodia in 2016 districts got good scores on cost-effectiveness in supporting poor and vulnerable people<sup>22</sup>, population with ID-poor cards represented only 10% of total beneficiaries.

## 1.3. Efficiency

### 1.3.1. What is the quality of programme management?

As in other countries, LoCAL uses Cambodia’s government system and its human resources to manage the programme in the country. In Cambodia the Programme Management and Support Division (PMSD) of the NCDDS carries out day-to-day implementation of the programme. Specifically, the management of LoCAL involves one senior and one intermediate staff of NCDDS. This is complemented with a focal point in two provinces (Takeo and Battambang) where the programme is active, as well as a contact person in the target districts. The provincial focal points are paid by LoCAL – the rest is government co-financing.

UNCDF has a small team to support LoCAL in Cambodia – a country manager and an administrative assistant cum driver. Regular technical support is provided from the LoCAL Programme Manager for Asia, in the Bangkok Regional Office. An independent consultant plays a key role in LoCAL Cambodia, being involved in the design and assessment processes. He has also been crucial in transferring knowledge across UN agencies – he designed ASPIRE, which replicates to a great extent the LoCAL model. LoCAL Cambodia also gets administrative support from UNCDF’s Regional Office for Asia, for instance to approve the grants. At the time of the in-country visit LoCAL was the only project managed by UNCDF’s Cambodia office. The regional office manages the two other projects active in the country (Shaping Inclusive Finance Transformations (SHIFT) on micro-finance and Clean-Start on clean energy).

The management structure has not changed through the phases, apart from adding a new focal point in Battambang in the second phase. This seems reasonable given the scale of the expansion. It might be however trickier with a more significant growth. The staff of the PMSD of the NCDDS has increased from 10 people in 2011 to 13 in 2017, but the volume of work has grown very significantly (including the management of UNDP LDCF project that replicates LoCAL) and, according to the NCDDS, development partners show resistance to provide direct technical assistance. To deal with this, the

---

<sup>22</sup> They got an average score of 18/20, with four districts scoring a maximum 20 on this indicator and the lowest score being 14/20.

proposal to the GCF includes financial resources to manage the implementation of the third phase of LoCAL.

In this context, despite some recent progress and the implementation of a Project Implementation Manual (PIM), while programme management seems reasonably solid at the national level, as noted in section 3.3.1 below, reporting is incomplete and in some cases unclear and inconsistent.

Management at district level shows also room for improvement. Interviews conducted during field visits showed limited ownership, with information not being available when requested. The Annual Performance Assessment (APA) of districts (its process, methodology and value is presented in section 3.3.3 below) assesses the quality of implementation of the programme at district level. In particular, the 2016 APA methodology applies at district level indicators that would normally be included in a generic Public Expenditure Management (PEM) assessment. Specifically, the methodology considers timeliness of project preparation (20 points), procurement (number of bids submitted and evidence of a bidding discount, i.e. that the price obtained was below the budget estimate) (30 points); commitment and disbursement of funds (30 points); and physical completion dates (20 points)<sup>23</sup>. The APA 2016 showed mixed results (pp. 11-12). The average score was high (37/40 points) on procurement, (based on numbers of bids submitted and the size of price discounts obtained), with all districts getting good scores. Average scores are on the medium fringe on commitment and disbursement (12/30 points) and timeliness of project completion (9/20 points), but on both there is considerable variation between districts. Finally, no District was able to complete project preparation on time.

Delays have indeed been a structural management issue. The final assessment of the second phase already highlighted that “Of the 40 planned sub-projects in 2013, all but 2 of the infrastructure sub-projects were completed...” and “None of the planned technical services sub-projects, which were to be executed at the district/ municipality level, had been implemented.” (p. xiii). As has been noted above, an extension phase was approved.

Some of these delays are due to delays in disbursement. The transfer from UNCDF to NCDD is easy and fast, but once resources enter the national budget system the process is slow. From NCDD to communes disbursement has to follow 13 or 14 steps and takes 2-3 months, given that the process is not only about transferring, but also about confirming the budget line. Interviews indicate that the main bottleneck stands at the district level. According to an interviewee, districts are treated as if their budget would be part of the national budget, so that this has to be cleared by both the department of finance and treasury at the province level, which means a long process. In contrast, the system works reasonably well at commune level, and is supported by donors. ASPIRE, for instance, follows the LoCAL model in most aspects, but it works with communes instead of districts. It also took some time to learn how the system works, as noted by the assessment of the second phase (the districts/municipalities were unable to utilize PBCRG funds due to a lack of clarity as to the procedures for funds flow/disbursement from the provincial treasury to the districts”, p. xiii). Delays in

---

<sup>23</sup> The indicators used by the 2015 APA methodology were less clear in relation to the management process, apart from an indicator in the percentage of funds either disbursed or committed to signed contracts.

implementation are also due to Cambodia's climate. In some areas it is not possible to do infrastructure work between July and October or November due to the monsoon.

The budgeting timeframe is also an issue, as this differs amongst development partners and the government, being difficult to match investments. In GoC the timeframe is April – March. For some development partners this is June-July and for others January – December. The GoC cannot carry over resources from one fiscal year to another, so this means that sometimes resources have to be spent very quickly.

### 1.3.2. How well has the initiative delivered its expected results to date and what is the quality of the programme outputs (deliverables) delivered to date?

#### *1.1.3.2.1. Number of participating local governments*

As noted in section 2.2.1 above, LoCAL in Cambodia has been implemented in two phases, plus an extension. The first phase of LoCAL in Cambodia was in 2011-2013. During this phase, LoCAL was implemented in 1 province (Takeo) and 3 lower level administrations: 1 municipality (Daun Keo) and 2 districts (Bati and Borei Chulsar); and 22 local administrations: 3 sangkat in the municipality and 19 communes in the two districts.

The second phase of LoCAL in Cambodia started in 2013 and, given delays on implementation, concluded in 2016. During this phase, LoCAL was implemented in 2 provinces, the province where the programme was already active (in the same districts) and one additional province (Battambang), where the programme was implemented in 5 districts (Bavel, Moug Russei, Ruhakiri, Sampov Loun and Thmar Koul). According to the assessment report of the second phase (pp. 10-11), the programme met the target in terms of number of communes – it was active in 28, when the target was 20 communes.

A bridging phase took place in 2016-2017. This consisted on finalizing infrastructure works and did not involve new provinces. However, 3 districts were replaced by another 3 in 2016 (In particular Bavel, Moug Russei and Thmar Koul were replaced by Phnom Proek, Ratanak Mondoi and Koas Krala; Sampov Loun and Ruka Kiri were kept).

A concept note of a third phase of LoCAL was designed by UNCDF and sent to the GCF in early 2017. It request 14 m USD (plus 1 m of co-financing from UNCDF) to cover 20 districts in 2018 and 60 districts in the period 2019-2021. The specific provinces and districts are not yet decided. The proposal focuses on districts, and does not consider municipalities. In parallel, UNCDF is supporting the process to accredit NCDDs as National Implementation Agency before the GCF, which could facilitate the scaling up and replication of LoCAL in Cambodia.

It is worth mentioning that the LoCAL model has been replicated without using the same name and the direct involvement of UNCDF. As noted above, UNDP and IFAD are implementing projects that

## DRAFT EVALUATION REPORT

put forward the LoCAL model. The UNDP project Strengthening the resilience of Cambodian rural livelihoods and sub-national government system to climate risks and variability is being implemented in 2 provinces (Siem Reap and Kampong Thom), 10 districts and 89 communes. IFAD's ASPIRE project is active in 5 provinces (Battambang, Pursat, Kampong Chhnang, Preah Vihear and Kratie) and 12 districts, with the aim of covering 18 districts this year. In 2018 five new provinces will join (Takeo, Kampot, Kandal, Pray Veng and Svay Rieng). The idea is to cover all provinces by 2023. LDCF and ASPIRE have not transferred resources to districts yet, but, as LoCAL, they will go through the national systems.

Table 1. Number of participating local governments

Programme / Project	Phase	Status	No. of provinces	No. of districts / municipalities	No. of communes
LoCAL	1	Finalized (2011-2013)	1	3	22
	2	Finalized (2013-2016)	2	8	28
	Extension	Finalized (2016)	2	8	Unknown
	3	Concept note sent to GCF	Not defined	60	Not defined
UNDP LDCF	Not applicable	Active (2017-2019)	2	10	89
IFAD ASPIRE	Not applicable	Active (2016-2023)	Now: 5 In 2008: 10	Now: 12 End of this year: 18	Not defined

#### *1.1.3.2.2. Number of local governments which have integrated the PBCRG*

In Cambodia the Performance Based Climate Resilient Grant (PBCRG) is applied at the district or municipality level, with communes or sangkats proposing activities to be funded. The later can also implement sub-project activities. In this sense, the PBCRG system has been used in 3 local administrations during phase 1 and in 8 during phase 2. In the extension phase, 3 of the 8 of the second phase districts were replaced by new ones. In total, therefore, LoCAL has applied the PBCRG system in 11 districts. As noted above, UNDP LDCF will apply this system in 10 additional districts this year. ASPIRE will also apply this system, but at commune level instead of at district level, covering between 12 and 18 districts this year. It is worth noting that interviews at the district level revealed that this system is only used for LoCAL and that a performance-based system has not been integrated in the inter-governmental fiscal transfer system beyond these specific funds for CCA.

#### *1.1.3.2.3. Proportion of funds disbursed related to planned disbursements*

Table 2 below summarizes the inputs-based budget as presented in the Phase 2 Concept Note. The category "Contractual services/TA" includes a total budget of USD 640,000 to be transferred to local governments in the form of fiscal grants. Planning documents for Phase 1 are not available. A number of amendments have also been made following the approval of the Phase 2 Concept Note, but it was



## DRAFT EVALUATION REPORT

not possible to consolidate this information within the scope of this evaluation.

**Table 2. LGCC Phase 2 Additional Budget – Inputs-based, in US Dollars**

Category		2. 2012 (mid-)	3. 2013	4. 2014	5. Total	6. Share
7. 1	8. Personnel Expenses	9. \$ 9,600.00	10. \$ 50,400.00	11. \$ 42,000.00	12. \$ 102,000.00	13. 9%
14. 2	15. Travel	16. \$ 1,500.00	17. \$ 15,500.00	18. \$ 17,000.00	19. \$ 34,000.00	20. 3%
21. 3	22. Contractual services /TA	23. \$ 128,000.00	24. \$ 408,500.00	25. \$ 264,500.00	26. \$ 801,000.00	27. 72%
28. 4	Workshops, meetings, trainings	29. \$ 19,300.00	30. \$ 21,600.00	\$ 16,600.00	31. \$ 57,500.00	32. 5%
33. 5	Project equipment	\$ 20,000.00			\$ 20,000.00	2%
6	Miscellaneous		\$ 12,150.00	\$ 16,200.00	\$ 28,350.00	3%
	GMS 7%	\$ 73,000.00			\$ 73,000.00	7%
	<b>Total</b>	\$ 251,400.00	\$ 508,150.00	\$ 356,300.00	\$ 1,115,850.00	100%

Source: Phase 2 Concept Note

According to the expenditure data made available to the evaluation team, LoCAL Cambodia spent USD 2,231,889. Of this, USD 47,411 or 2% were spent in 2012; USD 701,775 or 31% were spent in 2013; USD 377,319 or 17% were spent in 2014; USD 594,987 or 27% were spent in 2015; USD 23,652 or 1% were spent in 2016; and USD 486,745 or 22% were spent in 2017. In terms of account categories, grants represented 80% of all expenditures, the rest concentrating basically in contractual services (7%) programme support costs (6%), consultants (3%), travel (2%) and staff costs and rent and maintenance (1% each).

**Table 3. LoCAL Cambodia expenditure (USD)**

Account Category	2012	2013	2014	2015	2016	2017	Total
Communication Audio & Printing		169	41		158	200	568
Consultants		21,336	30,692			14,794	66,822
Contractual Services		31,155	39,812	36,224	19,889	21,296	148,376
Equipment and Furniture		175	122	82			379
Exchange Gain/Loss		8		7,646			7,654
Grants		590,580	277,920	470,314		450,000	1,788,814
Miscellaneous		5,134	5,605	1,977	419	213	13,347
Programme Support Costs	47,411	37,422		46,915	-		131,748
Reimbursement to UNDP			86				86
Rent & maintenance		2,589	4,218	4,995	698		12,501



## DRAFT EVALUATION REPORT

Staff Costs			13,529	11,169	43		24,741
Training, Workshops and Confer			75				75
Travel	13,208	5,219	15,664	2,446	243		36,780
<b>Total</b>	<b>47,411</b>	<b>701,775</b>	<b>377,319</b>	<b>594,987</b>	<b>23,652</b>	<b>486,745</b>	<b>2,231,889</b>

Source: LoCAL Expenditure Pattern data

According to the latest sub-project information made available to the evaluation team, LoCAL in Cambodia mobilized USD 2,654,700 in adaptation measures. Of this, USD 164,686 or 6% was mobilized in Phase 1, in 2012; USD 1,544,941 or 58% was mobilized in Phase 2 (USD 516,065 or 19% in 2013, USD 709,722 or 27% in 2014 and USD 319,154 or 12% in 2015); and USD 945,072 or 36% was mobilized in the extension phase, in 2016.

The amount mobilized in grants was of course smaller, given that the numbers above include co-financing from the province and other sources. According to the same source, the amount of UNCDF PBCRG reached USD 1,313,208 in all phases<sup>24</sup>. Of this amount, USD 164,686 or 13% was mobilized in phase 1, in 2012; USD 842,520 or 63% was mobilized in phase 2 (USD 255,993 or 19% in 2013, USD 267,373 or 20% in 2014 and USD 319,154 or 24% in 2015); and USD 306,002 or 23% in the extension phase, in 2016.

#### 1.3.2.4 Number of adaptation and resilience investments

According to the latest sub-project information made available to the evaluation team, LoCAL in Cambodia completed 236 adaptation measures. Of these, 21 or 9% were completed in phase 1, in 2012; 95 or 69% were completed in phase 2 (39 or 17% in 2013, 58 or 25% in 2013 and 64 or 27% in 2015); and 54 or 23% were completed during the extension phase, in 2016. The strategic result framework of the second phase did not establish a clear target in this regard<sup>25</sup>.

#### 1.3.2.5 Types, budget and stage of implementation of investments funded with LoCAL funds

##### Geographical distribution

According to the same source, the number of adaptation measures was relatively equally distributed between the two provinces where the programme was active: 121 measures were completed in Battambang and 115 measures, in Takeo. Given that in Takeo the programme had started earlier, during the second and extension phases the intensity of the programme in terms of number of

<sup>24</sup> Note that this figure is not consistent with the expenditure data. According to the latter, USD 1,788,814 have been spent in grants. The lack of consistency is not explained by a timing issue (the expenditure data being more complete): the amount of grants differs every year.

<sup>25</sup> The target of output 2 read: "Sub-projects responding to climate change resilience strategies are executed through the sub-national public expenditure management systems in 8 target districts/municipalities and at least 20 communes/sangkats in two annual budget cycles" [11 SEP].

adaptation measures was greater in Battambang: the distribution was similar in 2013, but since then (in 2014, 2015 and 2016) this province concentrated almost 60% of the number of completed adaptation measures.

In term of amount of funds, Takeo received 46% of all PBCRG and Battambang, 54%. The grant only benefited Takeo in the first phase, in 2012. Since then Battambang concentrated at least 60% of the amount of the PBCRG. The distribution stands even if the total amount of funds (PBCRG and co-financing funds) for adaptation measures is analysed: each province executed 50% of funds. As noted, in 2012 resources were only executed in Takeo, which still concentrated them in 2013 (68% of the total resources were disbursed there that year). The share of project funds of Battambang surpassed that of Takeo in 2014 (55% of the funds were executed in the former) and maintained in around 60% in 2015 and 2016.

### Distribution by type of investment

In terms of types of investments, infrastructure concentrated the greatest number of projects (153 projects or 65%), followed by capacity building (69 projects or 29%) and well behind provision of equipment (14 projects or 6%)<sup>26</sup>. In the first phase, capacity building and infrastructure were allocated the same number of interventions. In the second phase (2013-2015), infrastructure works represented 65% of the number of the adaptation measures, capacity building 28% and provision of equipment 7% of them. The information for 2016 only distinguishes between infrastructure and non-infrastructure adaptation measures, therefore not distinguishing between capacity building and equipment. Infrastructure works represented 74% of the measures executed that year; the later, the rest<sup>27</sup>.

The focus on infrastructure is more prominent if the distribution of funds is analysed. Between 2012 and 2016, USD 2,424,439 or 91% of all project funds were used on that kind of investment, while capacity building got USD 151,167 or 6%, and equipment USD 61,898 or 2%. In the first phase, in 2012, the distribution of funds was more even: infrastructure got 66% of them, given that as the project was starting equipment and capacity building got a significant part of the funds (12% and 11%, respectively) – administrative cost represented also 10%. In the second phase, the funds focused even more on infrastructure: in 2013, this concentrated 95% of the funds and in 2014, 89% of them. Although their participation decreased to 84% in 2015, in 2016 they concentrated almost all the funds mobilized by the project (98% of them). The percentage of funds allocated to capacity building increased considerably in 2015, to 12%, but it was 4% in 2013 and 8% in 2014 and only 2% in 2016. Provision of equipment kept a low participation (below 5%) since 2013, included.

### Distribution by sector

The data matrix for 2012-2015 that was made available to the evaluation team distinguishes between 7 sectors: agriculture, construction, disaster prevention and preparedness, transport and storage,

<sup>26</sup> Water filters was the only equipment provided.

<sup>27</sup> Of the 14 non-infrastructure adaptation measures completed in 2016, 10 were only training and 3 combined training with the provision of equipment (no separate budget is provided). One measure consisted on planting trees. For the overall account, the 14 non-infrastructure measures have been categorized as capacity building.

water and sanitation, education and general environmental protection. It must be noted that the definition of the sector is complex –the matrix shows some discussion on how to categorize a great number of the activities, and in some cases the same activity is categorized differently (i.e. training on agriculture techniques is sometimes considered as education and sometimes as agriculture). The 2016 matrix does not indicate the sector to which the adaptation measure is related. For that reason, the analysis below covers only the 2012–2015 period.

In terms of number of projects, LoCAL Cambodia has focused on education (23% of all projects), agriculture (13%), water and sanitation (26%), and transport and storage (34%). Education has indeed concentrated a considerable percentage of projects (between 20 and 30%) across phases. Agriculture was especially promoted in 2013, but has kept otherwise a participation of around 10% of projects. Apart from 2013, when it dropped significantly, the participation of water and sanitation has ranged between 20% and 40%. The concentration of the number of projects on transport and storage has increased steadily from 14% in 2012 to 42% in 2015.

Between 2012 and 2015, the sub-project funds concentrated on transport and storage (receiving 49% of all funds) and water and sanitation (25%) and to a lesser extent agriculture (11%). All the other sectors had a percentage no greater than 6% (education 6%, disaster prevention and preparedness 5% and construction, 2%). In term of evolution, education had a considerable participation in 2012 and agriculture and disaster prevention and preparedness in 2013. While it already concentrated 33% of the funds in 2012 and 2013, the concentration of funds on transport and storage infrastructure increased in 2014 and 2015, when it reached 60% and 58%, respectively. The participation of investment in water and sanitation has maintained between around 20% and 40%.

### Cost-effectiveness

As noted above, the information on the number of beneficiaries is incomplete: this is only available for Takeo in 2014, 2015 and 2016, and for Battambang in 2016<sup>28</sup>. In total, according to available data, 409,136 people benefited from the 98 adaptation measures implemented in those periods, which means that in average 1,734 people benefited from an average project activity. The ratio increased steadily since 2014: from an average of 531 beneficiaries per adaptation measure to an average of 1,278 in 2015 and an average of 5,491 in 2016. The average cost is USD 10.48 per person. The cost per capita was higher (USD 10.5 /person) in 2014 and particularly low (USD 1.4/person) in 2015; it was USD 3.19/person in 2016.

It is worth noting that the estimation of beneficiaries seems rather generous in some cases, both for infrastructure and non-infrastructure projects. In 2016, the number of beneficiaries of several road projects surpassed 10,000 people each; similarly the number of beneficiaries of a training on raising chickens, ducks, and fish and giving away breed animals to farmers (with a budget of USD 2,150) was registered as over 24,600 people and two different training activities and tree planting activities in public spaces benefited more 15,700 people each. The type of investments (largely road and canals)

---

<sup>28</sup> Note that for the calculations we take the total number of measures, costs and beneficiaries in that universe, but data on beneficiaries is not provided for some measures in Takeo in 2014 and 2015.

and the relative density of the country suggest in any case that cost-effectiveness is likely to be high. Anecdotal evidence also indicates this: focus group discussions noted that at least 100 households benefited directly from investments that were visited, with at least 300 families benefiting indirectly.

### 1.3 What is the quality of programme monitoring systems? To what extent do they help capture the likely results of these investments?

#### 1.3.1 *Existence of a sound baseline assessment in the planning documents*

As noted in section 2.2.1 above, vulnerability indices were used in the selection of provinces and districts in all phases. In phases 1 and 2, the vulnerability index developed by the MoE was used. In the extension phase, this was combined with an additional vulnerability index developed ad hoc. VRAs were conducted also in each of the communes where LoCAL is active. It is unclear, however, whether a specific vulnerability index was used to select communes.

While the vulnerability indices provided information on the baseline, full baselines were not created for the programme for monitoring progress in terms of vulnerability or overall implementation progress. Instead, baseline values were identified for each activity and related targets set on a quarterly basis, tracking LoCAL implementation activities.

#### 1.3.2 *Existence of a sound performance measurement framework/logframe, with specific, measurable, attainable, relevant and time-bound (SMART) indicators, in the planning documents*

For first phase, the first quarter report of 2012 provides indicators, baselines (as per October 2010), targets and current status per activity. However, the targets are not measurable and its timeframe does not make sense (it is the same as the reporting period used to present current status – March 2012), unless quarter reports only consider quarter targets, which would not allow understanding how the project is evolving in the wider picture.

For Phase 2, a logframe is available in the related Concept Note. It identifies the project objective, expected outcomes and outputs, indicators, baseline, target, source and means of verification and assumptions. Output indicators are relevant and attainable, but not explicitly time-bound (the results framework indicates a timeline between 2012 and 2015) and not particularly specific and measurable. An example of this would be indicator 1.2.1 “# Districts / Municipalities implementing capacity development plans responding to baseline performance assessment” which does not allow to obtain insight into the quality or reach of such capacity development plans. The outcome indicators do not

identify a scale on which they could be measured, such as a number or a proportion of sub-national development plans with climate change strategies.

### 1.3.3 *Level of quality and of relevance of the indicators used for PBCRGs*

In Cambodia the APA has until now been conducted by a team from NCDDDS working with provincial level officials and supported by UNCDF. According to the 2016 report, the assessment starts with a brief introductory session with both assessors present, after which one assessor departs to inspect physical project outputs and verify maintenance arrangements while the second assessor conducts document checks. In the afternoon, both assessors conduct participatory evaluations. Details of the process are well presented in the 2016 report. Here it is worth noting the reasonable superficiality of the assessment the operational costs not to be too high. Regarding sub-projects, the aim is to visit briefly (a succinct inspection and verification of maintenance arrangements) about five completed in the 12 months before the assessment in two to three hours. The participatory evaluation is conducted with around 20 beneficiaries, including at least five women and five men, in about one hour in two project sites, one selected by the district and one by the assessment team. According to the 2016 report, the participatory evaluation uses three indicators: i) whether the participants can articulate how the projects contributes to improving their climate resilience; ii) the beneficiaries rating of the quality of implementation (rated separately by men and women); and iii) discussion of whether the project is seen as a high development priority, also assessed separately by men and by women (p. 10). The sustainability of this process is discussed in section 6.2 below on sustainability.

The methodology to conduct APAs has changed quite significantly since 2012 in terms of the areas covered, the weights and the indicators. According to the 2016 APA, the original (2011) set of performance indicators weighted towards measuring good PEM performance: it included 20 PEM indicators and 12 CCA indicators<sup>29</sup>. The methodology was reviewed before the first APA in 2012 to include 7 PEM indicators with a maximum possible score of 12 and 5 CCA indicators with a maximum possible score of 11. This was applied in 2012 and with minor modifications in 2013. In late 2014, the methodology was significantly reviewed, taking good PEM performance as minimum conditions and focusing the APA on CCA and use of PBCRG. The new methodology, which was applied in 2015, considered the process, the projects, the beneficiaries and learning and development, each weighting the same. In 2016, the 4 key areas were the process, the projects, the beneficiaries and the climate change adaptation mainstreaming index, with equal weight<sup>30</sup>. The indicators changed along the process to make them clearer and more objective. In addition to the structure of indicators, their weights have also changed.

All these changes show that it has taken a lot of work and time to refine the methodology. They also suggest, as explicitly recognized by the 2016 APA, that the 2012, 2013 and 2015 methodologies were

---

<sup>29</sup> The PEM indicators comprised Planning and Budgeting indicators (9 indicators); Budget Execution indicators (2); Accounting and Audit indicators (5) and Accountability and Transparency indicators (5).

<sup>30</sup> The APA results of 2015 and 2016 on the project, climate change mainstreaming / learning and development, and beneficiaries will be used later on in this evaluation (the results on process have been used in section 3.1 above).

considerably inappropriate, with many indicators far from being sensitive<sup>31</sup>. While it is certainly good news that the methodology is now more robust (some indicators are still weak)<sup>32</sup>, it is fair to question whether this should not have been the case earlier, given the central role that the APA plays in the PBCRG and this in the LoCAL model. The continuous methodological change is also an issue in itself, as it does not allow comparing APA across time, and therefore cannot be used to assess the extent to which performance has improved. While standardization methods can be applied, and had actually been applied for allocating grants, these are complex and compromise one of the key virtues of the APAs: that implementers can understand their progress and how this affects the resources they are allocated.

#### 1.3.4 *Existence of a sound M&E strategy, that includes a description of roles and responsibilities, a timeframe/work plan, a budget and reporting requirements*

No information is available about the M&E strategy for Phase 1, except for a mention in the Phase 2 Concept Note that an evaluation of results and outcomes was scheduled for the final quarter of 2012.

The Phase 2 Concept Note includes a section on M&E that identifies the various means that would be used to monitor and evaluate LGCC implementation. These include:

- NCDDS Project Information Database: for tracking of project implementation by the Provincial Administration;
- Monitoring visits by UNCDF, NCDDS and the Provincial Administration to sub-project sites;
- Participatory evaluations at the district/municipality level on a yearly basis, before grant allocation;
- Performance evaluations, as per the PBCRG requirements;
- Progress monitoring on the basis of the logframe indicators by UNCDF, and subsequent discussion during Provincial Reflection Workshops; and
- Evaluation report on Phase II results and outcomes scheduled for 2014.

For most M&E activities, frequency and responsibilities are specified as well as what is expected from the activity, for example, if it should focus on implementation procedures or on relevance. Most reporting requirements are not specified, except for participatory evaluations for which it is mentioned that the “methodology should be based on the Technical Audit procedure described in the C/S Fund PIM but will include a review of the relevance of the sub-project to climate resilience”.

---

<sup>31</sup> An indicator meets the criterion of sensitivity when scores are distributed around an average in the 50-75% range to allow room for improvement. This wasn't the case of the 2012 and 2013 scores. The average 2015 score of the learning and development category was 13.8 out of 15, or 92 out of 100. The 2016 report considered this scores not to be reliable: “it was found that assessment teams tended to use any discretion allowed to score with maximum generosity, so that some scores awarded did not fully reflect the intention of the design of the scoring system”.

<sup>32</sup> According the 2016 APA, the indicator on climate change integration into financing is likely to be misunderstood (p. 13).

The Phase 2 Concept Note budget includes three lines related to M&E for a total budget of USD 68,540. Specifically, USD 47,070 are allocated to the in-depth assessment of the pilot results; USD 12,270 to participatory M&E of sub-projects and USD 9,200 to backstopping and monitoring by NCDDS and Provincial Administration. The funding proposal for extension also includes financial resources (a total of USD 56,824) for M&E activities. In particular, it allocates USD 36,824 for technical support and monitoring from NCDD-S; USD 19,750 for technical support and monitoring from UNCDF (national and regional office); USD 10,278 for Technical support and monitoring from Province and USD 20,000 for participatory M&E.

### *1.3.5 Proportion of M&E budget executed to date*

The information made available to the evaluation team does not provide specific data in this regard. However, some of the expenditure categories in the expenditure matrix could be considered as M&E – related. As noted in section 3.2.3, programme support cost amounted to USD 131,748 or 6% of all expenditure, while staff costs and rent and maintenance costs represented 1% of total expenditure each (the former amounted to USD 24,741; and the latter to USD 12,501).

### *1.3.6 Proportion and types of reporting materials submitted correctly and on time*

To a great extent the monitoring and evaluation system of LoCAL Cambodia relies and tries to strengthen the capacities of the national (i.e. NCDDS) and local governments that are active in the programme. In this sense, the programme uses the PIM recently approved by Cambodia's Mol.

The management structure has been presented in section 3.1 above. According to interviews, the LoCAL focal point in the province sends NCDDS a brief report on the progress every month, and prepares a more detailed report monthly. The NCDDS team in charge of LoCAL visits a different district every month to collect information and help manage problems, if any. Following the PIM, after completion, technical officers from the provincial planning and investment division check that the investment has been implemented based on the drawings, and approve or not the final payment to contractor. The national authority carries out audits, the district chief being requested to have all supporting documents at hand.

Documentary review reveals that quarterly reports were submitted on a regular basis between the first quarter of 2012 until the last quarter of 2014, except for the final two quarters of 2013 when no evidence of such submission was provided. As of 2015, no quarterly report was available for review. Further, there is no evidence that the annexes for these reports, and in particular the financial report, were provided. The only financial report made available to the evaluation team was for the second Quarter of 2013. With only approximately 50% of the reports made available to the evaluation team, it is not possible to conclude that quarterly reporting was made in regularly and in a timely manner.

The matrices made available to the evaluation team show significant room for improvement in monitoring and reporting. As noted above, they are incomplete in important elements, such as i) the information on the number of beneficiaries and their gender (not available for Takeo in 2012 and 2013



and for Battambang in 2014 and 2015); ii) the information on ID-poor card holders (not available for 2012-2015) and iii) the sector to which the investment is related (not available for 2016). Furthermore, the information is unclear or inconsistent in the following crucial points: i) sources of co-financing; ii) type of investment (only two categories in 2016); iii) sector (the same activity is linked to different sectors); and iv) number of beneficiaries (some of the numbers seem too generous). Financial reporting seems also to be weak. A key development partner indicates that financial reporting has been absent for years. In this regard, as noted in section 3.2.3 above, the expenditure and the sub-project data are not consistent in the amount of grants that have been executed.

Regarding evaluation, one of the distinctive characteristics of LoCAL is that it assesses the performance of sub-national governments annually. The process and the evaluation of the methodology have already been presented in section 3.3.3 above. At this point, it is worth noting that while the APA certainly allows understanding how districts and the programme at that level are performing in an “objective” and “subjective” way, they are not intended to evaluate the programme in a comprehensive way.

A comprehensive evaluation was not conducted for the phase 1. NCDDDS prepared a final report, but a solid assessment by an independent stakeholder was not prepared. In contrast, the programme conducted a final assessment of the second phase of LoCAL. This was done by a consultant familiar with the LoCAL approach, but not based in Cambodia. Although its familiarity with LoCAL was an advantage and there are no doubts about his capacities and professionalism, the selection did not meet the criterion of independence that is so crucial for an evaluation.

Furthermore, important elements seem to be missing for an effective evaluation of adaptation programming. The 2015 Annual Report acknowledges that three required elements are still missing, namely: i) A metric for measuring climate change vulnerability (both for targeting purposes and for measuring strategic results achieved); ii) A metric for measuring institutional capacity for climate change adaptation; and iii) A metric for identifying, measuring and valuing climate adaptive benefits delivered by investments. Work is in progress to integrate the Climate Vulnerability Index and the Climate Change Mainstreaming Index into the M&E Framework through the World Resource Institute (WRI).

## 1.4 Effectiveness

### 1.4.1 To what extent is the programme contributing to changes in the capacity of local governments to plan, budget and manage climate-adaptive investments in Cambodia?



#### 1.4.1.1. *Variation in the level of appreciation of local government representatives of the importance of implementing CCA actions as a result of the programme*

Outcome 1 of LoCAL Cambodia explicitly sought to increase awareness of climate change and potential adaptation and resilience building responses among sub-national governments and local communities. The expected output associated with this outcome was “integration of cross-sectoral, analysis-based strategies for building climate change resilience in sub-national plans and investment”.

In order to achieve these outcome and output, the programme conducted awareness raising efforts. As noted in section 3.2.5 above, 69 sub-projects (29% of all sub-projects) focused on building capacity, concentrating, except in 2015, between 4 and 8% of all sub-project funds. In terms of sectors, education represented between 20 and 30% of all measures across phases. According to the data made available to the evaluation team, 49,358 people benefited from capacity building activities only in 2014 and 2015. As noted in section 3.2.5, the estimation of beneficiaries seems rather generous in some cases: the number of beneficiaries of a training on raising chickens, ducks, and fish and giving away breed animals to farmers (with a budget of USD 2,150) was registered as over 24,600 people and two different training activities and tree planting activities in public spaces benefited more 15,700 people each.

In addition to these efforts, outcome 3 intended to develop national guidelines for subnational sub-national planning, investment programming, medium-term expenditure framework and annual budget plan that could facilitate mainstreaming of cross-sectoral climate change strategies, particularly through cooperative action between district/municipal and commune/sangkat councils and administrations.

Regarding awareness raising it is crucial to understand that LoCAL Cambodia aimed to complement government efforts under IP3. In this sense, as the assessment of the second phase indicates, “formal capacity-building activities under the LGCC were intentionally limited” (p. 15), supplementing IP3’s effort on the specific field of CCA. In this sense, LoCAL mainly aimed to raise awareness and capacity through learning-by-doing in the framework of the incentives created by the PBCRG, that is, through outcome 2<sup>33</sup>. In particular, the VRA, the CCA programming, the participatory evaluation of CCA sub-project proposals and the performance-based assessment and allocation were meant to have a crucial role in raising awareness and building capacity for CCA planning and mainstreaming.

It is no surprise that awareness raising and capacity building was an important element of APAs. The 2012 PBCRG methodology included 12 indicators on CCA performance. The 2013 methodology had 5 indicators for CCA and use of PBCRG. With a new structure and approach<sup>34</sup>, the 2015 methodology considered this more explicitly. Under the process category, the assessment included the extent to

---

<sup>33</sup> Outcome 2: Systems and procedures for mainstreaming climate change resilience within sub-national government public expenditure management systems in a fiscally sustainable manner are proven and available for scaling up. The output associated with this outcome is “Sub-projects responding to climate change resilience strategies are executed through the sub-national public expenditure and management systems...”.

<sup>34</sup> As noted above, in the 2012 and 2013 methodologies districts got scores on PEM, while from 2015 this is a minimum condition and performance scores are all linked to CCA and use of PBCRG.

which CCA had been mainstreamed in plans and investment programmes following NCDDDS guidelines. Under the learning and development category, the assessment covered the extent to which district councillors were informed about the CCA strategy, the planning and commune support unit staff understood CCA and whether the council had undertaken at least one initiative (not funded by PBCRG or part of PBCRG process) to raise awareness about climate change (p. 6). The 2016 and final methodology had an area on climate change mainstreaming, the climate change mainstreaming index (25 point of the 100 total). This index considers planning, institutional capacity, climate information and climate change financing.

The average score achieved in 2016 for climate change mainstreaming in sub-national planning was 14/25. One District failed to score any points for this sub-index due to having lost all relevant documentation. The highest score obtained was a satisfactory 20/25. Scores were generally satisfactory for climate change integration into financing (average of 21/25), institutional capacity and coordination (average of 17/25) and climate change mainstreamed in district planning (average of 14/20). In contrast, scores were very low on use of available climate information (average of 5/17). While the methodology seems more robust, the indicator on climate change integration into financing could have been misunderstood.

It is in any case hard to tell whether awareness has raised at sub-national level. As noted, the performance assessment methodology is heterogeneous and cannot be directly compared across years; and the 2012, 2013 and 2015 tools were not very solid, in the sense that indicators were not very sensitive, which in turns implies that there is no robust baseline.

In spite of this, the assessment of the second phase considered that the effectiveness of the learning-by-doing approach was “evident from the responses of the sub-national government officials, who expressed confidence in being able to carry out VRAs and use their results in integrating CCA in investment plans with limited assistance from the project management team at the NCDDDS after having received initial training and guidance from them” (p. 15).

While it seems fair to say that learning-by-doing might have brought some positive changes at sub-national level in terms of awareness about the challenges posed by climate change and what needs to be done to address them, interviews in the field conducted as part of this evaluation suggest that there is at least significant room for improvement in this regard. Responses to questions were often unsatisfactory and ownership of the principle of performance-based allocation is small. While the 2016 APA report argues that “Now that the APA is sufficiently well-developed, NCDD-S and UNCDF should make efforts to increase awareness of the system and of its potential as a model to be applied in other areas of sub-national government finance in Cambodia” (p. 1), progress is so far limited.

#### *1.4.1.2 Variation in the availability of climate change vulnerability assessments as a result of the program*

Section 2.2.1 above showed that vulnerability indices were used to select provinces and districts. It is not clear how communes and sangkats were selected. Available information indicates that VRAs were conducted in the communes and sangkats that were selected at the beginning of each phase. In this

sense, the assessment report of the second phase (p. 10) indicates that VRA were carried in 28 communes and sangkats (13 in Takeo and 15 in Battambang) during that phase. It is not possible to determine whether the target in this regard was met, as the formulation was vague: “VRAs carried out in selected areas of five new target districts/municipalities” (p. 9). The baselines provided in the project documents indicate that VRA had not been conducted in these communes and sangkats before LoCAL.

Interviews indicate that VRA are conducted once, given that vulnerability doesn’t change significantly in the timeframe of the project. The VRA includes the development of a vulnerable map. MoE provincial staff trained the district/municipality teams, who conduct them at the commune level. NCDDS and UNCDF observe and provide technical backstopping.

Interviews indicate that the VRAs inform the development of District Climate Change Adaptation Strategies (DCCASs) and CPIs and, on that basis, the selection of investments. A minimum criterion is that these are informed by a “proper CC impact analysis” and are relevant CCA activities, in terms of being part of the CPI. Investments are prioritized in a district selection workshop, in which NCDDS, the provincial sectoral offices and UNCDF, including its key consultant, evaluate communes’ proposals, scoring sub-projects against several criteria. Of those that meet the minimum criteria (including women and poor), the one with the greatest score is funded. While subjectivity is likely to remain a factor, interviews suggest that some progress was achieved in the second phase, addressing to a great extent the concern raised in the final report of the first phase, which claimed that “the scoring process was time-consuming and cumbersome, the information available on each sub-project was not sufficient for informed decision making and in consequence the scores awarded tended to be rather arbitrary or influenced by factors other than the quality of the proposals” (p. 11).

In addition to the commune level, and for the communes where the programme is active, LoCAL Cambodia has contributed to increased availability of climate change vulnerability assessments in three ways. The APAs provide annual information on adaptive capacity at district level. Moreover, the guidelines approved this year to mainstream climate change at sub-national level include the VRA tool. Furthermore, as part of LoCAL, the Korean Environmental Institute is conducting a VRA from the provincial to the national level, which would add value to the selection of provinces in the third phase, but also points out that some important gaps were present in phases 1 and 2. Indeed, a well informed interviewee highlighted that vulnerability assessments have been based on perception and that communities often project the idea of how climate should be, rather than how it has changed, overlooking social dynamics, such as population growth, key to understand vulnerability. There is indeed a need to factor in more scientific knowledge to ensure that maladaptation is avoided.

#### *1.4.1.3 Variation in the number of local development plans that explicitly include climate change adaptation as a result of the program*

As noted above, LoCAL used the results of VRAs to develop 11 DCCASs, one in each of the districts where it has been active. VRAs have also been used to develop CPIs.

Moreover, as mentioned above, LoCAL contributed to the preparation of planning and monitoring guidelines to be used by all subnational authorities, including the lessons learned from the first two phases of LoCAL. This will help scale up the LoCAL model in Takeo and Battambang provinces as well

as replicate it in other provinces. In this sense, this is also a useful tool for the UNDP LDCF project (covering 2 provinces, 10 districts and 89 communes) and ASPIRE (covering 5 provinces and 12 districts so far), and could be helpful for the phase 3 of LoCAL (covering 20 districts in 2018 and 60 districts in the period 2019-2021) if the GCF approves the proposed concept note. Although it is assumed that UNDP LDCF and ASPIRE projects follow the same model, the evaluation team doesn't have evidence of these projects actually using VRAs to develop DCCASs.

#### *1.4.1.4 Variation in the number and value of investments with CCA components implemented or currently into implementation*

As noted earlier, in principle in Cambodia LoCAL only covers between 30 and 35% of the cost of an investment in an infrastructure. While the logic behind this is that LoCAL covers the additionality of climate change, the absence of specific studies does not allow to clearly distinguish between normal and the climate change investment. If the logic were to be applied fully, there would not be a threshold and local governments would not increase the CCA investment by themselves. It is worth noting that the 2015 performance assessment methodology had as indicator at least one CCA investment conducted by the district without LoCAL support, but this disappeared in the 2016 methodology. Nevertheless, this would be difficult to estimate without a proper distinction of what is and what is not CCA and the extent to which a specific investment addresses climate change vulnerabilities. In this sense, it is not possible for the team of this evaluation to determine with precision the variation on the number of CCA investments: there is no baseline, target and a clear way to define actual CCA investments. In any case, qualitatively, district officials interviewed during the field visits mention that LoCAL helps them build more and better (more resilient) infrastructure (quantity and quality), as it complements their budget and they are provided with a fund dedicated to climate change actions.

## 1.5 Likely impacts

### 1.5.1 To what extent is the programme supporting increased flows of additional climate finance to the local levels

#### *1.5.1.1 Total funds made available by LoCAL for CCA to local governments*

The latest report indicates that the programme has mobilized USD 1,313,208 in grants to local governments, including capacity building, equipment and infrastructure<sup>35</sup>. Details on disbursements are provided in section 3.2.3 above.

---

<sup>35</sup> The programme has mobilized USD 2,654,700 in adaptation measures if co-financing is included.

As noted above, the LoCAL model is being replicated by UNDP and IFAD without using the same name and direct involvement of UNCDF. The UNDP project will mobilize USD 4.5 m from the GEF in the period 2017-2020. With a total budget of USD 82 m, IFAD's ASPIRE project will mobilize at least USD 4 m from their own resources for climate-proofing local infrastructure.

#### *1.5.1.2 Types of mechanisms created to facilitate access of local governments to international climate change funds*

The percentage of revenue transferred to sub-national governments by the GoC increased in 2013. In 2008-2012, 2.5% of the total revenue went to communes and 0.8% to districts. Since 2013, 2.85% and 0.9% of the total revenue goes to communes and districts, respectively. Given the timing, this change cannot be attributed to LoCAL. While UNCDF and other development partners, especially, but not only, EU, are promoting the D&D agenda, interviewees suggest that bringing resources to local government for CCA is not a priority in Cambodia, as the approach of MoE and Mol demonstrates. This makes external resources even more important for CCA at the subnational level.

In Cambodia, LoCAL has resulted in the replication of the model with funds from the LDCF of the GEF and IFAD. In addition, LoCAL is supporting the accreditation process for NCDDs to the GCF (the proposal requests USD 113,000 for two years) and has supported the development of a concept note for a third phase of LoCAL, which was sent in early 2017, and requests USD 14 million.

In parallel, CCCA is building the capacity of the National Council for Sustainable Development (NCSD), the former National Climate Change Committee and the institution with a direct link with the Department of Climate Change, with the intention to get it accredited to the GCF. Development partners that are accredited are sending proposal and these are getting approved. In particular, UNDP has sent a proposal on renewable energy, FAO on climate-smart agriculture and Conservation International on REDD+. While these projects could potentially involve CCA activities on the ground, they don't follow the LoCAL model.

#### *1.5.2 Likely impacts in terms of resilience*

It is difficult to assess the likely impacts of LoCAL Cambodia in terms of climate resilience. Prepared in 2015, the final assessment of the second phase did not conclude but only discerned in this regard, given that "the completed infrastructure investments were yet to experience the envisaged climate adversities" (p. xiii).

The methodology to assess the performance of the districts has not been able either to find a way to evaluate directly the likely impact of the investments. The 2016 report recognizes that while it would be ideal to measure directly the achievements in building climate change resilience of the communities, given that "no practical means of directly measuring resilience is available within the constraints of the annual performance appraisal (APA) methodology", the quality of adaptation projects was taken as a proxy (p. 7). While the formulation, the indicators and the weights changed a

bit between 2015 and 2016, in both methodologies the quality of adaptation projects referred to i) their adaptation relevance; ii) their technical quality; and iii) their sustainability<sup>36</sup>. In 2016, the adaptation relevance of the projects is measured by verifying that the projects respond to the DCCAS; meaning that projects are (1) a type that is identified as a priority in the DCCAS; and (2) located in a vulnerable area as identified on the district vulnerability map. Technical quality is assessed by a field inspection to infrastructure investments. As noted in the 2016 report, “Technical quality assessments are necessarily rather subjective. Assessment teams are asked to rate projects for (1) likely success in solving the climate change problem the project was designed to address; and (2) technical (construction) quality on a scale of ‘very good’ to ‘very poor’” (p. 8).

In addition to the quality of projects, as noted in section 2.4 above, the 2015 and 2016 methodologies had a category on beneficiaries. In 2015, 33% of the points were given to the number of beneficiaries who are poor and/or vulnerable. In 2016, 20% of the points were given to cost per beneficiary and proportion of beneficiaries that are poor, meaning holders of “ID-poor” cards. As indicated in that section, there is no explicit reference to gender there, and disaggregated information on number of beneficiaries is incomplete in the 2012-2015 project matrix – it is only available for Takeo in 2014 and 2015 – although it is complete for 2016.

To compensate these gaps, the 2015 and 2016 methodologies to assess the performance of districts included a participatory evaluation conducted by the beneficiaries themselves under the category beneficiaries. In 2015, it got 10/15 points and in 2016, 80/100 points in that category.

Districts got an average score of 13.6/15 on the quality of projects and an average score of 13.8/15 on beneficiaries in 2015. As noted earlier, the indicators were found not to be very sensitive, as “assessment teams tended to use any discretion allowed to score with maximum generosity, so that some scores awarded did not fully reflect the intention of the design of the scoring system” (p. 6).

In the 2016 APA districts got an average score of 35/40 on adaptation relevance and an average score of 32.2/40 on the technical quality of the projects. While there wasn’t significant variation in the former, the contrary was the case in the latter, with the lowest score obtained being 24.3/40. In addition, districts got an average score of 18/20 on cost-effectiveness in supporting poor and vulnerable beneficiaries, with four districts scoring a maximum 20 on this indicator and the lowest score being 14/20. It must be noted that information on the percentage of population with ID-poor cards out of total beneficiaries is not provided for 2012-2015. In 2016, according to the information made available, they represented 10% of total beneficiaries.

Regarding gender, as noted in section 2.4 above, using project data, in Takeo, women represented 56% of the total number of beneficiaries of LoCAL sub-projects in 2014 and 52% of total number of beneficiaries of LoCAL sub-projects in 2015. Women represented 51% of the total number of beneficiaries of LoCAL sub-projects in Takeo and Battambang in 2016.

Scores derived from the participatory evaluations were also high (an average of 74/80) in 2016. The APA report acknowledges however that “beneficiary groups tended to be generous in their

---

<sup>36</sup> In 2015, the three aspects had the same weight (5 points out of 15 or 33%); in 2016, the adaptation relevance and the technical quality got 40% of the points each, while sustainability got 20% of the points.

assessment of the value and climate-adaptive relevance of projects. The participatory evaluation is necessarily more subjective than the other indicators” (p. 12).

With these aforementioned precautions in mind, based on the analysis of the project data matrix, observation of the investments at project sites and interactions with sub-national government authorities and local communities, the assessment team of this evaluation echoes the discerning of the team of the final assessment of the second phase. While most if not all sub-project activities might be well prioritised by local communities irrespective of the threat of global climate change<sup>37</sup>, infrastructure sub-projects do seem relevant to the needs of local communities in the context of the livelihood challenges they face from climate change. As also noted in the 2013 Report on Participatory Evaluations, infrastructure subprojects reduce climate-related vulnerabilities directly, by ensuring improved water supplies for agriculture or domestic use during dry season, by reducing flood damage and by improving road access and providing refuge during flood seasons, all of which are critical in the area, as floods and droughts are likely to be made more frequent and severe by climate change. One of the key elements of the investments that were visited was indeed that they addressed several challenges at the same time: in the way that it has been done, climate-proofing a road contributes not only to improved mobility, but also prevents flooding as it acts as a barrier; in the way that it has been done, climate-proofing an irrigation channel not only improves access to water, but also contributes to improved mobility. Non-infrastructure sub-projects also seem to be relevant to local needs.

While the projects are still to prove their CCA benefits in the medium term, focus group discussions with women and men indicate that some benefits are already demonstrated. In Doung Kpos Commune, Borei Chulsar District, beneficiaries claim that the project has increased the number of harvests from 1 to 3 per year, with 90% production increase in each harvest, the annual income increasing from 200 USD to 1800 USD, which allows them to live, invest and save a bit. As noted earlier, district officials interviewed during the field visits mention that LoCAL helps them build more and better (more resilient) infrastructure (quantity and quality).

Nevertheless, interviews and observation suggest that there is important room for improvement. Key informants recognized that, despite the system that has been put in place, a proportion of projects should have not been selected. The assessment report of the second phase (p. 15) acknowledges that expertise on climate proofing infrastructure is scarce at sub-national level and it was difficult for local governments to find private sector infrastructure advisors and engineers with adequate expertise. In this light, Leng (2017)<sup>38</sup> found that there is room to increase the relevance of the selected investments. His PhD thesis shows that while the VRA tool is good for policy planning at the commune, it is insufficient at the sub-project or investment level, and this should be analysed<sup>39</sup>. Furthermore, he

---

<sup>37</sup> The 2013 Report on Participatory Evaluations recognizes that “The types of sub-projects funded by the PBCRG were not markedly dissimilar from the types of sub-projects prioritised by local communities and sub-national administrations for funding from the Commune/Sangkat Fund and other general funds for local development” (p. 13).

<sup>38</sup> Leng, Bunlong (2017) Walk the talk. Mainstreaming Climate Change Adaptation in Donor-aided projects in Cambodia. University of Melbourne.

<sup>39</sup> Regarding climate additionality, the 2013 Report on Participatory Evaluations notes that “the justification for regarding the PBCR grant investments as climate change adaptation investments is threefold. First, the sub-project types are all permitted according to the PBCR Grant Investment Menu. Second, the actual sub-projects were selected and prioritised in accordance with the DCCAS. Third, the treatment of the PBCR Grant contribution to infrastructure projects as “climate proofing costs” is underpinned by an effort to ensure that sub-projects are designed and constructed to climate resilient standards”. Some concerns on the second and the third points have been presented in the text.



demonstrated that LoCAL investments don't factor in corridors impacts: negative effects for other stakeholders (e.g. nearby roads). Furthermore, based on observation, desk review and interviews, it seems that some strategic aspects might be overlooked, as, with a participatory methodology, the programme focuses on the most obvious and dramatic meteorological events and the most straightforward adaptation strategies. In this sense, less dramatic and slow onset events<sup>40</sup> receive less attention and investments are mainly of small to medium scale, disregarding medium to large scale investments key to ensure medium term resilience. There is also the issue that the programme ignores urban areas, as even in Takeo municipality the investments focus on rural areas.

## 1.6 Sustainability

### 1.6.1 To what extent are changes at the policy and institutional level both nationally and locally supported by the programme likely to continue over time?

#### 1.6.1.1 *Number and type of lessons learned identified at national and local level in terms of institutional mechanisms and policies*

Interviews and documentary evidence indicate that lessons are collected in quarterly reports. Furthermore, a learning workshop is conducted every year to draw lessons and discuss challenges related to the implementation of the programme, such as its degree of concessionality and its consequences. National partners, province and districts representatives, NGOs and development partners participate in these workshops. A workshop report is prepared and shared with the participants. Furthermore, lessons learned were drawn from the first phase (the final report identified 6 lessons and provided 3 recommendations) and the second phase (the assessment report identified 8 lessons and provided 11 recommendations).

Lessons learned are shared with the project board as well as on technical CCA working groups, as those organized by the GoC and UNDP, which mostly gather the same people. Lessons learned from LoCAL Cambodia have also been shared through NCDDs and UNCDF's websites. Although with a more promotional than analytical purpose, the programme has produced several films.

---

<sup>40</sup> UNFCCC (2012): "A distinction is sometimes made between "rapid onset" and "slow onset" events. A rapid onset event may be a single, discrete event that occurs in a matter of days or even hours, whereas slow onset events evolve gradually from incremental changes occurring over many years or from an increased frequency or intensity of recurring events. There are some important relationships between rapid onset and slow onset events. Drought, for example, is an extreme weather event, but it is also closely linked to slow onset, incremental climatic change". UNFCCC/TP/2012/07 – Slow onset events. Technical paper.



### 1.6.1..2 Main barriers to sustainability

Barriers to sustainability can be organized in three main groups. The first group of barriers is related to the model itself. The limited coordination with other institutions is a major issue. On the one hand, it is critical to work more closely with the Department of Local Governments in the Mol, given that NCDDDS is in charge of pilots and the Department of Local Governments is in charge of implementation, which is a serious issue for scaling up. It is also critical to further engage line ministries to better combine soft and hard adaptation measures. Limited coordination with the MoE and the NCSD is certainly problematic for a programme that tries to combine CCA and decentralisation. While NCDDDS has certainly gained experience on CCA, this remains crucially the responsibility of the MoE and NCSD. Sustainability is also affected by the weak engagement of extension services. While provincial knowledge is mobilized in the selection of investments, there is room to strengthen it in their delivery and use. Further engaging line ministries at the provincial level could also help coordinate with other projects and would be a cost-effective way of mobilizing technical assistance if the model is rolled out at the national level.

In addition, there are concerns regarding the sustainability of the PBCRG process. The 2016 Performance Assessment Report indicates that the current approach “is not capable of being scaled up to a larger number of Districts as the workload for the NCDD-S staff would be too much. There are also strong arguments for the APA being conducted by neutral, independent assessors” (p. 9). The APA methodology introduced in 2016 would arguably be suitable for contracting out to small teams, with NCDDDS remaining responsible for training assessors and quality control. While the proposed timing seems too tight<sup>41</sup>, the 2016 adjustments move in the right direction.

Furthermore, at a more strategic level, it is worth taking some time to discuss whether the programme has reached an exhaustion phase on the way it has been implemented so far in Cambodia. As noted in section 2.1.2 above, others are replicating both the model (with local governments and performance-based allocations) and focus (rural and small to medium scale of investments) that the programme put forward in the country. It might be good to ask whether it would be the right time to use the same model with another focus (urban or rural but non-productive and more strategic investments (e.g. climate proofing social infrastructure (e.g. hospitals) or shelters)]. In this regard, it is worth noting that, according to O’Leary (2015)<sup>42</sup>, 27% of Cambodian's lived in urban areas in 2008, with projections suggesting that the urban population of the country could reach 33% of the total by 2020 and 50% by 2050, or even more due to current underreporting. It is also important to consider that, according to the WB and the International Monetary Fund (IMF), Cambodia’s growth has been mostly supported by garment export, tourisms and real estate and that the share of agriculture has decreased. Indeed, the WB notes that rural households have increasingly diversified their livelihoods to non-farm jobs (garment, construction and services), contributing to poverty reduction in

---

<sup>41</sup> “Cost is also a consideration: PBCR grants are quite small (average \$45,000 per District in 2017) and an APA requiring a multi-member team and several days per District could easily cost 5% - 10% of the grant amount. Therefore, the APA methodology was specifically designed to be capable of assessment by a two-member team in a single day. Ideally, one team member should have an engineering background while the other should be experienced in financial audit” (p. 9)

<sup>42</sup> O’Leary, Declan (2015): Urbanisation in Cambodia. Past, present and future trends, influencing factors and challenges; Cambodian Institute of Urban Studies.

Cambodia. By 2015, non-agriculture wage incomes made up more than one-third of rural incomes, compared with less than one-fifth in 2007. This is no curse, as the development path of other countries shows, and is certainly part of the country's recent development achievements, not just economic growth. It is fair to claim that urban areas and residential, social and non-agriculture productive infrastructure are strategic for Cambodia, and vulnerable, as many of them are close to water bodies and in flood-prone areas. While they probably require larger resources to remain meaningful and attract local governments, it might be worth exploring, particularly when the country, with support of GGFI, is already developing green growth and resilient strategies in the country's seven secondary cities.

The second group of barriers refers to the financial sustainability of the LoCAL model in Cambodia, regardless of its focus. The model has been able to attract interest from development partners and national stakeholders. Support from development partners allowed the implementation of two full phases and an extension phase. Buy-in at national level, particularly from NCDD, has resulted in the replication of the LoCAL model without using the same name and without the direct involvement of UNCDF. Resources from the GEF LDCF ensure the implementation of the LoCAL model in 10 districts until 2019. In great part due to the involvement of a regular consultant to LoCAL, IFAD will implement a similar model in 18 districts until 2023. While this still is not a full national roll out, given the decision not to work in the same districts and the similar but different approach of ASPIRE, it ensures the LoCAL model is implemented in a large number of districts. At the national level, it also ensures the continuity of the programme<sup>43</sup>, which is critical given that, as noted in the assessment of the second phase, an innovative and ambitious concept and approach like the PBCRG needs long term policy support.

LoCAL has made efforts to mobilize additional resources to cover more districts and give continuity to the approach at the national level. As mentioned above, a concept note of a third phase of LoCAL was designed by UNCDF and sent to the GCF in early 2017. In parallel, UNCDF is supporting the process to accredit NCDD as NIE before the GCF, which could facilitate the scaling up and replication of LoCAL in Cambodia.

Through accreditation or beyond it (through UNCDF or other UN agencies or development partners), it is reasonable to expect that the LoCAL model will remain attractive to development partners. Nevertheless, as NCDD fears, the upgrade of the country might reduce the amount and shift the sort of assistance the country might receive from development agencies. Since July 2016 officially considered a lower middle income economy by the WB Group due to its Gross National Income (GNI) per capita<sup>44</sup>, Cambodia will indeed likely experience a scale-back of foreign aid over the coming years. A particularly crucial issue for LoCAL Cambodia would be to lose the status of LDC and therefore the access to UNCDF funds (as well as LDCF funds). In any case, the LDC classification is defined by the UN and not by the WB. The next revision is in 2018 (it is reviewed every 3 years), but, according to some analysts, Cambodia is unlikely to lose its status as, although satisfying the GNI per capita

---

<sup>43</sup> It is worth noting that the decision not to work in the same districts has the advantage of piloting the model in a greater number of districts but the risk of the pilot phase not to being long enough to generate ownership in each district, given that, as mentioned above, PBCRG needs long term policy support.

<sup>44</sup> Cambodia shares its new status with 51 other economies, including India, Vietnam and the Philippines.

criterion, it would not satisfy the other two criteria considered by the UN. However, it could be a challenge by 2021 or 2024<sup>45</sup>.

In any case, in the short term, as noted in section 2.3, concerns on coordination among development partners, which were already highlighted in the final report of the first phase (p. 11), remain valid. Beyond the agreement not to work in the same districts and some joint activities, there seems to be room to increase coordination between the institutions that replicate the LoCAL model and UNCDF and this and other development partners. As noted there, lack of coordination cannot only limit synergies and complementarities, but can also result in redundancy and planning fatigue, for instance in terms of VRAs and DCCASs, as noted by the assessment report of the second phase. Moreover, this lack of coordination can also create confusion, as development partners apply different models (for instance on the degree of concessionality of grants (100% in CCCA versus, in principle, 30-35% in LoCAL)

While Cambodia's economic status upgrade will put more pressure on the country to support its own development through investment and trade, financial contributions to the LoCAL model from the GoC, apart from co-financing to existing UNDP and IFAD programmes, are uncertain in the near future. As noted in section 5.1.2, while the percentage of revenue transferred to sub-national governments by the GoC increased in 2013 and UNCDF and other development partners are promoting the D&D agenda, interviewees suggest that bringing resources to local government for CCA is not a priority in Cambodia, as the approach of MoE and MoI demonstrates.

Indeed as noted in section 2.3, institutional fragmentation is a key issue. Interviews suggest that the GoC is aware that LoCAL is not going to support them longer and that its needs to pull in. But while commitment of the NCDDs with the LoCAL model is great, it is the MoE who needs to convince the MoEF to support its national rollout. Discussions between MoE and MoEF are on the early stages. In this regard it is worth noting that MoEF has created the Sub-national Investment Fund (SNIF) to which districts, municipalities and communes can apply. Supported by the WB and the ADB, it hasn't started yet. While it could be expected that it would put forward application-based allocations and larger investments, every district will get small allocation every year, so it's not different to LoCAL. NCDD has a separate facility. However, while it would be critical to further engage MoEF, interviews suggest that conflicts exist and tensions could increase between MoEF and NCDDs in the future if there is more money.

At the sub-national level, financial sustainability doesn't seem to be promising. Leng (2017) argues that there is no credible evidence that local administrations will use their own resources for CCA (apart from co-financing investments supported with grants), even though LoCAL has raised their awareness and strengthen their capacities. Understanding and behavioural change are different. Even key representatives of the GoC claim that everything will go as usual without external funds. Current discussions on increasing the top-up percentage from 30/35% to 50% to expand the number of interested local governments point at a serious sustainability problem. The private sector has not

---

<sup>45</sup> See: <http://www.phnompenhpost.com/business/cambodias-economic-status-raised-lower-middle-income>

been engaged so far with the programme, so they are unlikely to complement or replace government funds.

The third and final group of barriers refers to the project level. In this regard, while sustainability of the model is certainly a prominent concern of LoCAL as its phased approach demonstrates, sustainability of the sub-projects doesn't seem to be high in the priorities. This was taken into account in the 2015 and 2016 APA methodologies. In particular, sustainability of infrastructure projects was assessed based on documentary evidence of institutional and financial provisions for maintenance, while for non-infrastructure projects, "sustainability" was assessed based on evidence of ongoing benefits arising from the project activity, e.g. behaviour change or beneficiaries making use of skills learned in training (p. 8). However, the weight given to this aspect was small: 5 points out of 15 of the project category in 2015 and 20 out of 100 of the project category in 2016 (the project category having a weight of 25% in the total score both years).

In this context, it might not be surprising that results on sustainability of projects were not great in 2016: the average score of districts was 5.4/20, with only one district scoring more than 7/20 and three districts scoring zero. Interviews at district and municipality level indicate that, in the case of infrastructures, constructors commit to a warranty of 6 months or one year. After that, districts and municipalities would allocate resources from their own budgets. However, currently there is no regular allocation for maintenance, and ad hoc allocations would depend on availability of resources and prioritisation exercises and would take time. Maintenance seems in this sense to rely on communities themselves, which, according to district and municipality staff, are ready to take care of the investments. However, focus group discussions conducted on site as part of this evaluation reveal that a sort of user group was active only for one of the three investments that were visited, in terms of setting using rules, supervising the use and collecting resources for maintenance, although in an ad hoc fashion. One of the three investments (the water way of the Roka Krao Sangkat) was already filling with mud and vegetation. Development partners claim to have been requested to support for renovation of funded infrastructures during follow up visits.

Last but not least, as noted in section 5.2 above, the sustainability of the investments could be compromised by a weak sub-project vulnerability assessment and/or corridor effects, as showed by Leng (2017). Development partners stress in this sense the need to consider the broader aspects of the eco-systems while designing and implementing the project. By the same token, the assessment report of the second phase (p. 15) highlights as well as the need to train the technical staff, including the infrastructure advisors and engineers contracted from the private sector, in the concept, practices and techniques of climate-resilient infrastructure design and construction.

## 1.7 Annexes

### 1.7.1. List of reviewed documentation

Program documents:

- LGCC Phase 1 Q1 Report 2012
- PBCR Assessment report 2012
- Phase 2 Concept Note (2012)
- Final Report Phase 1 (2013)
- LGCC Phase 2 Annual Report 2014
- PBCR Assessment Report 2014 (2015)
- LGCC Phase 2 Q4 Report 2015
- LGCC Phase 2 Annual Report 2015
- Final Assessment Phase 2 (2015)
- 2016 Report on Performance Assessment
- Consolidated Information – LoCAL projects database 2012-2015
- Consolidated Information – LoCAL Cambodia 2016
- Consolidated Information – LoCAL Expenditure Patterns 2017
- GCF Concept Note for Phase 3 (2017)

External sources:

- Leng, Bunlong (2017) Walk the talk. Mainstreaming Climate Change Adaptation in Donor-aided projects in Cambodia. University of Melbourne
- Cambodia National Adaptation Programme of Action (2006)
- Cambodia Intended Nationally Determined Contributions (2015)
- LoCAL Cambodia Mission Report (2011)
- Cambodia National Climate Change Strategic Plan (CNCCSP)
- World Bank Cambodia country profile
- O’Leary, Declan (2015): Urbanisation in Cambodia. Past, present and future trends, influencing factors and challenges; Cambodian Institute of Urban Studies
- <http://www.phnompenhpost.com/business/cambodias-economic-status-raised-lower-middle-income>
- UNFCCC/TP/2012/07 – Slow onset events. Technical paper.
- Kocornik-Mina, Adriana and Fankhauser, Sam (2015): Climate change adaptation in dynamic economies. The case of Colombia and West Bengal. London: Grantham Research Institute on Climate Change and the Environment and Global Green Growth Institute.

## BHUTAN COUNTRY REPORT

## 1.7.2 List of interviewed stakeholders

Table 4. Interviewed national and international stakeholders

No.	Name	Gender	Institution	Position	Date
1	Kosal Sar	M	UNCDF	Programme Manager	31/07/2017 04/08/2017
2	Phanouk Chhoun	M		Administrative Assistant and driver	
3	Ms. Phearnich Hing	F	UNDP	Climate Change Policy Analyst	31/07/2017
4	Mr. Sovanny Chhum	M		Programme Analyst, Programme and Results Cluster	
5	Mr. Chhun Bunnara	M	NCDDS	Deputy Director of PMSD	31/07/2017
6	Mr. Sorn Sunsopheak	M		NPCCA	04/08/2017
7	Anna Guittet	F	SIDA	Counsellor Governance / Environment	
8	Mr. Clemens Beckers	M	EU	Attaché Natural Resources Management – Climate Change	
9	Francesca Ciccomartino	F		Attaché – Good governance and Human Rights	03/08/2017
10	Mr. Bunlong Leng	M	WB	Environment Specialist	
11	Mr. Meng Sakphouseth	M	IFAD	Country Program Officer	
12	Mr. H.E. Paris Chuop	M	Ministry of Environment	Deputy Secretary	04/08/2017



## BHUTAN COUNTRY REPORT

			–	General
			NCDS	
13	Fiona Lord	F	Global Green Growth Institute (GGGI)	Country Representative Cambodia – Green Growth Planning and Implementation
14	Ming Bansovannattichasila	M		Deputy Director General
15	Chhean Heang	M		Adviser to MEF
16	Chea Socheay	M		Director of Accounts
17	Kheav Sina	M	Treasury	Secretariat
18	Chea Vannaroits	M		Deputy Director of Revenue and Expenditure
19	Suk Vannara	M		Chief Officer of Revenue
20	Julian Abrams	M	UNCDF	(Independent) Consultant

Table 5. Interviewed sub-national government stakeholders

N.	Name	Gender	Institution	Position	Date
1	Mong Narom	F		Deputy Governor	
2	Oeum Sinat	F		Municipality Councillor	
3	Kem Saroeum	M	Doun Keo Municipality	Municipality Councillor	01/08/2017
4	Siv Chorn	M		Municipality Councillor	
5	Chap Sopha	M		Municipality Councillor	



## BHUTAN COUNTRY REPORT

6	Meas Sorn	M	Borey Chulsar District	Municipality Councillor	02/08/2017
7	Yin Sokhen	M		Municipality Councillor	
8	Peth Horn	M		Municipality Councillor	
9	Phy Sarun	F		Municipality Councillor	
10	Nhep Sokhan	M		Chief of Planning Office	
11	Kark Saroeum	M		Chief of Information Office	
12	So Mollika	F		Chief of Municipal Development Office	
13	Huot Bunlim	M		Chief of Land Affairs Office	
14	Rin Chea	M		Chief of Agriculture Office	
15	Moun Reth	M		Chief of Transportation Office	
16	Chan Samorn	M		Chief of Social Welfare Office	
17	Hang Phally	M		Vice Chief of Education office	
18	Nouv Saret	F		Chief of Women Affairs Office	
19	Khouch Khemrath	M		Chief of Mining Office	
20	Kim Vuthy	M		Chief of Administration	
21	Chou Chanthol	M		Vice Chief of Administration	
22	Puth Sophoun	F		Chief of Religion and Cult Office	
23	Nouth Chanrasmey	M		Municipality Advisor	
24	Tuy Sopheak	M		District Governor	
25	Ros Bunthoeun	M		Vice District Governor	
26	Pom Sarin	M		District Councillor	
27	Tit Chean	F		District Councillor	
28	Som Visal	M		District Councillor	
29	Noun Socheat	M		District Councillor	





## BHUTAN COUNTRY REPORT

30	Ouch Thun	M	District Councillor
31	Ou Thoeun	M	Chief of Planning Office
32	Khev Tha	M	Chief of Information Office
33	Lay Sambath	M	Chief of Inter-sectoral Office
34	Sor Sarin	M	Vice chief of Land Affairs Office
35	Mao Nean	M	Chief of Environmental Office
36	Sorn Tha	M	Chief of Agriculture Office
37	Chhor Sinat	M	Chief of Water Resources Management Office
38	Sok Pheakdey	M	Staff of Transportation Office
39	Sok Chan	F	Chief of Women Affairs Office
40	Mao Sophal	M	Chief Administration Office
41	Kep Saro	M	Vice Chief of Administration
42	Meav Thoeun	M	Procurement Unit
43	Sun Oun	M	District Officer
44	Chea Porch	F	Technical Support Officer

Table 6. Interviewed beneficiaries

Province	District / Municipality	Commune / Sangkat	Beneficiaries			Date
			Total	Women	Men	
Takeo	Daun Keo Municipality	Baray Sangkat	28	16	12	01/08/2017
		Roka Krao Sangkat	14	3	11	
	Borey Chulsar District	Doung Kpos Commune	18	10	8	02/08/2017



### 1.7.3 List of projects



## BHUTAN COUNTRY REPORT

Table 7. Key information of relevant climate change adaptation projects in Cambodia 2007-2017.

Name	Main development partner	Main national partner	Timeframe	Budget	Sources of funding	Implementation approach	Main focus	Geographic coverage
Recently ended								
Rural Livelihoods Improvement Project	International Fund for Agricultural Development (IFAD)  United Nations Development Programme (UNDP)	Ministry of Agriculture, Forestry and Fisheries (MAFF)	2007-2014	USD 13.7 m	IFAD Grant: 10.8 m, Loan: 1.2 m; UNDP 1.2 m	National	Agriculture	3 Provinces: Preah Vihear, Ratanak Kiri and Kratie
Ketsana Emergency Reconstruction and Rehabilitation Project	World Bank (WB)	National Committee for Disaster Management and Ministry of Rural Development (MRD)	2008-2015	USD 65 m	WB	National	Mainstreaming resilience on infrastructure development: rural water and road improvement.	6 Provinces: Siem Reap, Kampong Cham, Banteay Meanchey, Kampong Thom, Battambang, and Kampong Chhnang.
Promoting climate resilience, water management and agriculture practices in rural Cambodia	UNDP	MAFF	Phase 1: 2009-2013 Phase 2: 2013 – 2015	Phase 1: USD 4 m Phase 2: USD 2 m	Phase 1: Global Environmental Facility (GEF) Phase 2: Canadian International Development Agency (CIDA)	Through sectoral ministries	Climate agriculture management. resilient water	2 provinces: Preah Vihear and Kratie
Cambodia Community	UNDP	Small Grants Programme	2010-2015	USD 4.5 m	Swedish International	Using GEF small-grant modality,	It aims to reduce the vulnerability of	Across country, the al

# Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

## BHUTAN COUNTRY REPORT

Based Adaptation Programme (CCBAP)		National Steering Committee: Ministry of Environment, Ministry of Water Resources and Meteorology, MAFF, Royal University of Agriculture and non-governmental organization (NGOs)			Development Cooperation Agency (SIDA) 4.2 m; Australia 260,000, UNDP 100,000	but through UNDP process. Through NGOs	Cambodia's agricultural sector to climate-induced changes in water resources availability. It also aims to enhance the capacity of vulnerable communities in building resilience, mainstreaming climate change in commune development planning and documenting good practices of climate change adaptation. (66 projects in total)	provinces: they will send the list including the provinces
Strengthening the adaptive capacity and resilience of rural communities using micro watershed approaches to climate change and variability to attain sustainable food security	Food and Agriculture Organisation of the United Nations (FAO)	MAFF	2011-2014	USD 23.9 m	LDCF: 5.7 m	National	Water for agriculture	
Strategic Programme Climate Resilience (PPCR)	Asian Development Bank (ADB)		2011-2017	USD 385 m (including grants and loans)	Climate Investment Fund (CIF), WB and ADB	National	It focuses on mainstreaming climate resilience at national and sub-national levels and on the preparation of a Strategic Program for Climate Resilience to be launched during 2013–2014, with a package of seven investment programmes in	

## BHUTAN COUNTRY REPORT

						agricultura (2), water (2) and infrastructure (3), and technical assistance for climate change mainstreaming.
Ongoing						
						Adaptation and mitigation.
						Phase 1. Joint contribution to UNCDF: 220 k.
Cambodia Climate Change Alliance (CCCA)	UNDP	Ministry of Environment	Phase 1: 2010- 2014	Phase 1: USD 10.8 m	Phase 1: SIDA, EU, UNDP and Danish International Development Agency (DANIDA).	National coverage
			Phase 2: 2014 - 2019	Phase 2: 12.4 m USD in the original budget, but it's going to be about 11 m due to exchange rate.	Phase 2: UNDP USD 1.1 M, EU USD 7.5 M, SIDA USD 3.8 M.	
					They use the Provincial Departments of Environment, which work at districts and communes, to provide support for the small-scale investments.	
					3 main results: 1 governance (14 ministries developing CC strategic and action plans based on the CNCCSP) they receive grants from 100 to 450 k; 2 mobilization of financial resources, how to keep the tracking of CC including mobilizing domestic resources; 3 grant to government, NGO, academy: 8 grants; competitive process.  It focuses on supporting the development of cross-cutting institutional support through the NCDS and on	

## BHUTAN COUNTRY REPORT

102

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

BHUTAN COUNTRY REPORT

Green Urban Development Programme	GGGI	MoE and Mol	Phase 1: 2015-2016 Phase 2: 2017-2018		GGGI	National and municipalities	The objective of the program is to support green city planning by diffusing green growth concept and instruments as well as to assist in the development of bankable green city projects that result in climate change resilience and improved livelihoods for Cambodia's urban poor.	Phase 1: Phnom Penh  Phase 2: secondary cities
Agriculture Service Programme for Innovation, Resilience and Extension (ASPIRE)	IFAD	MAFF, NCDDDS implementing partner on component 4	2016-2023	USD 82 m (4 m for investment in local development).	IFAD: 40 m: 13 m are grant and 27 loan. The rest are contributions of government and beneficiaries.	The fourth component implemented by NCDDDS follows exactly the model of LoCAL	It has three main components: i) improving extension services of MAFF, including mainstreaming CCA; ii) improving the budget process of MAFF, and ii) investment on climate resilient productive infrastructure. The programme has budgeted 2.5 m USD for 2016 and 2017 for infrastructure.	It is active in 5 provinces: Battambang, Pursat, Kampong Chhnang, Preah Vihear and Kratie. In 2018 five new provinces will join Takeo, Kampong Kandal, Pray Veng and Svay Rieng. The idea is to cover all provinces by 2023.
Green Ownership (GO)	SIDA	Ministry of Environment, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land Management, Urban Planning and Construction	2017-2019	SEK 49,300,000 (around USD 6 m)	SIDA	Implemented by Forum Syd, a Swedish NG, in coordination with 15 local NGO Partner Organisations	The main objective is "to increase community access to, control over, and sustainable use of natural resources and community climate change resilience by poor and marginalized people".	15 provinces

# Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

## BHUTAN COUNTRY REPORT

Strengthening the resilience of Cambodian rural livelihoods and sub-national government system to climate risks and variability	UNDP	NCDDS	2017-2020	USD 4.5 m <sup>46</sup>	LDCF	It follows the LoCAL model	3 results:  1. Capacity development to mainstream CCA at provincial, district and commune levels, including service provider;  2. Pilot 10 districts and 19 communes, competitive selection;  3 performance-based incentive grants with NCDDS: Investment of 1.2 m USD in local development	2 provinces: Siem Reap and Kampong Thom 10 districts and 89 communes
Cambodia Disaster Risk Management Programme	WB		2017 - 2021	15 m USD	Global Forum of Disaster Resilient Fund	National	Climate resilient rural infrastructure construction and rehabilitation. Mainly for roads in areas that are prone to flood.	
Pipeline								
To be defined	UNDP	Ministry of Environment and NCDDS	To be defined	To be defined	To be defined	National	Urban resilience. Main issues water, flood, solid waste management	Municipalities of Kampong Cham, Siem Reap, and Banteay Meanchhey.

Source: Desk review and interviews with national stakeholders and development partners.

<sup>46</sup> Total LDCF budget: USD 5,165,663. Total co-financing: 15,860,000.



## BHUTAN COUNTRY REPORT

Table 8. Critical elements of decentralisation related projects in Cambodia 2007-2017.

Name	Main development partner	Timeframe	Budget	Sources of funding	Main focus
Democratic and Decentralised Local Governance (DDLG)	EU - UNDP	2006-2011	USD 10 m	EU	<p>Specific focus on strengthening good governance at the lowest sub-national level (rural communes and urban sangkats).</p> <p>The project fosters accountability and local cooperation mechanisms for more effective and responsive local governance policies for greater local participation and civic engagement. It contributes to the formulation of national policies, provides capacity development at central and sub-national levels and support Cambodia's new association of local councils. It also provides technical assistance and grants for inter-commune cooperation projects that respond to local needs, and contribute to strengthening the capacity of communes, to plan and implement local infrastructure and service delivery projects.</p>
Association of Councils Enhanced Services (ACES) Project"	EU	2012-2015	USD 5 m		Support local council associations, which mainly consists in providing training to local councillors, and has involved the development of 6 modules
EU Support to Sub-National Democratic Development (SNDD) I	EU	2013-2016	E 15 m	EU	4 components: project with Care on social accountability in 4 provinces, a contribution to GIZ, Technical Assistance to support the implementation of Budget support; and Social accountability framework, linking citizens and local authorities in order to create accountability relations.
SNDD II	EU	2017-2020	E 40 m	EU	The major component is budget support, with 34 m E. The remaining 6 m E would go to three complementary measures. 1. Technical Assistance to support the implementation of Budget support; 2. Project with GIZ on Decentralisation and Administrative Reform, supporting permissive functions and transferring education and health in Battambang and Kandal; 3. Social accountability

BHUTAN COUNTRY REPORT

---

framework, linking citizens and local authorities in order to create accountability relations. Each will receive 2 m E.

---

## 5.2 Bhutan Country Report

Acronym	Definition
BT FEC	Bhutan Trust Fund for Environmental Conservation
BTN	Bhutan Ngultrum
CBO	Community –Based Organization
CCA	Climate Change Adaptation
CIF	Climate Investment Fund
DLG	Department of Local Governments
EbA	Ecosystem-based Adaptation
FAO	Food and Agriculture Organisation of the United Nations
FGD	Focus Group Discussion
FY	Financial/fiscal Year
FYP	Five-Years Plan
GCCA	Global Climate Change Alliance
GECDP	Gender, Environment, Climate Change, Disaster Risk Reduction and Poverty
GDG	Gegow (County) Development Grant
GLOF	Glacial Lake Outburst Flood
GNHC	Gross National Happiness Commission
Gol	Government of India



BHUTAN COUNTRY REPORT

KEI	Korean Environmental Institute
ICIMOD	International Centre for Integrated Mountain Development
INDC	Intended Nationally Determined Contribution
IPCC	Intergovernmental Panel on Climate Change
JICA	Japan International Cooperation Agency
JSP	Joint Support Programme
LDC	Least Developed Country
LGSDP	Local Governance Sustainable Development Programme
LoCAL	Local Climate Adaptive Living Facility
MoF	Ministry of Finance
MoHCA	Ministry of Home and Cultural Affairs
MoU	Memorandum of Understanding
NAP	National Adaptation Plan
NAPA	National Adaptation Plan of Action
NEC	National Environmental Commission
NMES	National Monitoring and Evaluation System
NEPA	National Environment Protection Act
PAM	Performance Assessment Manual
PBCRG	Performance-Based Climate Resilience Grants
PBCCAG	Performance-Based Climate Change Adaptation Grants
PEMS	Public Expenditure Management System
PIF	Project Identification Form



## BHUTAN COUNTRY REPORT

PLaMS	Planning and Monitoring System
PMU	Programme Management Unit
RGoB	Royal Government of Bhutan
SCCF	Special Climate Change Fund
SDC	Swish Agency for Development and Cooperation
SDG	Sustainable Development Goals
SDP	Small Development Projects
SGP	Small Grant Programme
SIDA	Swedish International Development Cooperation Agency
SMART	Specific, measurable, attainable, relevant and time-bound (indicators)
ToC	Theory of Change
ToR	Terms of Reference
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UN-Habitat	United Nations Programme for Human Settlements
WWF	World Wildlife Fund
WRI	World Resource Institute



### 5.2.1 Introduction

After some pilot activities in Bhutan and Cambodia, where activities started in 2010-2011, the United Nations Capital Development Fund (UNCDF) launched the Local Climate Adaptive Living (LoCAL) Facility in 2014. With a projected budget of USD 40 million, this five-year programme aims to promote climate change resilient communities and economies by increasing financing for and investment in climate change adaptation at local level in LDCs by improving the access of local governments in these countries to climate finance, contributing to the achievement of the Sustainable Development Goals (SDGs). In this context, LoCAL aims specifically to enhance mainstreaming of climate change adaptation into local government's planning and budgeting systems (output 1), increase awareness of and response to climate change at the local level (output 2) and increase the amount of climate change adaptation finance available to local governments and local economies (output 3), while being implemented effectively, efficiently and transparently in line with UNCDF programme management regulations (output 4).

Halfway through its implementation of LoCAL, UNCDF seeks to review initial progress in the different countries in which it is active, assessing relevance, efficiency, (likely) effectiveness, likely impacts and sustainability of programme performance so far. The purpose of this assignment is to conduct the review indicated just above. In particular, according to the Terms of Reference (ToR), this mid-term review has the following objectives:

- "To assist UNCDF and its partners to understand the relevance, efficiency and effectiveness of the LoCAL programme as well as the key programme mechanisms which underpin it;
- To consider the likely impact and sustainability of the LoCAL approach on the policy and institutional environments at the national levels and on the implementation structures at the local levels in the countries in which LoCAL is being implemented; and
- To consider the appropriateness to date of UNCDF's positioning as a UN agency support the direct access by LDCs to international climate finance at the local level"

The evaluation methodology includes conducting three in-country visits. Following a sampling strategy, Niger, Bhutan and Cambodia were selected for the evaluation missions. This report summarizes the evaluation findings regarding Bhutan.

### 5.2.2 Relevance



### 5.2.2.1 How relevant is the LoCAL approach to Bhutan and how distinct is it from similar initiatives?

#### 5.2.2.1.1 *Degree of alignment with the development, decentralization and climate change adaptation priorities of Bhutan*

#### Development priorities

Development in Bhutan is organized around the nationally-elaborated philosophy of “Gross National Happiness” (GNH), which identifies happiness as the fundamental purpose of development, one that will lead to peace and to prosperity<sup>47</sup>. This philosophy is underpinned by four central pillars:

- 1) Sustainable and Equitable Socio-Economic Development: ensuring equity between individuals and communities as well as regions to promote social harmony, stability and unity and to contribute to the development of a just and compassionate society.
- 2) Conservation of the environment: ensuring development pursuits are within the limits of environmental sustainability and are carried out without impairing the biological productivity and diversity of the natural environment.
- 3) Preservation and promotion of culture, instilling appreciation of the cultural heritage and preserving spiritual and emotional values that contribute to happiness and cushion the people from the negative impacts of modernization.
- 4) Good governance, developing the country’s institutions, human resources and systems of governance and enlarging opportunities for people at all levels to fully participate and effectively make development choices that are true to the circumstances and needs of their families, communities and the nation as a whole.

Promotion of enabling conditions for the pursuit of GNH is articulated as one of the main principles of state policy in the Constitution of Bhutan, which was adopted in 2008. Districts and communes/counties contribute to national development planning.

In light of this philosophy, the main planning tool in Bhutan is the Five-Year Plan (FYP). The design and implementation of LoCAL in the country took place under the eleventh FYP 2013-2017. The overall objective of the 11<sup>th</sup> FYI was “Self-Reliance and Inclusive Green Socio-Economic Development”, which effectively summarizes the priorities of this plan. Under the second pillar, the 11<sup>th</sup> FYP has four National

---

<sup>47</sup> Permanent Mission of the Kingdom of Bhutan to the United Nations: <https://www.un.int/bhutan/bhutan/gross-national-happiness>



## BHUTAN COUNTRY REPORT

Key Results: i) Carbon neutral/Green & climate resilient development; ii) Sustainable utilization and management of natural resources; iii) Water security and iv) Improved disaster resilience and management mainstreamed.

LoCAL in Bhutan is aligned with this FYP. According to its first Memorandum of Understanding (MoU), the specific objectives of the programme are “to ensure that counties, districts (and in the future urban authorities) can:

- Respond to the increasing impact of climate change in Bhutan in accordance with the local prioritized needs and vulnerabilities in a sustainable manner with sufficient considerations for operation and maintenance of the structures proposed;
- Promote robust, transparent and accountable Public Financial Management (PFM)/Public Expenditure Management (PEM) systems by provision of funds to make the local planning and budgeting process meaningful, efficient, effective and participatory as well as strengthening the incentives for Climate Change Adaptation (CCA) activities;
- In addition to these core objectives, the LoCAL facility grants, which will apply the existing RGoB capital grant rules and regulations for allocation, flow of funds and reporting with some new innovative piloting features, will also strengthen the overall intergovernmental fiscal transfer system in Bhutan; and establish a strategic platform for the RGoB to attract financial support for improving local level infrastructure and services in a sustainable, performance-based and climate change resilient manner.”<sup>48</sup>

These objectives illustrate that LoCAL clearly seeks to promote equitable development through the identification and prioritization of local needs and vulnerabilities, as well as stability through increased resilience. It is clearly focused on environmental sustainability but also on strengthening governance.

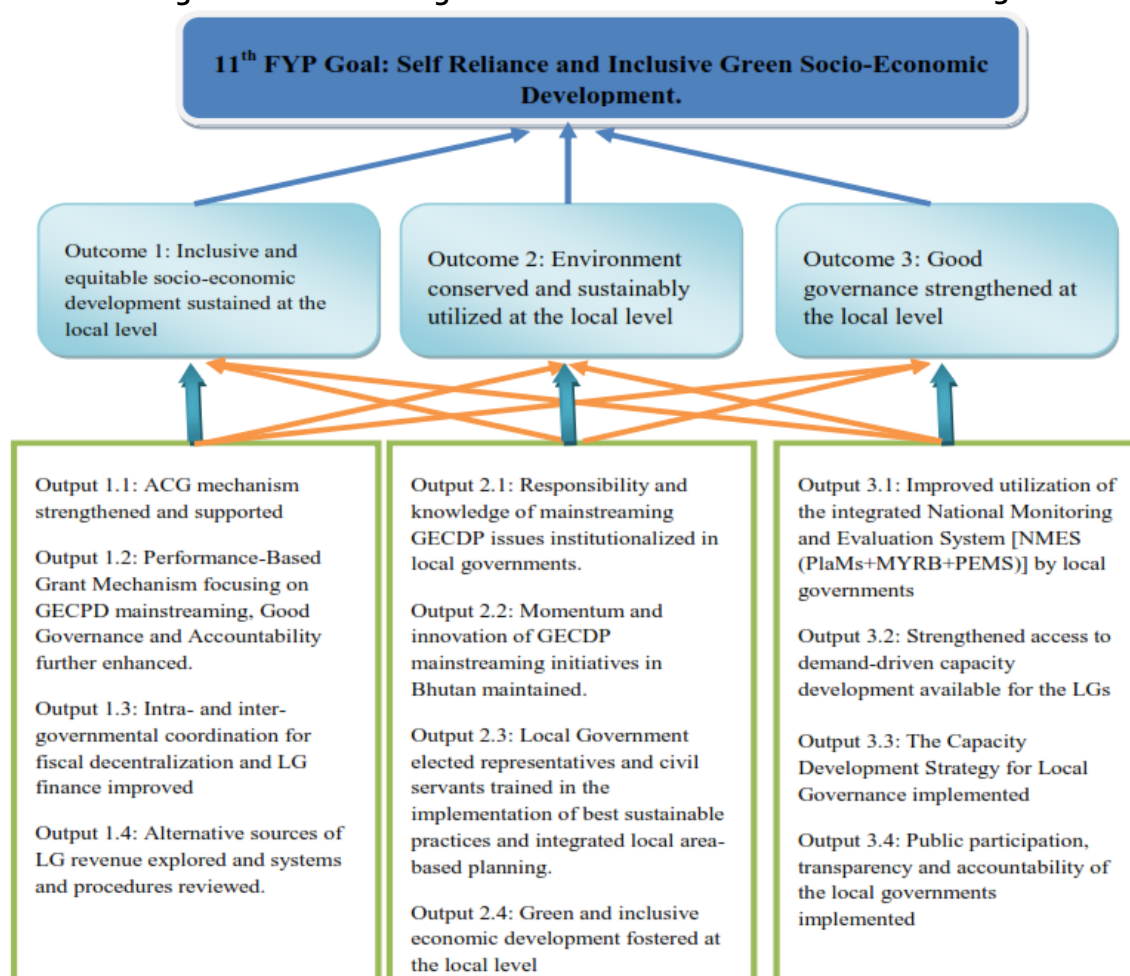
The fact that LoCAL was implemented first as part of the Joint Support Programme (JSP) and then as part of the Local Governance Sustainable Development Programme (LGSDP) supports the position that it is strongly relevant to the country’s overall development planning. Indeed, both programmes were designed as donors’ partnerships in support of the country’s development strategy. The Program Document for the LGSDP identifies the programme’s outcomes as: i) Inclusive and equitable socio-economic development sustained at the local level; ii) Conservation and sustainable use of environment at the local level; and iii) Strengthening good governance at the local level. These outcomes clearly refer to the 11<sup>th</sup> FYP goal as well as to the first, second and fourth development pillars. It also mentions that “key to the Program will be implementation of an integrated approach that mutually reinforces good governance and sustainable development at the local-level”<sup>49</sup>, which is illustrated in Figure 1. LGSDP Linkages to the 11<sup>th</sup> FYP and Outcome Inter-Linkages below.

<sup>48</sup> The phrasing for these objectives was slightly modified for Phase II.

<sup>49</sup> Royal Government of Bhutan, Joint Program Document LGSDP 2013/2014 – 2017/2018, November 2013, p.1.





Figure 1. LGSDP Linkages to the 11<sup>th</sup> FYP and Outcome Inter-Linkages

Source: LGSDP Joint Program Document 2013/2014-2017/2018, p. 21.

LoCAL represents only a small part of this large program – precisely 1.4% in terms of budget<sup>50</sup> - and its contribution in this larger picture is centralized in Output 1.2 “Performance-based grant mechanism focusing on Gender, Environment, Climate, Disaster and Poverty (GECPD) mainstreaming, good governance and accountability further enhanced”. However, its scope and implementation strategy definitely contribute to all three outcomes and to the inter-linkages illustrated by Figure 1.

## Decentralization

Decentralization has been promoted in Bhutan for quite some time now. The 9<sup>th</sup> FYP 2002-2007 introduced planning decentralization, by establishing that local governments formulate their FYP based

<sup>50</sup> This was set to vary depending on the actual funds that local governments were able to mobilize

## BHUTAN COUNTRY REPORT

on the development priorities identified by the communities at the county level. The 10<sup>th</sup> FYP 2008-2013 introduced fiscal decentralization through a new system for annual grant allocation to local governments that takes into account the principles of equity, transparency and objectivity while providing greater predictability and flexibility to prioritize programming of activities<sup>51</sup>. The criteria and their relative weight were modified in the 11<sup>th</sup> FYP and include the following: population (35%), area (10%), a multidimensional poverty index that includes income, life expectancy and education (45%), and transportation cost index (10%).

Essential to the decentralization process, a division of responsibilities framework was developed in 2012 that was guided by the principle of subsidiarity, which is defined as “the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level”<sup>52</sup>. The RGoB has also published a manual for local development planning “to help LGs to facilitate communities to become actively involved in the assessment, planning, implementation, monitoring and evaluation of development activities”<sup>53</sup>. It explains, among others, the process to establish annual priorities, taking into account the FYP but also the current needs of the population.

LoCAL in Bhutan is clearly aligned with this decentralisation, contribution to both planning and fiscal decentralisation processes. Regarding the first, identification of investment priorities by LoCAL governments and channelling of funds to these governments is the foundation of LoCAL’s strategy, as explained in the first MoU:

“The overall strategy to accomplish LoCAL’s objective is built on the understanding that effective channelling of capital development funds for reduction of the existing CCA funding gap is the key factor in enabling local governments in implementation of local CCA initiatives. The principle aim of LoCAL facility implementation is to accomplish this on the basis of transferring capital funds for climate change adaptation (CCA) to the local government level under a specially adopted performance-based grant system.”<sup>54</sup>

LoCAL thus makes funds available for local governments for climate change adaptation, on the condition that they identify their needs using a participatory process and integrate the required investments in their annual plans and budgets. This is in line with the guidance and policy provided by Bhutan’s governments in its most recent FYP and policy documents. Additionally, since it uses the country’s capital grant allocation system (as mentioned in the objectives of the program), it therefore leverages and uses the fiscal decentralization mechanisms that are currently under implementation, including the allocation criteria.

---

<sup>51</sup> Gross National Happiness Commission, Eleventh Five Year Plan Document 2013-2017.

<sup>52</sup> As defined by the Oxford English Dictionary, <https://en.oxforddictionaries.com/definition/subsidiarity>

<sup>53</sup> Royal Government of Bhutan Gross National Happiness Commission, Local Development Planning Manual: Standards for annual planning at Dzongkhag and Gewog level”, 2014, 2<sup>nd</sup> Edition.

<sup>54</sup> Memorandum of Understanding between UNCDF and the Royal Government of Bhutan (RGoB) on the support to the climate change adaptation grants for local governments, p.3.



## Climate change

Environmental sustainability and climate change mitigation and adaptation are a significant element of Bhutan's national planning. Article 5 of its constitution refers not only to environment but also to the concept of environmental sustainability as a shared responsibility for all citizens. In particular, it places strong responsibility on the government to protect the environment, ensure development is sustainable and also "ensure a safe and healthy environment"<sup>55</sup>. While the constitution sets a minimum threshold of 60% forest cover for the country, the country has maintained a 70.5% forest cover. Environmental protection is also the second pillar of the country's development approach, which further illustrates the importance given to this issue by the government.

Climate change is addressed as a cross-cutting issue in the country's 11<sup>th</sup> FYP. It briefly identifies the main vulnerabilities as being Glacial Lake Outburst Floods (GLOF), floods, landslides and droughts. Among environmental issues mentioned, water security can also be linked to climate change. The 11<sup>th</sup> FYP's key objectives related to environment are: i) Carbon-neutral and climate resilient development ensured; and ii) Sustainable utilization and management of natural resource pursued. These objectives are addressed through the following sector key result areas:

- Negative impacts on environment from development activities minimized or avoided;
- Opportunities for livelihood strengthened;
- Sustainable production and efficient utilization of timber enhanced;
- Water security enhanced;
- Disaster resilience, preparedness and responsiveness strengthened; and
- Enhanced efficiency and effectiveness of service delivery.

The importance of the environment is relevant even in the context of economic growth, as the 2010 Economic Development Policy highlighted in its vision statement and key strategies<sup>56</sup>.

In terms of its international positions regarding climate change, and in particular, climate change adaptation, Bhutan's Intended Nationally Determined Contribution (INDC) presented the country as a landlocked least developed country (LDC) "with a fragile mountainous environment", high dependence on agriculture, a significant role of hydropower for economic development and high vulnerability to climate hazards and extreme events, including flash floods, GLOF, windstorms, forest fires and landslides. Its priorities for adaptation included:

---

<sup>55</sup> "Every Bhutanese is a trustee of the Kingdom's natural resources and environment for the benefit of the present and future generations and it is the fundamental duty of every citizen to contribute to the protection of the natural environment, conservation of the rich biodiversity of Bhutan and prevention of all forms of ecological degradation including noise, visual and physical pollution through the adoption and support of environment friendly practices and policies."

<sup>56</sup> Vision: "To promote a green and self-reliant economy sustained by an IT-enabled knowledge society guided by the GNH philosophy." Strategies: i) diversify the economic base with minimal ecological footprint; ii) harness and add value to natural resources in a sustainable manner; iii) increase and diversify exports; iv) promote Bhutan as an organic brand; v) promote industries that build the Brand Bhutan image; and vi) reduce dependency on fossil fuel especially in respect to transportation.



BHUTAN COUNTRY REPORT

1. Increase resilience to the impacts of climate change on water security through Integrated Water Resource Management (IWRM);
2. Promote climate resilient agriculture to contribute towards achieving food and nutrition security;
3. Sustainable forest management and conservation of biodiversity to ensure sustained environmental services through: Sustainable management of forest management units (FMUs), protected areas, community forests, forest areas outside FMUs, and private forests
4. Strengthen resilience to climate change induced hazards;
5. Minimize climate-related health risks;
6. Climate proof transport infrastructure against landslides and flash floods, particularly for critical roads, bridges, tunnel and trails;
7. Promote climate resilient livestock farming practices to contribute towards poverty alleviation and self-sufficiency;
8. Enhancing climate information services for vulnerability and adaptation assessment and planning;
9. Promote clean renewable and climate resilient energy generation; and
10. Integrate climate resilient and low emission strategies in urban and rural settlements.

The country's Second National Communication to the United Nations Framework Convention on Climate Change (UNFCCC) published in 2011 details adaptation priorities per sector, for the following sectors: Water and climate-related disasters, Agriculture, Energy, Forest and biodiversity, Health, and Glaciers and GLOF. It identifies needs for information and research, capacity building and awareness raising, new technologies, establishment of controls or regulations, infrastructure upgrades, and even strategy changes.

Bhutan's National Adaptation Programme of Action (NAPA) prepared in 2006 and updated in 2011 identified the sectors of i) Forestry & biodiversity; ii) Agriculture; iii) Natural Disaster & Infrastructure; iv) Water Resources and Energy; and v) Health as priority sectors, and highlighted the following priority projects:

1. Disaster Management Strategy (Pilot Implementation of Food Security and Emergency Medicine)
2. Artificial Lowering of Thorthomi Glacier Lake
3. Weather Forecasting System to Serve Farmers and Agriculture
4. Landslide Management & Flood Prevention (Pilot Schemes in Critical Areas)
5. Flood Protection of Downstream Industrial and Agricultural Area
6. Rainwater Harvesting
7. GLOF Hazard Zoning (Pilot Scheme – Chamkar Chu Basin)
8. Installation of Early Warning System on Pho Chu Basin
9. Promote Community-based Forest Fire Management and Prevention



## BHUTAN COUNTRY REPORT

The NAPA aimed to improve coordination by the National Environment Commission and the Multi-Sectoral Technical Committee on Climate Change. It planned to seek financial and technical support from international climate mechanisms and to enhance awareness and capacity through education, research and institutional strengthening. Finally, it also planned to integrate climate change adaptation in the 12<sup>th</sup> FYP for 2018-2023.

A scoping mission was conducted in 2010 to recommend an implementation mechanism for LoCAL. It visited several Gewogs and Dzongkhag, including Wangdue Phodrang Dzongkhag where LoCAL is under implementation. It identified the most vulnerable sectors and key challenges for adaptation actions in each location. Focus groups discussions held during the evaluation mission provided an overview of perceived changes in climate by interviewees. In Daga County, both men and women pointed out erratic rainfall patterns, with increased violence of rainfall, which leaves soil more vulnerable while causing crop losses. Women perceived that this also brought new kinds of pests (i.e. armyworms) and potential health hazards due to water contamination. Both groups mentioned stronger and more frequent windstorms that destroy roofing. Women mentioned a slight increase in temperature causing fatigue during farm work. In Phangyul County, diminished and erratic rainfall patterns and raising temperatures were the main changes observed by both men and women. This has caused water scarcity and modified the timing for crops. Windstorms were also mentioned by men in the group, but it did not appear to be a significant issue. This is supported by climate change and poverty vulnerability assessments, which ranked water supply systems and transport infrastructure among the most climate vulnerable livelihood assets in rural Bhutan.<sup>57</sup>

As noted in section 3.2.5, LoCAL investment concentrated on improvement to water supply system for human consumption and household use (26% of adaptation measures and 28% of funds); improvement of transportation infrastructure (21% of measures and 43% of funds) and to a lesser extent agriculture (27% of measures and 9% of funds), with activities on other aspects, such as energy and construction also taking place. The main investment sectors therefore correspond broadly to the adaptation priorities identified both by the population and in international texts, although some sectors like forestry and biodiversity conservation may seem under-represented. The cross-cutting nature of climate change issues and complex causalities may explain this under-representation.

## 5.2.2.1.2

*Amount and type of CCA finance accessible to local governments in Bhutan***Amount and type of CCA finance accessible to Bhutan excluding LoCAL**


---

<sup>57</sup> Phase I Final Assessment, 2015.



## BHUTAN COUNTRY REPORT

At the time of writing this report, it is not possible to identify the budget allocated to CCA at the central government level in Bhutan. While, as noted, climate change will be a key result area of the 12<sup>th</sup> FYP, with its own budget, this is not the case in the current 11<sup>th</sup> FYP. At the moment, the budget is disaggregated by sectors, but CCA is not mentioned specifically. In any case, in its INDC (2015) (p.9), the RGoB claimed that the country is already spending its own resources for some climate change adaptation and mitigation actions through the budgeting for the current FYP... Our hydropower projects are also being built at great additional expense to take into account the need to withstand catastrophic glacial lake outburst flood (GLOF) events. The Bhutan Trust Fund for Environmental Conservation (BT FEC) also provides local funding for projects addressing mitigation and adaptation". However, according to its latest National Communication to the UNFCCC (the second one, submitted in 2011) (p. 106), the country "lacks financing and capacity even for regular baseline development activities and research on climate observation and vulnerability assessment, let alone additional adaptation activities. Therefore the implementation of adaptation priorities will be heavily dependent on availability of (external) financing".

In this context, Bhutan has been receiving financial and technical support from international environment and climate change funds and development partners to increase its resilience to climate change. According to the information provided by the Gross National Happiness Commission (GNHC) (which acts as the Ministry of Planning in other countries), so far most of the funds have been mobilized through the Global Environment Facility (GEF). The RGoB received a grant of USD 6 m for the project NAPA 1 and a grant of USD 11.5 m for the project NAPA 2 from the GEF managed Least Developed Countries Fund (LDCF)<sup>58</sup>. The country has sent a proposal for a USD 14 m grant for the NAPA 3 project – the project identification form (PIF) has already been approved. The NAPA 1 project addressed immediate and urgent needs prioritized through the 2006 NAPA. It was implemented between 2008-2013 and focused on reducing vulnerabilities and risks from GLOFs<sup>59</sup>. The NAPA 2 project is informed by the update of the NAPA undertaken in 2011. Initiated in 2014 and still active (expected completion date is June 2018), this project has a rather comprehensive approach, focusing on enhanced national and local capacity for effective management of climate-induced disaster risks<sup>60</sup>. According to the same sources<sup>61</sup>, it was the CCA LDCF-funded project with the largest grant in the world. Started in November 2017, the NAPA 3 focuses on enhancing the environmental sustainability and climate resilience of forest and agricultural landscapes and community livelihoods.

---

<sup>58</sup> GEF has also provided a USD 3 m grant for mitigation in the transport sector.

<sup>59</sup> The full name of the project was *Reducing Climate Change-induced Risks and Vulnerabilities from Glacial Lake Outburst Floods (GLOF) in the Punakha-Wangdi and Chamkhar Valleys*. The project worked both at national and local levels. For more details see: <http://www.adaptation-undp.org/projects/lDCF-glof-bhutan>

<sup>60</sup> The full name of the project is *Addressing the Risks of Climate-induced Disasters through Enhanced National and Local Capacity for Effective Actions*. The project builds capacities at community, local and national levels to prepare for and respond to climate-induced hazards, and thereby reducing potential casualties and loss of infrastructure, livelihoods and assets. It covers flood protection, windstorm; forest fires; landslides; hydro-meteorological information and water scarcity.

For more details see: <http://www.undp.org/content/bhutan/en/home/operations/projects/ccaprojectlist/1--national-adaptation-programme-of-action--napa--ii.html>

<sup>61</sup> See: <http://bhutanobserver.bt/8311-bo-news-about-bhutan-to-implement-worlds-largest-climate-change-adaptation-project.aspx>



## BHUTAN COUNTRY REPORT

In addition, from its Regional Office for Asia and the Pacific (ROAP), in coordination with the United Nations Programme on Human Settlements (UN-HABITAT), UN Environment is executing in Thimphu the project *Building climate resilience of urban systems through Ecosystem-based Adaptation (EbA) in the Asia-Pacific region* (Urban EbA Asia), with funds from the LDCF and the Special Climate Change Fund (SCCF) of the GEF<sup>62</sup>. The project aims at reducing the vulnerability of poor urban communities in Asia-Pacific LDCs to climate change impacts through the application of EbA, activities focusing on reforestation, urban agriculture and restoration of wetlands in urban areas<sup>63</sup>. Besides, since 1989, UNDP manages in Bhutan the GEF Small Grants Programme (SGP), under which up to USD 50,000 per initiative is allocated to community-based organizations (CBOs)<sup>64</sup>.

At the time of writing this report, the RGoB had not received any funding from the Adaptation Fund. So far Bhutan hasn't received resources from the Green Climate Fund (GCF) either (see section 5.1.2 for details on accreditation efforts). However, there are three projects in the pipeline: i) the National Adaptation Plan process, with support from UNDP; ii) a USD 42 m grant for a project on smart agriculture, with support from Food and Agriculture Organisation of the United Nations (FAO); and iii) a USD 23 m grant for a project on protected areas with support from the World Wildlife Fund (WWF). Moreover, the country has received a preparatory grant of USD 1.5 m from the Climate Investment Fund (CIF) to prepare a Strategic Program for Climate Resilience (SPCR)<sup>65</sup>. All these funds have been mobilized with development partners: besides those mentioned already, UNDP has been the implementing partner for all NAPA projects and UNEP for the Urban EbA Asia, while the World Bank (WB) is the implementing agency for the CIFs.

According to the Climate Funds Update<sup>66</sup>, Cambodia received USD 30.63 m in the period 2003-2016 through multilateral public finance under and beyond the UNFCCC umbrella. Funds under the UNFCCC umbrella in particular from LDCF, concentrated USD 25.63 m or 84% of multilateral funds; while non-UNFCCC funds, in particular the Adaptation for Smallholder Agriculture Programme (ASAP), USD 5 m or 16%.

In addition to these projects that have mobilized resources from international climate change funds, bilateral cooperation is supporting Bhutan on CCA. The country is receiving support from the European

---

<sup>62</sup> Between 2010 and 2014, Bhutan implemented the "Piloting Climate change adaptation to protect human health in Bhutan" project. Part of a global initiative jointly implemented by the World Health Organization (WHO) and United Nations Development Programme (UNDP), the project is funded by a USD 0.55 m grant from the GEF SCCF. For details see: <http://adaptation-undp.org/projects/scsf-piloting-climate-change-adaptation-protect-human-health-bhutan>; and <http://www.who.int/globalchange/projects/adaptation/en/index2.html>

<sup>63</sup> The project is also active in the cities of Kep (Cambodia), Phongsaly and Oudomxay (Lao PDR) and Mandalay (Myanmar).

<sup>64</sup> This partnership has to date supported over 130 projects in the GEF focal areas of biodiversity conservation, climate change and land degradation. The average grant size ranges between US\$ 20, 000 and US\$ 30, 000. Currently, SGP Projects are spread over 19 districts.

<sup>65</sup> For more details see: <http://www.worldbank.org/en/news/press-release/2017/03/02/bhutan-grant-prepare-program-improve-climate-resilience>

<sup>66</sup> Climate Funds Update is an independent website that provides information on the growing number of international climate finance initiatives designed to help developing countries address the challenges of climate change.





## BHUTAN COUNTRY REPORT

Union (EU) through its Global Climate Change Alliance (GCCA). The Ministry of Agriculture and Forests is finalizing the implementation of the Climate change adaptation in Bhutan's renewable natural resources sector project (2012-2017). With a USD 3.4 m grant from the GCCA, the project is implemented through the budget support mechanism<sup>67</sup>. In addition, since 2014 Japan International Cooperation Agency (JICA) is supporting Bhutan with the *Improving of Meteorological Observation, Weather Forecasting & Dissemination Project*, which aims at building-up reliable observation and forecast technique for extreme weather phenomena and proper dissemination of information on weather in a user friendly manner<sup>68</sup>. According to the Climate Funds Update, GCCA channeled USD 11.27 m to Bhutan in the period 2003-2016. Furthermore, the RGoB has been working with the International Centre for Integrated Mountain Development (ICIMOD), a regional learning and knowledge sharing centre of the Hindu Kush Himalayas, on social process for vulnerability assessment.

In parallel, two projects have tried to promote decentralization and democratic governance. Between 2008 and 2013, Bhutan was supported with the Local Governance Support Program (LGSP) and Joint Support Programme (JSP) on Capacity Development for Mainstreaming Gender, Environment, Climate Change, Disasters and Poverty (GECDP) Concerns in Policies, Plans and Programmes. The LGSP aimed at establishing an effective system of local government at the district and county levels through a two-pronged approach of capacity development and strengthening of the public financial management of local authorities, targeting both elected and public officials. The LGSP support is implemented in the 20 districts and 205 counties of Bhutan. With a total budget of USD 7,250,000, the project was supported by Denmark (DKK 25 m, approximately USD 5 m), UNDP (USD 1.5 m) and UNCDF (USD 750,000)<sup>69</sup>. Between 2014 and 2016, Bhutan was supported with the Local Governance Sustainable Development Programme (LGSDP). The LGSDP is a joint program supported by a group of international development partners, which includes the European Union, the Government of Denmark, the Government of Switzerland, UNCDF, UNDP, and UNEP. The overall objective of the LGSDP is to contribute to the national goal of decentralization.

#### Amount and type of CCA finance accessible to local governments in Bhutan excluding LoCAL

According to the Ministry of Finance (MoF), given that Bhutan has a unitary governance system, the central government has to provide all the resources to local governments for these to implement their activities. In the 11<sup>th</sup> FYP 2013-2018 local governments are allocated Bhutanese Ngultrum (BTN) 25 billion or 27% of the total capital budget of the country (BTN 92 billion). According to the Department for Local Governments (DLG) at the Ministry of Homes and Cultural Affairs (MoHCA), the distribution is the following: BTN 8 billion are allocated to districts; BTN 6 billion, to counties; BTN 5 billion, to urban

<sup>67</sup> For more details see: <http://www.gcca.eu/national-programmes/asia/gcca-bhutan>

<sup>68</sup> [https://www.jica.go.jp/srilanka/english/office/topics/160129\\_01.html](https://www.jica.go.jp/srilanka/english/office/topics/160129_01.html)

<sup>69</sup> There have also been fund references to the EU, the Austria Development Agency and the Swiss Agency for Development and Cooperation (SDC), but contributions are not included in the prodod.





## BHUTAN COUNTRY REPORT

municipalities (4, including Thimphu); BTN 1 billion is kept for the works of the central government in local areas; and BTN 5 billion are reserved.

The allocation to specific counties is based on a formula that factors in the population, the area, the poverty levels and the transportation costs (the worst the accessibility, the greater the resources allocated). According to the data provided by national institutions, the central government's transfer to the six counties where LoCAL was active in phase 2 ranged between USD 480,000 and USD 210,000 for the period, with an average of USD 730,000 per district. This five-year allocation is broken down in five equal transfers. In the 2015/2016 financial year (FY) LoCAL counties received transfers from the RGoB ranging between around USD 50,000 and USD 130,000, with an average of around USD 95,000.

Moreover, each county receives a transfer from the County (Gegow) Development Grant (GDG) of USD 31,000 annually (this amount is constant and equal for all counties). In total, with these two transfer mechanisms, the resources transferred in the 2015-2016 FY from the central government to the counties where LoCAL was active in the second phase range between around USD 80,000 and USD 170,000, with an average of around USD 120,000.

According to the MoF, these resources mentioned above are not meant to cover major infrastructure works and education, which fall under the responsibility of the central government, and for which resources are not therefore transferred to local governments. In this sense, according to MoF officials, the percentage of resources transferred to the local level would surpass 30% if investments at local level implemented by the central level were considered – this assumes these investments would cost more than the BTN 1 billion already allocated for that purpose within the 27%.

According to the DLG, while a provision allows local governments to generate local revenue, this is nominal and local governments have not been able to raise any significant revenues so far.

In addition to the central transfers, counties in Bhutan receive resources from the Small Development Projects (SDP) initiative, funded by the Government of India (GoI)<sup>70</sup>. Active since at least the 10<sup>th</sup> FYP, funds under the SDP are mainly used for infrastructure development in rural areas (e.g. drinking water schemes, irrigation channels and farm roads) which are planned and implemented by the local governments based on the priorities and needs of their respective communities<sup>71</sup>. Within a ceiling, the allocation of funds depends on the proposals counties send. The SDP grants received by the six counties where LoCAL was active in the 2015/2016 FY vary considerably. One county did not receive any funding and another one got only around USD 8,000. The other four counties received grants ranging between around USD 60,000 and USD 200,000, with an average of around USD 110,000

---

<sup>70</sup> India has been assisting Bhutan's development since the first FYP, which was launched in 1961, i.e. 57 years ago..The GoI funded entirely Bhutan's first and second FYPs in 1960s, and has remained a great source of its funding since then. According to the GoI, India's contribution (Rs. 4500 cr.) represents about 68% of Bhutan's total external assistance and 49% of the country's capital expenditure (BTN 9200 c). Source: <https://www.indianembassythimphu.bt/pages.php?id=33>

<sup>71</sup> <https://www.indianembassythimphu.bt/pages.php?id=79>



## BHUTAN COUNTRY REPORT

Within the framework of this evaluation it is not possible to identify the budget allocated to CCA in sub-national governments. As noted, this information is not even available at the national level. GNHC officers claim that most of CCA funds arriving to the country are managed by the central level and implemented by the local level, only capacity building and research related budgets remaining at the central level. However, none of the six counties where LoCAL was active in the second phase received specific funding for climate change resilience apart from LoCAL (they actually didn't receive any additional funding to the one presented above)<sup>72</sup>.

In any case, site visits revealed that, while focused by design on rural socio-economic development and not on CCA, SDP funds were at least in some cases used for CCA purposes, at least to the extent to which LoCAL did actually increase resilience to climate change. In Wangdue district, in Phobji county, a LoCAL investment had been extended with SDP funds (LoCAL had funded (BTN 0.7 m) 565 metres of the Yuebam irrigation channel in 2014-2015 FY; the Gol funded (BTN 3.4 m) an additional 1.5 km in the following FY).

At the time of writing these lines, the GNHC is developing the 12<sup>th</sup> FYP 2018-2023. According to its staff, this FYP will increase the percentage of capital budget transferred from the central government to local governments from around 30% to 50%.

## 5.2.2.1.3

*Types of barriers for access to CCA finance by Bhutan***Types of barriers for access to CCA finance by Bhutan**

The first type of barriers refers to planning at the national level. According to the MoF, CCA was not budgeted by the GNHC as a priority either at the central or the local level. According to the DLG, this was also reflected in the formula used to allocate resources to districts and counties. The criteria considered do not indeed factor in vulnerability to climate change and non-climatic hazards or gender issues.

The second type of barriers relate to the local level. According to interviewees both at the national and local level, sub-national governments have to deal with many pressing needs with limited resources. However, although it has improved, their capacity to plan and prioritize is still limited. Interviews suggest that there is a tendency to focus on quantity over quality, and on short over long-term benefits. In this framework, local governments see climate change adaptation more as a cost than as an investment. A

---

<sup>72</sup> An explanation is that the resources are actually not transferred. An alternative explanation is that that year funds were not transferred, unlike other years –although this is unlikely given the projects presented in the section just above. The evaluation team requested country authorities budget data for at least 2014/2015 and 2016/2017 to complement the 2015/2016 data provided, but additional data was not provided.



## BHUTAN COUNTRY REPORT

conceptual review for roads estimated that considering environmental sustainability would increase costs by between 10 to 40%, more if climate change issues are addressed, in the initial years. However, the investment would be recovered in 9 years and savings would be accrued after that, due to lower maintenance cost. District officials recognized that they tend to see the first part and overlook the second one. In this light, they prefer to build two roads and foster socio-economic development in the short term (and show they have delivered) than build one resilient road that would serve the same purpose more sustainably.

Furthermore, interviews indicate that there is limited technical capacity to design and implement CCA interventions, even if resources were allocated to this. According to national and local stakeholders and development partners, while there is a general understanding of climate change, local stakeholders find it difficult to distinguish between adaptation and development. District staff noted that local engineers and other planners don't often know how to climate-proof an infrastructure or boost resilience in a more generic way, in terms of both design and costs, even when some adaptation options are easy, simple or cheap at the local level. While this applies as well to environmental sustainability at large, interviews highlight that this is even more difficult regarding climate change given the need to translate scientific knowledge and the considerable uncertainty about future climate change.

This has consequences in terms of mobilizing resources. Interviews at the national level point out that local governments (and even central level institutions) struggle to develop proposals on CCA and capitalize existing initiatives. Moreover, in this regard, according to the same source, donor funds are sometimes scattered and it is difficult to monitor and upscale such initiatives. Finally, county officials claim that while GDG funds are more flexible, RGoB FYP funds are rather rigid.

**Types of barriers for access to CCA finance by Bhutan addressed by LoCAL**

At the national level, national stakeholders recognize that, given its integration into the national planning and budgeting processes, LoCAL compensates the "non-consideration of climate change" in the formula that allocates FYP resources to districts and counties by mobilizing resources to areas particularly vulnerable to the impacts of climate change.

At the local level, interviews with national and local stakeholders highlight that, by providing additional and especially dedicated funding, LoCAL gives local governments room to look at development through the climate angle, without competing with other pressing development priorities.

Furthermore, LoCAL raises awareness and buy-in, showing the value of investing on the resilience and sustainability of infrastructure. Moreover, through a learning by doing approach, LoCAL strengthens technical capacities to plan, budget and implement CCA interventions. Interviews at the national level indicate that local governments are gradually proposing more solid sub-projects. Arguably, the principle of performance-based allocation fosters learning.



## BHUTAN COUNTRY REPORT

## 5.2.2.1.4

*Additionality of the approach brought by LoCAL*

The added value of LoCAL in Bhutan is triple. As noted by national stakeholders, in a decentralisation process, in contrast with other CCA projects, which worked and work through the national government, LoCAL mobilized resources to the sub-national authorities, which were responsible for executing them.

This model is arguably followed in programmes and projects focusing on decentralisation. In Bhutan, LoCAL was part of the two major ones: LGSP and LGSDP. In these multi-donor and large programmes LoCAL added two aspects. The first aspect was the focus on CCA. The second aspect was the principle of assessing the performance of the key institutional beneficiaries and allocating resources based on this. As noted by national and local stakeholders and development partners, this was new both in CCA and decentralization or democratic governance projects. Introduced by LoCAL in the country, the principle and the model is now applied by the LGSDP not only to CCA, but also to other cross-cutting issues, such as gender, environment, disaster risk reduction and poverty<sup>73</sup>. The MoF is looking into complex performance-based allocations in the long run – at the moment they only consider performance in terms of expending capacity.

It is worth noting that one of key elements of LoCAL Bhutan was its integration into a larger programme, that covered, for instance, technical assistance to mainstream climate change (and environment and poverty) concerns in policies, programmes and plans at national and local levels. In this sense, it is crucial that the JSP complemented LGSP to ensure that capital investments were planned and implemented in such a way that environment, climate change and poverty concerns were appropriately integrated and addressed within the local government system. Indeed, national stakeholders argue that LGSDP added to LoCAL more than LoCAL added to LGSDP.

Finally it is interesting to compare LoCAL with the SDP funded by the GoI. Conversations with officials at county level indicated that:

- Unlike LoCAL, with SDP the funded activity has to be on the plan
- SDP resources have to be invested in one geographic area, while LoCAL resources can be invested in many
- The national budget establishes a ceiling for each county to distribute resources; if they go above it they can't get resources from SDP, but they can get resources from LoCAL
- Unlike LoCAL, there is no performance assessment with SDP

---

<sup>73</sup> LGSDP project document, p. 35: "The award and the size of PBGs will be based on impartial and transparent annual performance assessments. The performance indicators will draw on the experience piloting of Performance-Based Climate Resilient Capital Grants, under JSP-LoCAL component, and international experience of similar initiatives... These PBGs will add value to the incentives already inherent in the ACGs".



### 5.2.2.2 As presently designed, how coherent is programme design across its three phases of implementation in view of its objectives?

#### 5.2.2.2.1 *Degree of alignment of LoCAL with needs and priorities in terms of CCA at the local and national level*

LoCAL in Bhutan has been implemented in two phases. Phase 1, or the pilot phase, was deployed between 2011 and 2013, over two fiscal years (2011/2012 and 2012/2013). It worked with two levels of local government: districts and councils. In total it took place in four local governments: two districts (Wangdue and Zhemgang) and two counties (Phobji in Wangdue district and Nangkhor in Zhemgang district). UNCDF's financial contribution was USD 500,000. LoCAL was a component of a larger programme: the JSP on Capacity Development for Mainstreaming Environment, Climate Change and Poverty Concerns in Policies, Plans and Programmes.

Phase 2, also referred to as the bridging phase, was implemented between 2014 and 2016, over two fiscal years (2014-2015 and 2015-2016). This phase only worked at county level. In addition to the counties where it was already working, this phase covered four additional counties: Daga and Phangyuel in Wangdue district and Ngangla and Phangkhar in Zhemgang district. UNCDF's financial contribution was USD 500,000. As in Phase 1, in Phase 2 LoCAL was a component of a larger programme, in this case, the LGSDP. While building on LGSP and JSP, LGSDP was not a linear extension of the ongoing programmes, but "an integrated programme to advance the core areas of good governance and green socio-economic development at local level in mutually-reinforcing ways" (programme document, p. 2).

A third phase has been negotiated with the European Union, which would provide E 5 m for LoCAL as part of its assistance to the LGSDP. This phase would cover ten additional counties in four additional districts. According to the 2016 Annual Report (pp. 10-11), this phase was supposed to start in the 2016-2017 FY. In this phase, UNCDF would not make a financial contribution, but would provide technical support in the following areas: i) consolidation of the systems for mainstreaming CCA in local government systems and for performance assessment through quality assurance, honing of the processes, training and other forms of technical assistance; ii) development of a critical pool of knowledge resources and communication materials, including project briefs, slides and videos, related to LoCAL model, approaches and interventions and using these materials extensively for awareness-building and advocacy through workshops, mass media and LoCAL website; and iii) coordination and partnerships with other development initiatives... and with research and policy institutes to enhance and expand the knowledge base in various fields of climate change adaptation. The LGSDP programme



## BHUTAN COUNTRY REPORT

document (p. 35) indicates that the aim was « for the system to be applied country wide in the 12 FYP (2018-2023) »

In addition to the coordination with other programmes and the added value of LoCAL in the Bhutan context, already discussed in section 2.1.4 above, an issue deserves special attention in this process: the extent to which available financial resources are meaningful, specifically in a performance-based grant allocation system that tries to provide incentives for change. Interviews indicate that originally in order to keep them meaningful but not overwhelming UNCDF and DLG had the idea that grants would represent between 15 and 25% of the budget of local governments.

However, during the first phase both districts and counties were considered beneficiaries of grants. During the first allocation the two districts received relatively similar or smaller amount in grants than counties<sup>74</sup>. While this was modified in 2012/2013 based on the performance of each local government, the allocation of districts and counties was still significantly similar (quantitative data on geographical distribution of funds is presented in section 3.2.5 below). Of course, districts and counties had different domestic budgets, and different populations. Indeed, Wangdue and Zhemgang districts have a total of 15 and 8 counties, respectively<sup>75</sup>. Phase 1 demonstrated that while grants had been meaningful for counties, they had been less relevant for districts. Drawing on that lesson, in phase 2 financial resources were only allocated to counties, districts being only supported with technical assistance.

Nevertheless, four counties were added to the two active in the first phase without increasing total resources. As a result, resources per county decreased. This was managed to a certain extent through the principle that allocation is based on performance, as those that performed well could be allocated the resources subtracted to those that had performance not that well. However, the system wouldn't work if all performed well. The system also worked because the evaluation of the exchange rate between USD and BTN meant that more BTN were available for investment with the same amount of USD.

Regarding the number of local governments, the experience of LoCAL in Bhutan shows the importance of specifying which type of local governments the global project document refers to. Bhutan has 20 districts and 205 counties. Phase 1 covered 10% of all districts (2), the percentage of which did not increase in phase 2, although it was aligned with the target announced in the global prodoc. Phase 1 involved 1% of all counties (2), while phase 2 involved 3% (6), far from the 5% to 10% referred to in the global project document. According to the prodoc the third phase would consist in a national roll-out. However, in Bhutan it would involve 30% of districts and 8% of counties, which is a significant increase from phase 2, but far from a national roll-out. The compliance with the phasing mentioned in the global prodoc also depends on the national administrative distribution.

---

<sup>74</sup> Specifically, the two districts and one county (Nangkor) received between USD 81,000 and USD 90,000 – one county (Phobji) received USD 123,000.

<sup>75</sup> The first population and housing census of Bhutan was conducted in 2005. The second population and housing census of the country was only conducted in May 30<sup>th</sup> to June 1<sup>st</sup> 2017. The results are not yet available.



## BHUTAN COUNTRY REPORT

Regarding selection of districts, interviews with key national stakeholders indicate that these were selected based on poverty mapping, as well as the number of beneficiaries. Socio-economic trends are not explicitly taken into account.

Finally, it is worth noting here that, as further discussed in section 3.1, the national programme management structure did not change from phase 1 to phase 2. Indeed, the national implementing partner (DLG) does not see scaling up as an issue in management terms, as this is integrated in the government system itself. However, as argued in section 6.2 on sustainability, the support from UNCDF would need to change, with a permanent in-house technical person and a pool of truly external independent consultants for some tasks, such as programme evaluations.

#### 5.2.2.2.2 *Degree of coherence of the program activities with outputs and outcomes*

Phase 1 of LoCAL Bhutan was organized in one outcome and two outputs. The outcome consisted in increased CCA financing and capacity at the local government level through a PBCCA grants system and a strengthened CCA planning process. Accordingly, output 1 referred to an effective and transparent CCA financing mechanism for local governments through the establishment of a PBCCA grants system; while output 2 referred to an inclusive, effective and accountable CCA planning process designed and integrated in the local development planning process of districts and counties. The structure of outcomes and outputs is therefore coherent.

For Phase 2, the outcome was slightly modified to include the notion of resilience as an overall goal for the programme, which brings a new dimension to what is expected from the programme. For Phase 2, the outcome is: “The resilience of local government to climate change has improved as a result of an increase in access to climate change adaptation financing through performance-based based climate resilient grants (PBCRG).” The concepts of “increased CCA financing and capacity” and “strengthened CCA planning process” are now considered into the new outputs 3, 4 and 5.

- Output 1: Effective and transparent CC financing mechanism for Local Government (Dzongkhags and Gewogs), through establishing a Performance-Based Climate Resilience Grant System (PBCRGs) further developed and tested in Bhutan, based on the experiences from Phase I;
- Output 2: Inclusive, effective and accountable CCA planning process designed and integrated in the Local Development Planning Process of Dzongkhags and Gewogs;
- Output 3: Effective and transparent Municipal PBCRG and CCA planning process developed and established;
- Output 4: Effective Capacity Development Mechanism established to strengthen Local Government capacities for CCA;



## BHUTAN COUNTRY REPORT

Output 5: CCA activities are efficiently, effectively and transparently implemented by participating Local Government through the PBCRG system.

Output 1 is thus a continuation of Phase 1 Output 1 and relates to the need to develop and test this financing mechanism that enables local governments to access to CCA finance. Output 2 and 3 refer to what is expected in terms of planning processes to be developed and implemented, while Output 4 refers to capacity building, which is an essential pillar of the programme. Finally, Output 5 addresses the CCA adaptation activities themselves. These five outputs are clearly complementary in the view of the evaluation team for the achievement of the increased resilience of local governments through the implementation of the PBCRG.

### 5.2.2.3 How well are programme objectives supported by partners in Bhutan?

#### Development partners

As noted, LoCAL Bhutan's phase 1, in the period 2011-2013, was implemented under the overall programmatic umbrella of the JSP on Capacity Development of Mainstreaming Environment, Climate Change and Poverty issues. According to the programme document, this was funded by the Government of Denmark (DKK 25 m, approximately USD 5 m), UNDP (USD 1.5 m) and UNCDF (USD 750,000).

In turn, phase 2, in the period 2014-2016 was implemented under the programmatic arrangement of the LGSDP. According to the programme document (p. 2), this was funded by the Government of Denmark (DKK 32 m), the Government of Switzerland (CHF 1 m), the EU (5 m E), UNDP/ UNEP PEI (USD 430,000) and UNCDF (USD 230,000).

A third phase has been negotiated with the European Union, which would provide E 5 m as part of its assistance to the LGSDP.

#### National stakeholders

According to available data, the RGoB has not made financial contributions to any of the LoCAL phases in Bhutan. However, there is significant in-kind contribution in terms of staff, as the programme is integrated into the government system. In particular, the programme is managed by the DLG. Details on the management arrangements are provided in section 3.1 below.

#### Local stakeholders

According to interviews, district and county officials provide technical backstopping and monitoring as part of their regular work. In addition, according to the latest sub-project information made available to the evaluation team, in 2012 and 2015 districts and counties made financial contributions to the





## BHUTAN COUNTRY REPORT

programme in terms of co-financing for adaptation measures. In 2012, districts and counties provided USD 26,012 or 9% of the total costs of the measures implemented that year, with counties providing 52% of the total co-financing budget. That year, co-financing was provided for all investments (of all types), except for 2 infrastructure projects (one road and one water and sanitation investment), and one capacity building and one equipment provision intervention. In 2015, districts and counties provided USD 6,719 or 3% of the total cost of the measures implemented that year, with counties providing 88% of the total co-financing budget. That year, co-financing was provided for most infrastructure works, but not for all, and not for capacity building or provision of equipment. The percentage of co-financing varied quite a lot in the investments that had it in both years: it ranged from 33% to 2%, with most of the times moving around 10%.

Table 9. Co-financing in LoCAL Bhutan

Year	PBCRG LoCAL		Co-finance District	Co-finance County	Total Co-finance		Total funds
	Funds	%			Funds	%	
2012	271,793	91%	12,385	13,627	26,012	9%	297,805
2014	123,117						123,117
2015	201,688	97%	781	5,938	6,719	3%	208,953
2016	194,183		-	-			194,183
2017	7,000						7,000
<b>Grand Total</b>	<b>797,780</b>		<b>13,166</b>	<b>19,565</b>	<b>32,731</b>		<b>831,057</b>

Interviews in the field revealed that communities conduct most construction works (counties need to contract communities for procuring for amounts smaller than BTN 1.5 m) and that they provide free labour in some cases.

#### 5.2.2.4 To what extent is programme design sufficiently taking cross-cutting issues such as gender and human rights and social and environmental performance into account?

Desk review and interviews shows mixed results on the way LoCAL included gender and poverty considerations in Bhutan. These were mainstreamed together with climate change in the first and second phases as part of the larger programmes of which LoCAL was part. Interviews in the field indicated that vulnerability assessments and prioritisation processes were inclusive.

However, disaggregated data was not collected regarding the adaptation measures. The latest sub-project information made available to the evaluation team does not indicate at all their number of



## BHUTAN COUNTRY REPORT

beneficiaries, their gender or their poverty level. While annual reports provide some information on the number of beneficiaries (see section 3.2.5), they don't provide information on the two latter aspects.

This makes it difficult to estimate the extent to which the adaptation measures funded by the project benefit women and poor households. Interviewees (i.e. DLG) noted that these were not meant to be gender-sensitive, but climate-sensitive: they focused on basic infrastructure, which benefit all, without a gender lens. Recognizing that investments were meant to benefit all sectors of rural society, the assessment of the pilot phase (p. 10) argues that "some of the investments... would inadvertently have larger benefits for women". Examples are improvement of water supply systems and biogas plants, given that women are generally responsible for water collection, sanitation and cooking; and crop diversification support, given that women represent 62% of agricultural labour in the country. Focus group discussions show that both women and men benefited from investments, with women likely to benefit more from the types of investments mentioned above.

### 5.2.3 Efficiency

#### 5.2.3.1 What is the quality of programme management?

The management structure is composed of a Programme Steering Committee and a Programme Management Unit (PMU). Interviews at the national level (i.e. GNHC) indicated that the Programme Steering Committee is working well. The PMU is part of the DLG at the MoHCA, given that management relies on the government system. In this sense, it is conducted by civil servants and the programme does not imply any additional costs. The PMU is staffed with two individuals. It is worth noting that the management structure has not changed across phases, and that the same team has been in charge since 2014. According to the DLG, it would still be the responsibility of the national system to ensure the adequate management structure is in place if LoCAL were scaled up. The government also has an M&E system managed by an independent office. Audit is integrated as well in the national system. The Royal audit authority of Bhutan is responsible for auditing the LoCAL investments. According to the Ministry of Finance, RGoB has a good check and balance mechanism in place, with an auditor in each district. On the UNCDF side, LoCAL Bhutan is supported by an independent consultant hired on a regular basis, suggesting some recurrent management costs. In the second phase, according to its programme document, USD 50,000 or 10% of UNCDF's financial contribution was transferred to the DLG for "monitoring, technical backstopping and capacity development" as specified in a Plan and Operational Framework, with USD 450,000 or 90% reserved for PBCRG.

Desk review shows that the PMU has taken on an adaptive management approach. As noted, during the first phase LoCAL grants were allocated at both the district and county level. As explained above, resources for the district were not very meaningful, especially when distributed more or less evenly among their counties, which resulted in very small interventions. The assessment of the first phase recommended allocating resources only to the counties. This was followed in the second phase.



## BHUTAN COUNTRY REPORT

Desk review and interviews at national level suggest that coordination has been reasonably solid. As noted earlier, one of the main features of LoCAL in Bhutan is its integration into a larger, more comprehensive programme in both phases, bringing together multiple donors. As a result of this, in phase 2, as pointed out in the LGSDP prodoc (p. 35), the expansion of PBGs was “supported by demand-driven capacity development financed by separate grants”. Local governments were also supported in this context through “institutionalisation of GECDP mainstreaming at their level, awareness-raising, and specific capacity building of elected and civil service local government officials in best practices of sustainable and integrated local-area based planning and development”. Furthermore, mainstreaming of climate change is conducted together with other relevant cross-cutting topics, so the common silos approach is avoided. While at national level interviews indicate that communication between GNHC and NEC is not very fluid, this doesn’t seem to have affected LoCAL significantly. At the local level, harmonisation between LoCAL and SDP and other initiatives relies on local governments. Site visits revealed that in some cases SDP funds were used to complement LoCAL grants.

However, some management bottlenecks remain. The first one refers to fiscal years. In Bhutan the fiscal year is from July to June, while for UNCDF it is from January to December. This lack of alignment in the fiscal year has had implications for the implementation of the programme in Bhutan. As noted in the assessment of the first phase (p. 10), in the first year the “grants could not be planned and budgeted in line with the regular planning and budgeting cycle, as the LoCAL programme became operational after the FY 2011/12 cycle ended” in Bhutan. While they have been able to execute the funds in the corresponding fiscal year in subsequent years, it is still challenging as UNCDF funds are received in January (at the beginning of UNCDF’s fiscal year) and have to be spent by June (the end of RGoB’s fiscal year). According to the DLG, the country is able to use LoCAL funds because by the time they get them they have already spent up front central government funds.

An additional bottleneck is that while LoCAL Bhutan is embedded into the national planning and budgeting system, the recently developed Bhutan Local Development Planning Manual is not practical to the implementation of LoCAL in the country. The assessment of the first phase (p. 15) notes that the manual outlines an intensive planning process that is “practicable for use every five years but not in annual planning as envisaged”, and that requirements such as environmental clearance and feasibility studies “appear to be unnecessary” for small top-up investments to address CCA at local level such as LoCAL grants.

Moreover, interviews with national stakeholders reveal that there is room to improve the communication between these stakeholders, particularly the DLG, and UNCDF, especially regarding global processes that affect Bhutan, such as the work of the World Resource Institute (WRI) and to a lesser extent the work of the Korean Environmental Institute (KEI). To a great extent communication relies on informal channels through the independent but regular national consultant, which has worked in the most relevant CCA processes in the country (NAPA 2 and 3, and LoCAL).



### 5.2.3.2 How well has the initiative delivered its expected results and what is the quality of the programme outputs (deliverables) delivered to date?

#### 5.2.3.2.1 *Number of participating local governments*

As noted before, during phase 1 LoCAL Bhutan allocated grants to two districts (Wangdue and Zhemgang) and two counties (Daga and Nangkhon). During phase 2, LoCAL allocated grants to six counties in those two districts: Daga, Phangyuel and Phobji counties in Wangdue district, and Nangkhon, Ngangla and Phangkhar counties in Zhemgang district. In phase 2, grants were allocated only at the county level, and not at the district level. As noted in section 2.2.1 above, Phase 1 covered 10% of all districts (2), the percentage of which did not increase in phase 2, although it was aligned with the target in the global prodoc. Phase 1 involved 1% of all counties, while phase 2 involved 3% of them, far from the 5% to 10% referred to in the global project document.

#### 5.2.3.2.2 *Number of local governments which have integrated the PBCRG*

The PBCRG system has been utilized by all involved local governments: in phase 1 by two districts and two counties, and in phase 2 by six counties. It is worth noting that while the system was applied at both district and county level in phase 1, in phase 2 it was only applied at county level.

#### 5.2.3.2.3 *Proportion of funds disbursed related to planned disbursements*

According to the latest sub-project information made available to the evaluation team, USD 831,058 were mobilized by LoCAL in Bhutan. The resources were evenly distributed across phases: USD 420,922 or 51% were mobilized during phase 1 (USD 297,805 or 36% in 2012 and USD 123,117 or 15% in 2014), and USD 403,126 or 49% were mobilized during phase 2 (USD 208,953 or 25% in 2015; USD 194,183 or 23% in 2016 and USD 7,000 or 1% in 2017).

The amount of PBCRG UNCDF LoCAL grants was smaller, as the figures provided above include co-financing (discussed in section 2.3). In particular, according to the same source, UNCDF mobilized USD 797,780 across phases. Of these, USD 394,910 or 49.5% was mobilized in phase 1 (USD 271,793 or 34% in



## BHUTAN COUNTRY REPORT

2012 and USD 123,117 or 15% in 2014), and USD 402,871 or 50.5% in phase 2 (USD 201,688 or 25% in 2015, USD 194,183 or 24% in 2016 and USD 7,000 or 1% in 2017).

Table 10. Funds mobilized by LoCAL in Bhutan

Year	PBCRG LoCAL		Funds	
	Total	%	Total	%
2012	271,793	34%	297,805	36%
2014	123,117	15%	123,117	15%
2015	201,688	25%	208,953	25%
2016	194,183	24%	194,183	23%
2017	7,000	1%	7,000	1%
<b>Grand Total</b>	<b>797,780</b>		<b>831,058</b>	

Source: Based on the latest sub-project information made available to the evaluation team

According to the same source, all adaptation measures were completed. However, it is worth noting that these numbers don't match with the information provided in the 2015 and 2016 annual reports. Following the program document, according to these (pp. 10 and 4, respectively), each year USD 225,000 (USD 450,000 in total) was allocated in PBCRG to the six counties where the programme was active to invest in climate change adaptation and enhancement of climate resilient at the local level. This means that USD 47,129 or 10% of the resources indicated in the annual reports as allocated in 2014/2015 and 2015/2016 fiscal years are not reflected in the latest subproject matrix made available to the evaluation team. A possible explanation is that those funds were not executed. According to the assessment of phase 1 (p. 37), 3% of the funds released by UNCDF were not spent. An alternative explanation is changes in the exchange rate. An additional explanation is that the table is incomplete. The table gives only one figure for 4 investments<sup>76</sup> and again one figure for 3 investments<sup>77</sup> all completed in 2015. While it is likely that these figures present the aggregated costs of the investments, this is uncertain. In addition, the table does not include the budget of the installation of biogas plants in 4 villages in 2014 in Ngangla county in Zhemgang district.

<sup>76</sup> Construction of Ramtona slab bridge, plantation of trees at the county centre, water source management at Dazi Jab and laying a water pipe in Tala Chenju I and II, all in Phobji county in Wangdue district.

<sup>77</sup> Rehabilitation of water supply system, enhancing of existing water source and tapping additional water source and construction of RCC bridge, all in Ngangla county in Zhemgang district.



## BHUTAN COUNTRY REPORT

### 5.2.3.2.4 *Number of adaptation and resilience investments*

The figures on this are unclear. The table on the latest sub-project information made available to the evaluation team counts investments made by districts and counties in a different way in the first phase. While each adaptation measure implemented by a county is counted by itself, adaptation measures conducted by districts in several counties are counted as one. For instance, in 2012, Wangdue district installed bio-digesters in renewable natural resources centres in 5 counties. The matrix counts this as one adaptation measure and not as five different adaptation measures. However, if implemented by each of the counties, they would be counted as 5 adaptation measures. This double criteria is used 6 times: the matrix counts 6 adaptation measures where it could have counted 17 measures. That been said, the matrix made available counts 83 adaptation measures in total. Of these, 22 measures or 27% of the total were implemented in 2012; 17 or 21% in 2014; 22 or 27% in 2015; 21 or 25% in 2016; and 1 or 1% in 2017.

The assessment of the pilot phase and the annual reports 2015 and 2016 provide numbers. According to the former (p. 10), a total of 39 investments were made at the local level to enhance community resilience and adaptive capacity for climate change in the 2012/2013 fiscal year (FY). According to the 2015 Annual Report (p. 16), 27 adaptation measures were completed in the 2014-2015 FY, while according to the 2016 Annual Report (p. 14), 29 measures were conducted in the 2015-2016 FY. If these sources are taken into account, 95 adaptation measures have been implemented with UNCDF PBCRG in the two phases. Following these sources, 41% of the measures were implemented in the first phase, and particularly in the 2012/2013 FY; and 59% of the measures were implemented in the second phase (28% in the 2014/2015 FY and 31% in the 2015/2016 FY).

### 5.2.3.2.5 *Types, budget and stage of implementation of investments funded with LoCAL funds*

#### **Distribution by district and county**

According to the latest sub-project information made available to the evaluation team, Zhemgang concentrated almost 60% of all adaptation measures. This is due to the first phase, when that district concentrated almost 65% of the sub-projects; in the second phase, the number of projects was evenly distributed (Wangdue executed 52% of all of them).

During the first phase adaptation measures executed at district level represented over 55% of all of them, with Zhemgang executing a greater number of measures. Overall, district level measures represented 30% of interventions across phases. Regarding counties, Nangkor has the greatest share (17% of all measures) across phases (mainly due to its remarkable share in 2014), with the share of other counties



## BHUTAN COUNTRY REPORT

ranging between 9% and 12% in the whole period. Regarding annual shares, during the second phase, there are significant variations in Wangdue (Daga had a particularly small share in 2015 and Phorbji in 2016), while the share is more similar and constant in Zhemgang.

Table 3. Distribution of number of measures by district and county

Year	Wangdue Phodrang										Zhemgang										Grand Total
	Phobji		Daga		Phangyuel		District level		Total		Nangkhor		Ngangla		Phangkhar		District level		Total		
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
2012	3	10%	3	10%	1	3%	13	42%	20	65%	0	0%	1	3%	2	6%	8	26%	11	35%	31
2014	0	0%	0	0%	0	0%	0	0%	0	0%	10	40%	3	12%	2	8%	10	40%	25	100%	25
2015	4	18%	1	5%	6	27%	0	0%	11	50%	4	18%	3	14%	4	18%	0	0%	11	50%	22
2016	1	5%	5	24%	5	24%	0	0%	11	52%	3	14%	3	14%	4	19%	0	0%	10	48%	21
2017	1	100%	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1
	9	9%	9	9%	12	12%	13	13%	43	43%	17	17%	10	10%	12	12%	18	18%	57	57%	100

Source: Based on the latest sub-project information made available to the evaluation team

According to the same source, funds mobilized by LoCAL in Bhutan distributed evenly between the two districts where the programme was active: Wangdue district received USD 408,895 or 49% of all funds and Zhemgang, USD 422,163 or 51%. In each phase the two districts executed almost the same amount of resources. However, data shows that during the first cycle, all resources were executed by Wangdue in 2012, while Zhemgang executed them in 2012 and 2014. In the second phase, execution was more aligned: in 2015 Wangdue executed 52% of funds and 46% in 2016.

During the first phase, according to the data available, district governments executed 41% of funds and county governments 59% of them. Wangdue district executed USD 81,321 or 19% of them and Zhemgang USD 90,100 or 22%. Regarding counties, Phobji executed USD 122,967 or 29% and Nangkhor USD 82,591 or 20% of all funds. During phase two, the counties active in the first phase received a smaller share than those that were joining the programme: Phobji executed 11% of funds and Nangkhor 9%, while the other four executed around 20% each.

Table 4. Distribution of funds by district and county

	Wangdue Phodrang										Zhemgang										Grand Total
Year	Phobji		Daga		Phangyuel		District level		TOTAL		Phangkhar		Nangkhor		Ngangla		District		TOTAL		
	Funds	%	Funds	%	Funds	%	Funds	%	Funds	%	Funds	%	Funds	%	Funds	%	Funds	%	Funds	%	
2012	122,967	41%	-	-	-	-	81,321	27%	204,288	69%	22,527	8%	-	-	2,198	1%	68,792	23%	93,517	31%	297,805
2014	-	0%	-	0%	-	0%	-	-	-	0%	14,357	12%	82,591	67%	4,861	4%	21,308	17%	123,117	100%	123,117
2015	26,610	13%	40,782	20%	41,017	20%	-	-	108,408	52%	42,266	20%	16,406	8%	41,874	20%	-	-	100,546	48%	208,953
2016	12,600	6%	38,400	20%	38,200	20%	-	-	89,200	46%	47,068	24%	20,865	11%	37,050	19%	-	-	104,983	54%	194,183
2017	7,000	100%	-	-	-	-	-	-	7,000	100%	-	-	-	-	-	-	-	-	-	0%	7,000
	169,176	20%	79,182	10%	79,217	10%	-	-	408,895	49%	83,952	10%	119,862	14%	44,109	5%	-	-	422,163	51%	831,058

Source: Based on the latest sub-project information made available to the evaluation team

## Distribution by type of investments<sup>78</sup>

<sup>78</sup> It is worth noting that there are some inconsistencies in the use of categories. For instance, support on potato seeds is considered capacity building whereas provision for fodders seeds is considered equipment.

## BHUTAN COUNTRY REPORT

According to the latest sub-project information made available to the evaluation team, LoCAL funds for adaptation measures concentrated on infrastructure development and to a lesser extent on provision of equipment. Across the phases, infrastructure measures represented 60% of all adaptation measures<sup>79</sup>, with equipment representing 34% and capacity building and awareness raising only 6%. Provision of equipment and capacity building were particularly important in phase 1. In this phase, the provision of equipment represented 57% of all interventions (61% of all interventions in 2012 and 52% of all interventions in 2014). Capacity building and awareness raising had a small share in 2012, 2014 and 2015 (two interventions each year, representing between 6 and 9% of all measures), but were not implemented in 2016. Investments increasingly focused on infrastructure across time as would be expected from LoCAL's model: their share increased from 32% and 40% in 2012 and 2014 to 90% in 2015 and 2016.

**Table 11. Distribution of number of measures by type of investment**

Year	Type of investment						Total
	Infrastructure		Capacity building		Equipment		
	Total	%	Total	%	Total	%	
2012	10	32%	2	6%	19	61%	31
2014	10	40%	2	8%	13	52%	25
2015	20	91%	2	9%	0	0%	22
2016	19	90%	0	0%	2	10%	21
2017	1	100%	0	0%	0	0%	1
	60	60%	6	6%	34	34%	100

Source: Based on the latest sub-project information made available to the evaluation team

In terms of funds, infrastructure concentrated a greater part of all the funds mobilized by LoCAL in Bhutan: it represented USD 692,234 or 83% of all the funds invested across phases on adaptation measures. Equipment represented USD 113,910 or 14% of all funds, while capacity building and awareness raising represented USD 24,913 or 3% of them. While the provision of equipment concentrated 30% of all funds in 2012, its share decreased to 13% in 2014 and no resources were spent on this in 2015. The share of capacity building was stable between 2012 and 2015 around 3%. No capacity building activities were funded in 2016. In contrast, investment in infrastructure increased steadily from 66% in 2012 to 96% of all funds in 2015 and 2016.

<sup>79</sup> For this analysis we disaggregate the investments implemented by districts, so we analyse 100 investments instead of 83.





Table 12. Distribution of funds by type of investment

Year	Type of investment						Total
	Infrastructure		Capacity building		Equipment		
	Total	%	Total	%	Total	%	
2012	195,495	66%	12,528	4%	89,782	30%	297,805
2014	103,397	84%	3,792	3%	15,928	13%	123,117
2015	200,360	96%	8,594	4%	-	0%	208,953
2016	185,983	96%	-	0%	8,200	4%	194,183
2017	7,000	100%	-	0%	-	0%	7,000
	692,234	83%	24,913	3%	113,910	14%	831,058

Source: Based on the latest sub-project information made available to the evaluation team

### Distribution by sector

In terms of number of measures, agriculture, water and sanitation (irrigation channels for farming and water supply schemes for household use<sup>80</sup>) and transport and storage (improvement of farm roads, including construction of elevated bridges<sup>81</sup>) represented 74% of all adaptation measures (27%, 26% and 21% of all measures, respectively), across phases. Energy, construction and forestry (11%, 5% and 4% of all measures, respectively) had a small share, while disaster risk reduction, education, government and other issues were minimal. The share of agriculture was stable around 30% between 2012 and 2015, but dropped in 2016. The share of water and sanitation and transport and storage experimented an increasing tendency from around 15% in 2012 to around 35% in 2016, with the former having a greater share than the latter except in 2016. Energy received considerable attention only in 2012, and forestry in 2014. Construction received some attention in 2012 and 2015.

Table 7. Distribution of number of measures by sector

<sup>80</sup> Irrigation systems are improved by rehabilitating irrigation channels and installing climate-resilient pipes to distribute irrigation water. Improvement of rural water supply schemes (RWSS) involved tapping of new/ additional water sources, protection of water sources and their enhancement through plantation of water conserving species, upgrade of water tanks to increase storage capacity, and replacement of water supply lines with climate-resilient materials.

<sup>81</sup> Improvement of farm roads involved slope stabilization of landslide vulnerable areas, rectification/ improvement of drainage system, and construction of causeway. Elevated bridges help overcome risks posed by swollen rivers and streams during events of heavy rains.



## BHUTAN COUNTRY REPORT

Year	Sector																				Grand Total		
	Water and		Transport and		Agriculture		Energy		Construction		Disaster		Education		Forestry		General		Government			Other social	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%		Total	%
2012	5	16%	4	13%	9	29%	9	29%	2	6%	0	0%	0	0%	1	3%	0	0%	0	0%	1	3%	31
2014	6	24%	4	16%	9	36%	2	8%	0	0%	0	0%	1	4%	3	12%	0	0%	0	0%	0	0%	22
2015	8	36%	5	23%	6	27%	0	0%	0	0%	1	5%	0	0%	0	0%	1	5%	1	5%	0	0%	22
2016	7	33%	8	38%	3	14%	0	0%	3	14%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	22
2017	0	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%	1
	26	26%	21	21%	27	27%	11	11%	5	5%	2	2%	1	1%	4	4%	1	1%	1	1%	1	1%	100

Source: Based on the latest sub-project information made available to the evaluation team

In terms of funds, transport and storage as well as water and sanitation concentrate 71% of all funds mobilized by LoCAL for adaptation measures across phases (43% the former; 28% the latter). Agriculture, construction and energy had a visible share (9% for the two first; 6% for the latter). All the other sectors had a minimal coverage (less than 1% of all funds). Works on transport and storage concentrated around 40% of all funds in 2012, 2015 and 2016, representing even 63% in 2014. Investment in water and sanitation represented around 20% in 2012 and 2014, and around 40% in 2015 and 2016. Energy received significant funds in the first years (15% in 2012 and 6% in 2014), but didn't receive funds since. Funds to agriculture were a constant, although not huge, except in 2015, when they represented 19%, and to a lesser extent in 2012, when they represented 9% of all the funds mobilized that year. Construction had a large (27%) share in 2016, and still a good (8%) share of the total in 2012, but didn't receive attention other years. Forestry was only targeted (7%) in 2014.

Table 8. Distribution of funds by sector

Year	Sector																			Other	Genera	Govern	C
	Agriculture		Transport and		Water and		Construction		Energy		Forestry		Disaster		Education								
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%							
2012	25,926	9%	125,055	42%	63,847	21%	25,275	8%	44,516	15%	2,198	1%	-	-	-	0	10,989	4%	-	0			
2014	1,993	2%	78,135	63%	25,262	21%	-	0%	7,292	6%	8,409	7%	-	-	2,026	2%	-	0	-	0			
2015	40,548	19%	83,485	40%	81,249	39%	-	0%	-	0%	-	0%	2,110	1%	-	0	-	0	1,563	1%			
2016	5,859	3%	69,871	36%	65,483	34%	52,970	27%	-	0%	-	0%	-	-	-	0	-	0	-	0			
2017	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	7,000	100%	-	0	-	0	-	0			
	74,325	9%	356,545	43%	235,841	28%	78,245	9%	51,808	0.06	10,607	1%	9,110	1%	2,026	0%	10,989	1%	1,563				

Source: Based on the latest sub-project information made available to the evaluation team

## Cost-effectiveness

As noted in section 2.4 above, the latest sub-project information made available to the evaluation team does not indicate the number of beneficiaries, their gender or their poverty level. However, in Annex 2 (pp. 13-19), the 2016 Annual Report provides information on the number of beneficiary households for 13 of the 29 adaptation measures it registers in the period<sup>82</sup>. These adaptation measures have benefited in average 23 households, that is, around 92 people, with the number of households ranging from only 3 to

<sup>82</sup> In some cases, such as improvement of county offices, the absence of information is reasonable, as it is difficult to estimate. However, information is also missing for water supply schemes and roads. In some cases, the information provided is vague (i.e. more than 100 households).

## BHUTAN COUNTRY REPORT

73, but in 70% of the cases less than 20 beneficiary households benefited from the investments<sup>83</sup>. The average cost is BTN 20,000 per household, that is, approximately USD 312 per household (around USD 65 per person). While this can be explained by the overall small population of the country (around 700,000 inhabitants, although a recently (2017) conducted census could indicate a significant increase) and the dispersion of rural populations in a very mountainous (Himalayan) country, at the country level it also has to do with investment decisions, and selection criteria<sup>84</sup>. At the global level, this probably deserves some discussion vis a vis the needs of other countries and the cost-effectiveness of investment there.

Table 13. Number of beneficiaries per investment

District	County	Activity	No. households	Budget (BTN m)
Wangdue	Daga	1	18	1.5
		2	3	0.2
		3	25	0.6
	Phangyul	4	16	1.2
		5	15	0.25
		6	15	0.25
	Phobji	7	11	0.25
		8	19	0.345
Zhemgang	Nangkor	9	46	0.24
	Nangla	10	26	0.45
	Phangkhar	11	16	0.205
		12	73	0.825
		13	12	0.4
			295	6.715

Source: Based on the latest sub-project information made available to the evaluation team

<sup>83</sup> The 2016 Annual Report indicates the total number of people only in two cases, but the household size that can be deducted seems inconsistent: 4.1 people per household in one case, and 5.7 in the other. According to the Bhutan Living Standard Survey 2012 Report, 4.8 people composed the average rural household in the country. This statistical information puts in context the number of beneficiaries of one of the sites visited (the Pechhu Irrigation Project), with 7 households benefiting directly and 6 indirectly with a cost of BTN 0.25 m.

<sup>84</sup> In the 2005 census (the 2017 census is likely to reveal a different picture), around 70% of the population of the country lived in rural areas, which were mainly composed of villages no bigger than 60 households and rural towns, not necessarily bigger. Then there were district centres, two municipalities with between 5,000 and 10,000 inhabitants, a municipality of about 50,000 inhabitants, and Thimphu, with about 100,000. If the per capita costs associated with adaptation investments in these rural areas are that big, a question that arises is whether programmes such as LoCAL should focus on other areas, such as district centres and the four municipalities of the country?



## BHUTAN COUNTRY REPORT

### 5.2.3.3 What is the quality of programme monitoring systems? To what extent do they help capture the likely results of these investments?

#### 5.2.3.3.1 *Existence of a sound baseline assessment in the planning documents*

According to available LoCAL Bhutan planning documents, namely the MoU for Phase 1 and the Draft concept note for Phase 2, a “baseline assessment of the performance indicators” was to be conducted or had been conducted before Phase 1. However, no such baseline report or information was found within the documentation provided for the evaluation. The Draft Scoping Mission Report prepared in 2010 did include information about climate change vulnerabilities and adaptation priorities in some regions, but did not specifically provide baseline data for indicators. Within the broader LGSDP, the number of local governments where LoCAL Phase 1 was being implemented was used as a baseline for the overall programme.

#### 5.2.3.3.2 *Existence of a sound performance measurement framework/logframe, with SMART indicators, in the planning documents*

While the programme worked on the PBCRG component (see section 3.3.3) and monitored activities and disbursements (see section 3.3.6), no performance measurement framework exists to assess progress towards the outcomes and outputs of LoCAL in Bhutan. A process has been undertaken to develop an M&E strategy to measure the effects of LoCAL on adaptation for the entire LoCAL programme. This is coherent with the rephrasing of the overall outcome during Phase 2 (see Section 2.2.2).

#### 5.2.3.3.3 *Level of quality and of relevance of the indicators used for PBCRGs*

Interviews suggest that the national counterparts have developed the PBCRG methodology. According to the DLG, the Programme Management Unit proposes it and the Programme Steering Committee approves it.

In order to facilitate the planning and utilization of PBCCAGs by the local governments, a Performance



## BHUTAN COUNTRY REPORT

Assessment Manual (PAM) and a Climate Change Adaptation Planning Guideline were first developed in 2011. This was reviewed in December 2014 to factor in the lessons drawn from the first phase and the evolution of national circumstances. The PAM had two main elements: minimum conditions and performance measures. The minimum conditions, which have to be fully complied with in order to get PBCRGs, follow basically the national structure, being the same as the ones specified in the 2010 Annual Grant Guidelines for Local Governments for the access to the annual capital grants from the central government<sup>85</sup>, with the exception of one additional requirement regarding adaptation planning<sup>86</sup>. The performance measures were more qualitative and focused on public finance management and governance of overall local development plans; and performance of climate change adaptation investments.

In any case the methodology was not fully used to allocate resources for the 2014/2015 FY. That year the PBCRGs were planned and budgeted based on a fast-track planning exercise carried out with the assistance of a consultant engaged by UNCDF as the normal RGoB planning/ budgeting cycle for the 2014/15 FY had been missed.

The 2015/2016 FY did follow the national cycle, adjusting the assessment and allocation methodologies. Regarding the assessment, some indicators were replaced and in some other cases weights were changed<sup>87</sup>. The allocation system was modified and made more complex, according to interviewees, because the previous methodology did not really reward good performers. However, the new allocation methodology was never explained and remains obscure (even key programme staff wasn't able to explain all steps).

This happened despite a clear concern regarding the need to find a balance between relevance and applicability. The assessment of the first phase (p. 10) argued that the PAM is "well intentioned and has been designed to ensure high-quality investments and effective utilization of PBCR grants by the local governments", but "it is dense and contains some impracticable performance parameters for the local government level"<sup>88</sup>. Programme staff stresses the importance of being mindful of what local government can actually do: they have to be as stringent as possible, while at the same time local governments feel as comfortable as possible.

---

<sup>85</sup> In particular, the conditions are: i) Annual Dzongkhag/Gewog plans and budgets in accordance with the "Framework of Division of Responsibilities between LGs and National Government", endorsed by DTs and GTs; ii) Monthly accounts have to be submitted as per the Fund Release Guidelines of Ministry of Finance; and iii) minutes of GTs and DTs related to Annual Plans.

<sup>86</sup> The LGs have to submit a detailed plan and budget on the expected use of the climate change adaptation grants to GNHC with copy to DLG/MoHCA and to MoF with copy to DLG/MoHCA

<sup>87</sup> On social accountability, the use of community score card and citizenship report card was replaced by public handing taking of the project. They also changed the weight of some parameters, in 1.1.3; Climate change adaptation from 16 to 7; utilization and implementation of grant from 8 to 7.

<sup>88</sup> "For instance, the PAM cites generation and compilation of data on climate change and the use of future climate scenarios. The capacity for compliance with this parameter does not exist at the national level, let alone the local government level, at this point in time" (p. 15).



## BHUTAN COUNTRY REPORT

However, perhaps for this reason, evidence suggests that the performance assessment might be too focused on governance over climate change. In theory the 2014 and 2015 methodologies gave the same weight to public financial management and governance and to climate change adaptation. However, some of the aspects on climate change also refer in reality to public finance, compromising the capacity of the assessment to reflect the resilience impact of investments.

This came very clearly in focus during the field visits. The evaluation team tried to visit the improvement of a farm road (Taksha-Silli farm road in Daga county) conducted in 2015, during the first cycle (2014-2015). This was the only investment conducted that year in the county, and got significant funds (BTN 2.5 million). The investment consisted of building a bridge to deal with the increased flow of the river. It served the biggest village in the county, with 60 households. The county got a good rating during the 2015 assessment and was rewarded in the 2015/2016 FY.

However, the investment doesn't seem to have a great impact: not only the evaluation team was not able to reach the investment, but the team that conducted the 2015 assessment wasn't able to reach it either that year. The investment is located 15 km from the main road, but the road is so badly built that it is often impossible to get that far<sup>89</sup>. Obviously, if it can be used only under very benign conditions, the investment doesn't make much sense from a climate adaptation perspective. The county was able to get a good rating in the performance assessment because it got good points in other criteria, such as execution, paper work and even number of beneficiaries, which to a great extent were more potential than actual<sup>90</sup>. However, if the investment cannot be used most of the time then the rating should be low, regardless of how good the paperwork is. This raises questions on the process of selecting projects, monitoring, reporting and assessing them.

## 5.2.3.3.4

*Existence of a sound M&E strategy, that includes a description of roles and responsibilities, a timeframe/work plan, a budget and reporting requirements*

Despite the absence of a performance measurement framework, the project documents do include measures for M&E. In addition to reporting on performance on a yearly basis, for the PBCRGs, districts and counties are expected to comply with the requirements of the National Monitoring and Evaluation System (NMES), and to submit quarterly reports using a template defined by the Planning and

---

<sup>89</sup> The evaluation team was able to do only 6 km. It is worth noting that when it was decided to come back, it had just started to rain lightly and that the area was dry (it hadn't rained that day). The decision to go back was made by the local officials and the national consultant, for good reasons. The team indeed had troubles to pass through a trench well before it was decided to go back.

<sup>90</sup> The Government of India is currently constructing another way for the road that will avoid the currently badly constructed trenches, connecting with the LoCAL course way. Although this will make it useful, this could not be taken for granted, and there are no proves that the LoCAL investment was critical to mobilize these funds.



## BHUTAN COUNTRY REPORT

Monitoring System (PLaMS) and the and financial rules and regulations. Reporting should also use the Public Expenditure Management System (PEMS). This M&E plans also specify the sharing of responsibilities between districts and counties. The process is not fully detailed in the project documents, but it refers to established guidelines and processes that the implementing local governments seem to be expected to be familiar with, in particular the Fund Release Guidelines from the Ministry of Finance. This part of M&E, which focuses on financial monitoring, seems to be well integrated into national systems. The quality of this system cannot be assessed as no further information on the system and none of the reports were available for review. Besides this reporting plan, there is no evidence of plans to evaluate the achievement of the program's outputs and outcomes, or analysis and learn about what is being implemented and how it is contributing to resilience. No information was available about the budget allocated for M&E.

#### 5.2.3.3.5 *Proportion of M&E budget executed to date*

No information is available on this issue.

#### 5.2.3.3.6 *Proportion and types of reporting materials submitted correctly and on time*

No Quarterly Reports were made available to the evaluation team, possibly because they were submitted directly into the national monitoring system. The monitoring and reporting documents made available to the evaluation team show important short comings. To begin with the sub-project table provided has some significant deficits. There is no consistent approach on counting investments. As noted above, during the first phase investments done in several counties were considered as one if executed by the district, but the same investments would be considered individually if executed by the county. Indeed, as noted above, the table counts both 83 investments and 100 investments. This makes comparisons across years difficult internally, and across countries internationally. Furthermore, the table does not indicate at all the number of beneficiaries, their gender or their poverty level. Moreover, for some investments aggregated budgets are provided. This is the case not only for district investments, but also for investments executed by counties in the second phase<sup>91</sup>. Besides, the cost of some adaptation measures (number 48 in the matrix) is not registered. In some cases, categories seem also inconsistent<sup>92</sup>.

The annual reports provide some of the information missing in the aggregated table, such as disaggregated budgets. However, they are incomplete: the 2016 Annual Report does not indicate the

<sup>91</sup> Disaggregated data is not provided for 2 investments in Zhemgang in 2014 and for all investments in Phobji, Daga and Ngangla in 2015 (for instance, in 2015, an aggregated budget of USD 26,063 is provided for a farm road, a bridge, water and sanitation works and planting trees, without disaggregated data) and 2 investments in Daga for USD 39,688.

<sup>92</sup> Support on potato seeds is considered capacity building whereas provision for fodders seeds is considered equipment.



## BHUTAN COUNTRY REPORT

number of beneficiaries for all investments, and does not indicate the gender or the poverty level. Detailed financial accounts are not provided either. Perhaps more importantly the annual reports 2015 and 2016 do not systematically provide consolidated information and are not aligned with the consolidated table in issues as fundamental as number of investments and executed funds.

Regarding evaluation, one of the distinctive characteristics of LoCAL is that it assesses the performance of sub-national governments annually. The process and the evaluation of the methodology have already been presented in section 3.3.3 above. At this point, it is worth noting that while the annual performance assessments certainly allows understanding how districts and the programme at that level are performing in an “objective” and “subjective” way, they are not intended to evaluate the programme in a comprehensive way.

In any case, a comprehensive evaluation was conducted for phase 1. The exercise followed the basic methodology of an evaluation, gathering different sources of evidence (desk review, interviews and observation) and triangulating them. Nevertheless, it is worth noting that the consultant was not fully independent. An assessment of the second phase has not been conducted at the time of this global evaluation.

Finally, it is worth noting that Bhutan was one of the countries visited by the World Resources Institute (WRI) as part of its support on designing the new effectiveness tracking component of LoCAL at the global level. In particular the 2015 visit had the objectives of i) reviewing the current UNCDF-Bhutan country program, particularly its M&E frameworks and whether and how they capture contributions towards broad climate change adaptation aims; ii) building relationships with project teams to develop an on-going relationship and sounding board for future developments of the adaptation performance tracking system; iii) attaining an in-depth understanding of 3-5 LoCAL projects in different contexts, so as to understand the opportunities and constraints in place for an adaptation performance tracking system; and iv) document opportunities, challenges, lessons learned, and achievements in current M&E systems. According to the 2016 Annual Report, the WRI team visited Phobjikha and Phangyul Gewogs in Wangdue Dzongkhag and consulted with a wide range of stakeholders, including UNCDF officials, government representatives, partners, and beneficiaries.

## 5.2.4 Effectiveness

### 5.2.4.1 To what extent is the programme contributing to changes in the capacity of local governments to plan, budget and manage climate-adaptive investments in Bhutan?





## BHUTAN COUNTRY REPORT

### 5.2.4.1.1 *Variation in the level of appreciation of local government representatives of the importance of implementing CCA actions as a result of the programme*

While, as noted in section 3.2.5, the PBCRGs have mostly focused in Bhutan on infrastructure development, both in terms of number of adaptation measures and executed funds, PBCRGs have involved some awareness raising and capacity building activities. In particular, according to the latest sub-project information made available to the evaluation team, PBCRG funds have supported 6 capacity building activities for a total budget of USD 24,913. Capacity building received the same attention between 2012 and 2015, with 2 interventions each year, representing around 3% of the annual budget. Specifically activities consisted on raising awareness on new human diseases, training on forestry (including the use of non-timber forest products) and integrated soil management, and demonstration of CCA technologies. Capacity building activities were not conducted with PBCRG funds in 2016.

In addition to these adaptation measures supported through the PBCRGs, the programme has funded capacity building activities through the resources linked to programme management. To begin with, a Climate Change Adaptation Planning Guideline was developed, together with the PAM, to facilitate the planning and utilization of PBCRG by local governments. As noted above, a first version was prepared in 2011 and a revised version was produced in 2014. This was complemented with training workshops. According to the 2015 Annual Report, in 2015 four three-days training workshops were organized. The workshops were attended by 71 officers: administrative and renewable natural resources extension officers of the six counties active in the second phase and the 10 counties identified for scaling-up from 2016/2017 onward; as well as district planning officers (no gender disaggregated information is available). The workshops were conceived and conducted to transfer the knowledge and skills to the local government officials so that they could carry out climate change vulnerability assessment (based on participatory rural appraisal) and climate change adaptation planning on their own – as noted earlier, in the pilot phase climate change vulnerability assessments and climate change adaptation frameworks were done by consultants. Importantly, the process involved practical exercises and follow up work. According to the 2016 Annual Report, similar training workshops were conducted that year. With the same target audience, 119 officials (no gender disaggregated information is available) attended the two one-day workshops. As in the previous round, the workshops had an interesting follow up with country officials requested to submit planning documents: i) a participatory rural appraisal report; ii) identification of activities to be implemented in that particular financial year; iii) the funds requested and received; and iv) fund utilization or implementation of the planned activities.

In addition, in 2016, 6 local government functionaries and performance assessment team members (5 men and 1 woman) attended a 10-days training on 'Performance Based Management System' at Industrial Advancement Academy of the Philippines in Manila. The training aimed at strengthening the



## BHUTAN COUNTRY REPORT

capability towards implementing the developmental activities and to enhance capacities to conduct performance assessment effectively.

Interviewed government officials at the national and local level indicate that these trainings and the actual experience (learning by doing) have increased their awareness and understanding of climate change and their capacity to plan, budget and implement adaptation measures, which has implied a certain mind-set change. Local officials argue that they now mainstream what they have learned and vulnerability assessments are part of their planning process. Interviews at the national level indicate that local governments are indeed gradually proposing more solid sub-projects. Arguably, the principle of performance-based allocation fosters learning. Communities also claim that they have increased awareness and capacity as a result of LoCAL and that through it they have had the opportunity to participate in climate change planning. While, as noted in other sections, there is still significant room for improvement, the professional judgement of the evaluation team based on its field mission and the interviews conducted echoes these views.

*5.2.4.1.2**Variation in the availability of climate change vulnerability assessments as a result of the program*

The prioritization process has evolved significantly over time in Bhutan. During phase 1, a climate change vulnerability assessment and CCA planning exercise was undertaken in the pilot local governments with the assistance of a consultant, leading to an investment menu of a wide range of potential CCA activities that the local governments could execute.

As noted above, the CCA Planning Guideline was reviewed in 2014. However, due to late disbursement, during the first cycle of the second phase (2014/2015 financial year), this guideline was not used. Instead, a consultant led a rapid vulnerability assessment. As noted above, training workshops were conducted in 2015 and 2016 and during the second cycle of the second phase (2015/2016 financial year) vulnerability assessments were led by local governments officers. Interviews at local level show that these assessments were conducted in a participatory manner, with equal representation from different villages, and males and females. They also indicate that these processes were linked to community meetings at the village level in which broad local development needs are discussed (they don't focus on climate change, but they might end up discussing the impacts of climate change and potential adaptation interventions). According to focus group discussions, women tend to represent 70% of the participants to these meetings.

These vulnerability assessments followed the participatory rural appraisal methodology and were based on perception rather than on scientific data. Indeed, desk review and interviews indicate that while some



## BHUTAN COUNTRY REPORT

robust data on vulnerability and risk exist at the national and sector level in the NAPA documents, the INDC and the Second National Communication, data is scarce at district and county level.

Observation in the field suggests that vulnerability assessments were in any case limited at the investment level. As noted above, the evaluation team wasn't able to visit one of the planned investments (the improvement of a stretch of the Taksha-Silli road) because the first stretches of road were not accessible due to their conditions. The consultants trusted local officials and did not go to the site and assess the status of the whole road by themselves. The Genkha rural water supply scheme, in Phobji County, also showed limited vulnerability analysis. A 30 liter tank had been funded with a PBCRG in the 2014/2015 FY, but the tank is under used due to limited availability of water and an existing 12 liter tank built only 7 years ago was ignored - the investment could have consisted of an additional 12 liter tank and pipes to connect them. While the type of investment seems relevant (there seems to be a need to increase the water harvesting capacity<sup>93</sup>), the vulnerability analysis wasn't very detailed. This stresses the fact that participatory planning can lead to poor prioritization if there isn't enough capacity and/or supervision. While an adaptation framework is certainly very helpful, it might still be too broad, and allow non-strategic investments.

In this context, it is worth noting the work of the Korean Environmental Institute (KEI) in the LoCAL framework which is expected to bring some added quality to the vulnerability assessment process in Bhutan. KEI is bringing a scientific approach, covering both current and short, medium and long term impacts, for all the 20 districts of the country, with a focus on agriculture, water and energy. The study covers exposure, sensitivity and adaptive capacity. As part of this vulnerability and risk assessment, two KEI staff conducted a 9-days mission to Bhutan in August 2016, including an experts' group consultation workshop attended by 35 stakeholders from various agencies in the government, civil society, consultancy companies, academia and the UN<sup>94</sup>, and a one-day visit to Wangdue District, Phangyuel County. Expectations from the government and UNCDF are high, as it is foreseen that this will be "used as a key reference for investments to improve climate change resilience and adaptive capacity at the local level" (2016 Annual Report, p. 10). However, a key informant interviewed highlighted the scarce amount of available data to work with and the limited resources allocated to conduct the assessment, so that the output, while worthwhile, will not likely provide as detailed information as could be ideal to optimally assist the prioritization process.

The KEI process is taking place while the RGoB, with support from UNDP, is preparing a proposal to the GCF on the National Adaptation Plan (NAP) process. The proposal includes not only research and discussions, but also a pilot on water. Interviewed government staff and development partners highlight the importance of coordinating and integrating these processes, as well as the work conducted by the WRI within LoCAL.

---

<sup>93</sup> The justification is that there is increasing climate variability, with longer dry periods, and that the existing tank was too small for the community.

<sup>94</sup> According to the 2016 Annual Report (p. 10), during the workshop the KEI team introduced the purpose, approach and process of their assessment and elicited views on the selection of the main sectors and sub-sectors for the assessments.



### 5.2.4.1.3 *Variation in the number of local development plans that explicitly include climate change adaptation as a result of the program*

LoCAL is contributing to this in several ways. In phase 1 Bhutan's Local Development Planning Manual was reviewed to integrate climate change aspects. Besides, a CCA Planning Guideline was produced (versions were prepared in 2011 and 2014). In addition to this, the LGSDP of which LoCAL is part has a clear focus on mainstreaming climate change (together with gender, environment, disasters and poverty) in local development planning, working on this in the six counties where LoCAL is active. A key national official pointed out in any case that local planning is the responsibility of local governments and that national institutions and development partners can only raise awareness and capacity and do advocacy. Through increased funds, LoCAL is also providing tangible incentives to mainstream climate change adaptation into local development planning.

## 5.2.5 Likely impacts

### 5.2.5.1 To what extent is the programme supporting increased flows of additional climate finance to the local levels

#### 5.2.5.1.1 *Total funds made available by LoCAL for CCA to local governments*

Section 3.2.3 above has presented the resources mobilized by LoCAL in Bhutan. As noted there, according to the latest sub-project information made available to the evaluation team, UNCDF mobilized through LoCAL USD 797,780 overall in grants. Of these, USD 394,910 or 49.5% was mobilized in phase 1 (USD 271,793 or 34% in 2012 and USD 123,117 or 15% in 2014), and USD 402,871 or 50.5% in phase 2 (USD 201,688 or 25% in 2015, USD 194,183 or 24% in 2016 and USD 7,000 or 1% in 2017)<sup>95</sup>.

---

<sup>95</sup> We have indicated that the total amount of funds mobilized by LoCAL (including co-financing) in the country was USD 831,058. We have also indicated that these numbers do not match with other project information. According to



## BHUTAN COUNTRY REPORT

According to the programme document, the idea was to “support CCA activities by the selected local governments in the range of USD 22,000 – 45,000 per local government per year”. According to the latest sub-project information made available to the evaluation team, grants ranged between USD 15,625 and USD 47,068. While most of the allocations were in the planned range, three allocations were below USD 20,000<sup>96</sup>.

Table 10. PBCRG per county per year

Year	Wangdue Phodrang					Zhemgang					Grand Total
	Daga	Phobji	Phangyu	District le	Total	Nangkor	Ngangla	Phangkhar	District le	Total	
2012		114,176		70,804	184,980		2,198	20,879	63,736	86,813	271,793
2014						82,591	4,861	14,357	21,308	123,117	123,117
2015	39,688	26,063	39,063		104,813	15,625	40,625	40,625		96,875	201,688
2016	38,400	12,600	38,200		89,200	20,865	37,050	47,068		104,983	194,183
2017		7,000			7,000						7,000
<b>Total</b>	<b>78,088</b>	<b>159,838</b>	<b>77,263</b>	<b>70,804</b>	<b>385,992</b>	<b>119,081</b>	<b>84,734</b>	<b>122,929</b>	<b>85,044</b>	<b>411,788</b>	<b>797,780</b>

Source: Based on the latest sub-project information made available to the evaluation team

As we have indicated above, these numbers do not match with other project information provided to the evaluators. According to the 2015 and 2016 Annual Reports (pp. 10 and 4, respectively), in line with the programme document, each year USD 225,000 (USD 450,000 in total) was allocated in PBCRG to the six counties where the programme was active to invest in climate change adaptation and enhancement of climate resilient at the local level.

In any case, it is worth putting this information in context. Section 2.2 above has presented the resources available to local government in Bhutan. The six counties where LoCAL was active in the second phase received an average of BTN 7.9 m from the central government in the 2015/2016 financial year, taking into account the allocations related to the 11<sup>th</sup> FYP and the GDG. In addition, these counties received an average of BTN 7.2 m from SDP that financial year. In sum, these counties had an average budget of BTN 12.7 m in that financial year, this ranging from BTN 9.1 m to BTN 20.2 m.

In light of this, according to the table provided by the DLG, in the 2015/2016 financial year, the financial contribution of LoCAL for adaptation measures represented in average 18% of the total resources available to the counties, the percentage ranging between 12% (in two counties) to 24% (in two counties). LoCAL's contribution was more significant if compared against the resources transferred by the central government: in average it represented 28% of those funds, ranging between 13% and 44%. It is important to have this in mind given that interviews reveal the intention to keep grants between 15 and 25% of the regular budget of counties. In this regard, it is worth noting that the SDP funds allocated by the GoI (BTN 28.8 m) were twice the amount of funds allocated by LoCAL UNCDF (BTN 13.4 m) in the six

<sup>96</sup> We are assuming that funds executed in Phobji in 2017 were part of the 2016 allocation, of a total of USD 19,600.



counties where the programme was active in the 2015/2016 FY.

As noted above, UNCDF has reached an agreement with the EU under which this institution will provide E 5 m for the third phase of LoCAL, representing a significant increase in scope and coverage as part of the scaling up process, but at the time of this evaluation this has not yet started. As noted above, in this new phase, UNCDF would not make a direct financial contribution, but would provide technical support.

#### 5.2.5.1.2

#### *Types of mechanisms created to facilitate access of local governments to international climate change funds*

The programme has been important in mobilizing external funds for its own model, for phases one, two and three. National institutions indicate this has been relevant, as LoCAL has helped them think along the lines needed to get funding from development partners, and to meet their specific conditions, which are quite demanding in some cases, such as the EU.

However, while it has prepared the ground, according to national stakeholders, LoCAL has not made special efforts to support the country in accessing resources from the GEF, the Adaptation Fund or the GCF. Interviews point out that in the country the efforts focus on accrediting the GNHC to the GCF. The logic is that the GNHC is already the National Designated Authority as the institution responsible for planning and its size and resulting capacity is more amenable to making it a good candidate for implementing GCF projects (it is bigger than, for instance, the DLG). In addition to the GNHC, the country is trying to accredit the BTFEC. Both institutions have already submitted a proposal for GCF preparedness funds. Meanwhile, the GNHC has sent proposals to the GCF with support from UNDP, FAO (USD 43 m) and WWF (USD 23 m).

#### 5.2.5.2

#### *Likely impacts in terms of resilience*

Interviews and field observation indicate that the majority of investments have resulted in increased well-being and to a certain extent resilience. According to interviewees at the local level, as noted above, the general trend in local governments is typically to favour quantity over quality, focussing less on resilience to climate variability and change in the first place. The emphasis is typically also on building more new infrastructures rather than refurbishing or improving existing infrastructure to make them more resilient. As noted above, interviews at the national and local highlight that, by providing additional and dedicated funding, LoCAL has given local governments incentives to look at development through the climate angle, without competing with other pressing development priorities, increasing the quality of existing (and new) infrastructure.



## BHUTAN COUNTRY REPORT

As noted in section 2.1.1, investments have focused on issues (mainly water supply schemes and transport infrastructure) prioritized in national adaptation planning (i.e. NAPAs, INDC) and, as noted in section 4.1.2, are the result of participatory vulnerability assessments. Although without scientific data at the local level it is difficult to define precisely, let alone quantify, the extent to which investments contribute to climate resilience<sup>97</sup>, it can certainly be indicated that the priorities are aligned<sup>98</sup> and that field observation show that most of the designs seem to explicitly consider the impacts of climate variability and change, in tune with the explanations provided in Annex 2 of the 2016 Annual report.

Focus group discussions suggest that the benefits are significant for both men and women. Investments in water tanks have notably increased access to water for human consumption. Before the investments supported by LoCAL, in Genkha the tank wasn't big enough for the community. Not only water was insufficient for regular bathing, but the community had to complement it with nearby streams also used by cattle, and in some cases walk 3 or 4 hours. As a result of the LoCAL-supported investment, currently the community meets its water supply needs and does some kitchen gardening. Focus group discussions also show the benefits of the irrigation works supported by LoCAL. Before these, irrigation channels were poorly designed and some portions were washed away. LoCAL has supported the use of cement and adequate pipe connections, increasing the reliability of water supply – farmers mention that they can now start farming when they need. In Phangyul County beneficiaries claim that there has been an increase in the use of land (currently only 20% of farmlands is fallow –all owned by someone who doesn't live there-, while before the investment the percentage was 50%). Moreover, although wild pigs are an issue, harvests have increased between 30 and 80%. This has helped beneficiaries meet their subsistence needs – they don't sell, if there is some surplus they would send it to their relatives in urban areas, therefore also benefitting them indirectly. Works on roads have focused on climate-proofing them, enhancing their resilience against climate change impacts such as landslide, flash floods and surface erosion. Focus group discussions indicated that this has improved their access to the market.

As noted, however, site visits showed that some investments have not had a considerable impact (i.e. improving a stretch of the Taksha-Silli farm road that still often cannot be reached) or have not been finely defined (i.e. building a tank in Genkha larger than appropriate).

It is worth noting that while investments focus on public services or common infrastructure, as noted in section 3.2.5, per capita costs of the programme in Bhutan are considerable: the adaptation measures have benefited in average 23 households, that is, around 92 people, with less than 20 households each benefiting from 70% of the investments. The average cost is BTN 20,000 per household, that is, approximately USD 312 per household (around USD 65 per person). While there is no direct coordination at the programme level, site visits revealed that, as noted above, in some cases SDP funds have

---

<sup>97</sup> However, the assessment of the pilot phase (p. 12) conducts this exercise, categorizing 77% of all investment of that phase as directly CCA-related, 13% as partially CCA-related and 10% as related to environmental conservation in general.

<sup>98</sup> Focus group discussions highlighted the problem of windstorm.



complemented LoCAL grants, increasing the number of beneficiaries and therefore the leveraging effect of LoCAL.

## 5.2.6 Sustainability

### 5.2.6.1 To what extent are changes at the policy and institutional level both nationally and locally supported by the programme likely to continue over time?

#### 5.2.6.1.1 *Number and type of lessons learned identified at national and local level in terms of institutional mechanisms and policies*

Desk review and interviews indicate that LoCAL in Bhutan hasn't had a very constant and open process for identifying and using lessons. While an evaluation of the first phase was conducted (providing five recommendations), this hasn't taken place for the second phase. Moreover, the 2015 and 2016 Annual Reports and the performance assessment reports do not include a section on lessons learned. Interviews show that, while stakeholders meet with some frequency, special workshops are not organized regularly to formally identify and share lessons.

However, desk review suggests that lessons have been drawn and applied in some cases, pointing out to some adaptive management. Unlike the first phase, the second phase only worked with counties following a recommendation of the first phase. Moreover, as noted above, in 2014 the PAM and CCA Planning Guideline, originally produced in 2011, were reviewed to reflect lessons from phase 1 and the changes in national circumstances. 15 participants, comprising district planning officers and county administrative officers from local governments covered by the LoCAL program and representatives from the DLG, GNHC, Ministry of Finance and UNDP, participated in the workshop. The documents were revised based on the views and information secured from the workshop, and circulated to all local governments involved in the LoCAL program.

It is worth noting that, in addition to these national processes, according to the 2015 Annual Report, in 2015 three stakeholders from LoCAL Bhutan (two from the DLG and one from the GNHC) participated at the Global LoCAL Lessons Learnt Workshop in Cambodia. According to the same source (p. 10), this





## BHUTAN COUNTRY REPORT

three-days workshop “brought together around a hundred government officials, LoCAL project staff and consultants, and representatives from international development agencies and research institutes from 17 different countries. The participants shared experiences and lessons from delivery of international financing and implementation of investments to enhance resilience and adaptive capacity against climate change at the local level, and discuss approaches to make LoCAL a global mechanism. The workshop included a day- long field trip to LoCAL project sites in Battambang province of Cambodia”.

## 5.2.6.1.2

*Main barriers for sustainability*

There are good prospects in terms of the sustainability of the model. The third phase of the programme will start soon. With support (€ 5 m) from the EU, it will expand the programme to ten additional counties in four additional districts, for a total of 16 counties and 6 districts. The LGSDP programme document (p. 35) indicates that the aim was “for the system to be applied country wide in the 12 FYP (2018-2023)”, which itself creates room for the scaling up and replication of the programme. As noted in section 2.1.1 above, this already promotes both decentralization and climate change adaptation: the new FYP is set to increase the resources allocated to the sub-national governments, while climate change is expected to be a result area. Furthermore, the LoCAL model is already internalized in the national system. Interviewees at the national level point out that turnover is limited in local governments so that the capacity that has been built will be kept and could be used in the future. Moreover, interviews at the DLG suggest that the RGoB is considering applying complex performance-based allocation models to their own funds in the long run, adding complexity to the current Government Performance Management System (GPMS), which only considers performance in terms of expending capacity. The crucial role of the GNHC will further contribute to sustainability. The same people will be in charge of dealing with NAPA 3 and LoCAL at the local level, and to a great extent at the national level. At UNCDF, however, the expansion of the model is likely to require a different management system in the country, with a permanent in-house technical person and a pool of truly external independent consultants for some tasks, such as programme evaluations. Political decentralisation is also key for the sustainability of local adaptation. In Bhutan, counties are elected, but districts are not. In addition, there is limited participation in the county elections, due to reduced registration and the mind-set, which still considers local governments a minor institution.

In financial terms, the 12<sup>th</sup> FYP could contribute to the sustainability of local adaptation promoted by LoCAL. According to interviewees at the national level, the percentage of the total national capital budget transferred to local governments would raise from around 30% in the 11<sup>th</sup> FYP to 50% in the new (12<sup>th</sup>) FYP. As a result the resources available for adaptation at the local government level would increase. This is crucial as, according to the Ministry of Finance, as noted above, there is very limited capacity to collect taxes at the local level in the country, and only some municipalities are able to generate some local revenue.



## BHUTAN COUNTRY REPORT

While LoCAL has prepared to a certain extent the ground to access international funds and, as noted in section 5.1.2, development partners are supporting the RGoB to mobilize CCA funds, the flow of international funds is likely to decrease in the near future. In 2015, for the first time, Bhutan was assessed as being eligible for graduation away from LDC status. In the decade between 2005 and 2014, Bhutan's annual average growth rate reached 7.6 per cent, the 16<sup>th</sup> highest of 135 countries. The proportion of the population in poverty (earning less than US\$1.90 a day) fell from 25 per cent in 2003 to 2 per cent in 2012. The reduction of poverty was accompanied by an improvement in equality, as measured by the Gini index. During the same period, the index improved from 69 to 39 (0 shows perfect equality). The RGoB estimates that, if plans and programs are implemented as scheduled, it will be able to support at least 70% of its capital investment from its internal resources during the 12<sup>th</sup> FYP. Indeed, according to the same source, existing guidelines stated that domestic revenues are expected to double, while external grants are projected to decline 21% if compared with the previous FYP<sup>99</sup>.

At sub-project level, focus group discussions indicate that, following national policies and guidelines, user groups have been created to manage the use and coordinate the maintenance of investments. According to these discussions, the communities are in charge of small and regular maintenance, such as clearing small landslides and vegetation. Except in one case (Phangyul County) there is no financial contribution<sup>100</sup>. Major maintenance relies on local governments, which have allocated funds for maintenance and keep resources for emergency, which they can use for maintenance as well. However, some of the visited infrastructure required some maintenance (interviewees indicated that this will take place in winter because in summer they are working on agriculture).

---

<sup>99</sup> Source: Penjor, Sonan (2017): 12<sup>th</sup> FYP, the last mile on our development journey... Prime Minister. Bhutan Times. Accessed on 8/09/2017 and 21/09/2017.

<sup>100</sup> In Genkha, each household pays 150 nu/month to the caretaker, who ensures pipelines are in order and switches the tap on and off (the tap is open only from 7am to 6pm). The caretaker is paid 2,700 per month. He spends about 700, he saves 2000 for him self. It's his salary, so there is no communal savings for maintenance.



## 5.2.7 Annexes

### 5.2.7.1 Reviewed documentation

#### Programme documents:

- UNCDF Bhutan Scoping Mission Report, July 2010
- LoCAL Performance Assessment Manual, 2011 and 2014
- LoCAL Climate Change Adaptation Planning Guidelines, 2011
- Memorandum of Understanding between UNCDF and the Royal Government of Bhutan (RGoB) on the support to the climate change adaptation grants for local governments
- Royal Government of Bhutan, Joint Program Document LGDSP 2013/2014 – 2017/2018, November 2013
- Phase 1 Final Assessment, 2015
- 2015 Annual Report
- 2016 Annual Report
- 2014-2015 Annual Performance Report
- Consolidated Information – LoCAL projects database
- World Resources Institute, Feedback on LoCAL Minimum Conditions and Performance Assessment Criteria, June 2016
- World Resources Institute, LoCAL Design Options Discussion Paper, December 2016

#### External sources:

- Bhutan's Annual Grant Guidelines for Local Governments for the access to the annual capital grants from the central government, 2010
- Permanent Mission of the Kingdom of Bhutan to the United Nations: <https://www.un.int/bhutan/bhutan/gross-national-happiness>
- Gross National Happiness Commission, Eleventh Five-Year Plan, 2013-2017
- Bhutan's Second National Communication to the UNFCCC, 2011
- Bhutan's Intended Nationally Determined Contribution to the UNFCCC, 2015
- Bhutan's National Adaptation Plan of Action, 2006
- Bhutan's Economic Development Policy, 2010
- Penjor, Sonan (2017): 12th FYP, the last mile on our development journey... Prime Minister. Bhutan Times. Accessed on 8/09/2017 and 21/09/2017.
- UNDP Project "Reducing Climate Change-induced Risks and Vulnerabilities from Glacial Lake Outburst Floods (GLOF) in the Punakha-Wangdi and Chamkhar Valleys": <http://www.adaptation-undp.org/projects/ldcf-glof-bhutan>



BHUTAN COUNTRY REPORT

- UNDP Project “Addressing the Risks of Climate-induced Disasters through Enhanced National and Local Capacity for Effective Action”:  
<http://www.undp.org/content/bhutan/en/home/operations/projects/ccaprojectlist/1--national-adaptation-programme-of-action--napa--ii.html>
- UNDP Project “Piloting Climate change adaptation to protect human health in Bhutan”:  
<http://adaptation-undp.org/projects/sccf-piloting-climate-change-adaptation-protect-human-health-bhutan> and  
<http://www.who.int/globalchange/projects/adaptation/en/index2.html>



## 5.2.7.2 Interviewed stakeholders

Table 11. Interviewed national and international stakeholders

No.	Name	Institution	Position	Date
1	Niamh Collier-Smith	UNDP	Deputy Resident Representative UNDP Bhutan	05/06/2017
2	Mr. Pema Tenzin	GNHC	Dy. Chief Program Coordinator of Development Cooperation Division (GNHC-S),	
3	Mr. Sangay Penjor		Chief Planning Officer of Planning Monitoring and Coordination Division (GNHC-S)	
4	Mr. Chimin Rinzin	UNDP Bhutan	UNDP CCA and Disaster Risk Reduction Portfolio Manager	
5	Mr. Ugyen Dorji,		UNDP Climate Change Policy Specialist	
6	Ms. Sonam Y. Rabgye		UNDP/UNEP Poverty-Environment Initiative Program Analyst	
7	Lungten Dorji	Department of Local Governance (DLG) - Local Governance Sustainable	Director General	
8	Mr. Wangdi Gyeltshen		Program Manager	
9	Mr. Sangay Dorji		Programme Officer - LoCAL	

Mid-term Evaluation of the Local Climate Adaptive Living Facility (LoCAL)

BHUTAN COUNTRY REPORT

		Development Programme (LGSDP)		
10		National Environment Commission	Chief	06/06/2017
11		Secretariat – Climate Change Division	Senior Environment Officer	
12			Communications Officer	
13	Loday Tsheten	Department of National Budget, Ministry of Finance	Chief Budget Officer	
14			Budget Officer	

In addition, the evaluation team interviewed officers of Wangdue District (Agriculture Officer, Planning Officer and District Engineer), Daga County and Phangyul County.

Furthermore, the evaluation team conducted focus group discussions. In Daga County separate focus groups were conducted with 8 women and 10 men, in June 7<sup>th</sup>. In Phangyul County focus groups were conducted with 10 women and 10 men, in June 8<sup>th</sup>.

## 5.3 Niger Country Report

Acronym	Definition
AFD	French Development Agency (in French)
AfDB	African Development Bank
AIP	Annual Investment Plan
ANFIC	National Agency for Financing Territorial Collectivities (in French)
BTC	Belgian Development Agency / Belgian Technical Cooperation
CBA	Community-Based Adaptation
CCA	Climate Change Adaptation
CNEDD	National Environmental Council for Sustainable Development (in French)
FAO	Food and Agriculture Organisation of the United Nations
FGD	Focus Group Discussion
FLEUVE	Local Environment Coalition for a Green Union (in French)
GCCA	Global Climate Change Alliance
GCF	Green Climate Fund
GEF	Global Environmental Facility
GoN	Government of Niger
IFAD	International Fund for Agricultural Development
IGAT	Council of General Inspection of Territorial Administrations (in French)
INDC	Intended Nationally Determined Contribution
IPCC	Intergovernmental Panel on Climate Change
LDCs	Least Developed Countries
CDP	Local Development Plan
LoCAL	Local Climate Adaptive Living Facility
MoU	Memorandum of Understanding
M&E	Monitoring and Evaluation
NAPA	National Adaptation Plan of Action
NGO	Non-governmental Organization
PAC	Community Actions Programme (in French)
PAC DAT	Climate resilience for sustainable agricultural development (in French)



## NIGER COUNTRY REPORT

PAC RC	Project of Commune Actions for Climate Resilience
PAMED	Programme to support the operationalization of decentralized entities
PASADEM	Food Security Support Project in the Maradi region (in French)
PBCRG	Performance-Based Climate Resilience Grants
PDIPC	Climate Information Development and Forecasting Project (in French)
PPP	Public Private Partnership
PROMOVARE	Water Resources Mobilization and Development Project (in French)
PSRC	Strategic Programme for Climate Resilience (in French)
RESAD	Sahel Desertification Network
SDG	Sustainable Development Goals
SLM	Sustainable Land Management
SMART	Specific, measurable, attainable, relevant and time-bound (indicators)
SWISSAID	Swiss Agency for Development and Cooperation
ToR	Terms of Reference
TNC	Third National Communication to the UNFCCC
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNICEF	United Nations International Children's Emergency Fund
UNV	United Nations Volunteer
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
WB	World Bank
WFP	World Food Programme





### 5.3.1 Introduction

After some pilot activities in Bhutan and Cambodia, where activities started in 2010-2011, the United Nations Capital Development Fund (UNCDF) launched the Local Climate Adaptive Living (LoCAL) Facility in 2014. With a projected budget of USD 40 million, this five-year programme aims to promote climate change resilient communities and economies by increasing financing for and investment in climate change adaptation at local level in LDCs by improving the access of local governments in these countries to climate finance, contributing to the achievement of the Sustainable Development Goals (SDGs). In this context, LoCAL aims specifically to enhance mainstreaming of climate change adaptation into local government's planning and budgeting systems (output 1), increase awareness of and response to climate change at the local level (output 2) and increase the amount of climate change adaptation finance available to local governments and local economies (output 3), while being implemented effectively, efficiently and transparently in line with UNCDF programme management regulations (output 4).

Halfway through its implementation of LoCAL, UNCDF seeks to review initial progress in the different countries in which it is active, assessing relevance, efficiency, (likely) effectiveness, likely impacts and sustainability of programme performance so far. The purpose of this assignment is to conduct the review indicated just above. In particular, according to the Terms of Reference (ToR), this mid-term review has the following objectives:

- "To assist UNCDF and its partners to understand the relevance, efficiency and effectiveness of the LoCAL programme as well as the key programme mechanisms which underpin it;
- To consider the likely impact and sustainability of the LoCAL approach on the policy and institutional environments at the national levels and on the implementation structures at the local levels in the countries in which LoCAL is being implemented; and
- To consider the appropriateness to date of UNCDF's positioning as a UN agency support the direct access by LDCs to international climate finance at the local level"

The evaluation methodology includes conducting three in-country visits. Following a sampling strategy, Niger, Bhutan and Cambodia were selected for the evaluation missions. This report summarizes the evaluation findings regarding Niger. The data from this country report feeds into the global programme evaluation analysis.

## 5.3.2 Relevance

### 5.3.2.1 How relevant is the LoCAL approach to Niger and how distinct is it from similar initiatives?

#### 5.3.2.1.1 *Degree of alignment with the development, decentralization and climate change adaptation priorities of Niger*

LoCAL is aligned with Niger's decentralization process. The country is structured in 8 regions, 36 departments, 255 communes, including 41 urban communes which are grouped in 15 municipal districts. The decentralisation process in Niger was initiated several decades ago and has undergone several modifications. The 2010 constitution establishes the concepts of decentralisation and deconcentration, while multiple laws create a framework for this process. The main legislation in this regard is the General Local Authorities Code (CGCT). The principles established within this framework include, among others, administrative freedom, competence of local governments (which include both communes and regions) over their "local affairs", and a coupling of subsidiarity and concomitant transfer of resources. Regions and communes have competences in the following areas:

- Development Policy;
- Creation and management of collective equipment;
- Creation of community services / regional services;
- Public hygiene and sanitation;
- Territorial planning; and
- Administrative and financial management.

It is worth highlighting that environmental protection and natural resources management are among the competences transferred to local governments, along with competences related to local development planning, public infrastructure, agricultural areas, transportation, and water and sanitation. The central government can also transfer additional competences to local governments with simple decrees<sup>101</sup>.

In 2012, the country adopted a National Decentralization Policy Framework whose main objective is "to make of territorial collectivities strong democratic entities, able to contribute to consolidating national unity and to promoting a local sustainable development focused on poverty reduction".

---

<sup>101</sup> Ministère de l'intérieur, de la sécurité publique, de la décentralisation et des affaires religieuses, Direction générale de la décentralisation et de la déconcentration, Brochure d'information sur la décentralisation au Niger, Édition 2011.

## NIGER COUNTRY REPORT

Territorial collectivities refer to both regions and communes. The vision introduced by this framework is to be implemented during the 2012-2022 timeframe. It involves:

- 1) Capacity development for territorial collectivities;
- 2) Strengthening deconcentration;
- 3) Improvements in the offer and access to proximity services;
- 4) Harmonious territorial development;
- 5) Development of community participation and local citizenry; and
- 6) Financing decentralization and local governments.<sup>102</sup>

On the other hand, there is correspondence between the priorities of LoCAL in the country and Niger's adaptation planning and national communication documents. The National Strategy and Action Plan regarding Climate Variability and Change (2003), the Nationally Intended Determined Contribution (INDC) (2015) and the Third National Communication (TNC) to the United Nations Framework Convention on Climate Change (UNFCCC) focus on agriculture, livestock, forestry, water resources and health, the INDC emphasising the 3 former. In particular, the INDC mentions explicitly the following investments to increase resilience: restoration of agricultural land, assisted natural regeneration, dune fixation, management of natural forests, planting of hedgerows, planting of gum trees, doum palms and moringa oleifera, herbaceous seeding and private forestry. The TNC (pp. 109-111) provides further details for agriculture, livestock and forestry, as well indicating specific strategies for the other priority sectors. On water resources, the TNC prioritizes actions regarding protecting water resources (using surface water to feed the phreatic waterbeds and increase agricultural production, shoreline protection and the rehabilitation of silted ponds, erosion prevention; the regeneration of degraded river basins by introducing vegetal species better adapted to the new conditions), reducing the vulnerability of flood-prone area and improving institutional monitoring and management mechanisms (improving the national systems for monitoring surface and ground water, putting in place an early warning system and risk management structure to deal with flooding; and reinforcing the national and regional commissions of water and sanitation), with the idea of finding a balance between the availability of water and its demand for human and productive use.

In contrast, it is not easy to assess whether LoCAL priorities are in line with the adaptation priorities of the two communities where it is working. The Commune Development Plan (CDP) of Sokorbe was reviewed to mainstream climate change in 2014. While the document explicitly analyses climate projections and assesses vulnerabilities, it is far from evident which part of the proposed strategies refers to development and which is linked to the additional stress created by climate change. Dogonkiri's CDP has not been subject to this process. In contrast with Sokorbe, here the CDP has a specific axis (number 12) for climate change adaptation. However, it focuses on institutional aspects, namely, putting in place OSV at the commune level, early warning systems at village level and an emergency fund. Land rehabilitation, agriculture, livestock and water are treated as development priorities. While ongoing vulnerability assessments could shed some light at it in the near future, the adaptation priorities identified during the consultations conducted when designing the programme and the interviews carried out during the in-country mission of this evaluation do not clarify this point.

---

<sup>102</sup> Ministère de l'intérieur, de la sécurité publique, de la décentralisation et des affaires religieuses, Direction générale de la décentralisation et de la déconcentration, Document-Cadre de politique nationale de décentralisation, mars 2012.

## NIGER COUNTRY REPORT

While the priorities of the programme are harmonious with the adaptation needs mentioned in these interactions, the extent to which they refer to climate change is unclear.

In short, in Niger, LoCAL is well aligned with the decentralization and adaptation priorities at the national level, and with the development priorities at local level, while the lack of distinction between development and climate change does not allow to assess the extent to which it is in tune with adaptation priorities at local level.

### 5.3.2.1.2 *Amount and type of CCA finance accessible to local governments in Niger*

#### **Amount and type of CCA finance accessible to LoCAL countries excluding LoCAL**

Niger has received and is receiving support from development partners to increase its resilience to climate change<sup>103</sup>. Some of the programmes and projects are funded by international climate change funds. Resources from the Global Environmental Facility (GEF) have been mobilized by different United Nations (UN) agencies. The United Nations Development Programme (UNDP) mobilized USD 7 m for the period 2013-2016 for a project implementing recommendations of the National Adaptation Plan of Action (NAPA) and seeking to strengthen the resilience of the agriculture sector to climate change<sup>104</sup>. The project worked in seven regions and focused on the use of improved seed varieties, market gardening, use of meteorological data, seeding in degraded grazing areas and income-producing activities. UNDP also mobilized USD 4.26 m for the period 2015-2018 for a project on community-based adaptation (CBA) in the departments of Dakoro and Bermo. Besides, UNDP is implementing the African Climate Change Adaptation Programme, which, with a budget of USD 610,000, is setting up an index-based insurance prototype to prevent episodes of drought.

The International Fund for Agricultural Development (IFAD), in coordination with the World Food Programme (WFP), has been implementing the Food Security Support Project in the Maradi region (PASADEM), with a total budget of USD 31.7 million for the period 2011-2017 (IFAD has provided USD 22.2 m (in loans); the WFP USD 2.7 m). The project seeks to increase the resilience to climate change of 65,000 rural households.

Through its Global Mechanism, the United Nations Convention to Combat Desertification (UNCCD) is implementing the Local Environment Coalition for a Green Union (FLEUVE by its initials in French). With a budget of E 7 m from the European Commission, and a timeframe of 2014-2018, the project is implemented in partnership with FAO and three networks of community-based organizations – Sahel Desertification Network (RESAD by its initials in French), RADDIO and Drynet. Active in five Sahel countries (Burkina Faso, Chad, Mali and Senegal, in addition to Niger), the project aims to strengthen the capacities of local communities to help boost investments in land restoration and create employment opportunities or 'green jobs'. The project is driven by local people themselves to

<sup>103</sup> The list of climate change adaptation programmes and projects supported by development partners presented here is based on desk review and interviews but is not and does not pretend to be exhaustive.

<sup>104</sup> Resources were also provided by UNDP and Agricultural Cooperative Development International (ACDI) / Volunteers in Overseas Cooperative Assistance (VOCA) an international NGO.

## NIGER COUNTRY REPORT

strengthen community resilience to land degradation, drought and climate variability. The project is complemented by regional-level activities on capacity building and the dissemination of good practices on sustainable land management and innovative financing<sup>105</sup>.

In addition, the UN System is implementing a convergence programme bringing together UNDP, WFP, the UN International Children's Emergency Fund (UNICEF), the UN Population Fund (UNFPA), the Food and Agriculture Organisation of the UN (FAO) and the UN Entity for Gender Equality and the Empowerment of Women (UN-WOMEN). Moreover, the Rural Energy Service Access Programme has mobilized USD 5.47 m (from the GEF and EU) to facilitate access to power services.

The World Bank is supporting the Strategic Programme for Climate Resilience (PSRC), consisting of three projects: the water resources mobilization and development project (PROMOVARE by its initials in French), the climate information development and forecasting project (PDIPC by its initials in French) and the community actions for climate resilience (PAC RC for its initials in French). With a USD 23.4 m budget (including a USD 9.5 m grant), PROMOVARE is organized in four components: water resources mobilization; irrigation development; support measures and programme management. With a USD 13.85 m budget (including a USD 3.5 grant), PDIPC is also organized in four components: i) capacity building for generation of climate data, including strengthening of the observation network, development and improvement of climate products and establishment of a climate information dissemination mechanism; ii) support for modelling and vulnerability assessment research, including generation of climate scenarios for Niger and assessment of vulnerability to climate change; iii) strengthening of the early warning system, including establishment of a multi-hazard early warning system for climate and support for dissemination of agro-meteorological and early warning products. With a USD 63 m budget, PAC RC is organized in four components: i) mainstreaming climate resilience into development strategies at national and local levels; ii) integrating climate resilience practices into agro-sylvo-pastoral systems and local populations' social protection measures; iii) ensuring coordination of all the activities of the project, including monitoring and evaluation activities, and iv) overall strategic coordination<sup>106</sup>. The PAC RC project is currently working in 31 communes. The three mentioned projects started in 2012 and are planned to be active until end of 2017. Moreover, the WB is financing the Climate-Smart Agriculture Support Project, with a budget of USD 111 m for the period 2016-2021 in 20 departments. The World Bank is implementing as well the PGECDU project.

The African Development Bank (AfDB) is also supporting climate change adaptation in Niger. In addition to contribute to the PROMOVARE and PDIPC projects, in 2016 the AfDB awarded Niger a sum of USD 994,270 under the Sustainable Energy Fund for Africa to grow green mini-grids.

According to the Climate Funds Update<sup>107</sup>, Cambodia received USD 154.29 m in the period 2003-2016 through multilateral public finance under and beyond the UNFCCC umbrella. Funds under the UNFCCC umbrella concentrated USD 27.89 m or 18% of multilateral funds; non-UNFCCC funds, USD 126.4 m or 82%. Within the UNFCCC, LCDF channelled USD 17.9 m or 64% of funds; and the AF, USD

<sup>105</sup> <http://www2.unccd.int/actions/great-green-wall-initiative>

<sup>106</sup> <http://projects.worldbank.org/P125669/niger-community-action-project-climate-resilience?lang=en&tab=overview>

<sup>107</sup> Climate Funds Update is an independent website that provides information on the growing number of international climate finance initiatives designed to help developing countries address the challenges of climate change.

## NIGER COUNTRY REPORT

9.96 m or 36%. Outside the UNFCCC, USD 113.4 m or 90% of funds flowed through the PPCR and USD 13 m or 10% through the ASAP.

Bilateral development partners are supporting Niger as well in climate change adaptation. Through the Global Climate Change Alliance (GCCA), the European Union is implementing the 11 million Euro programme Climate resilience for sustainable agricultural development in Niger (PAC DAT by its initials in French). With a E 11 m budget and a 2015/2020 timeframe, the programme seeks to contribute to improving the resilience of Niger's population to climate change and climate-related risks, with a focus on food and nutritional security and agricultural development. The programme works in Dosso and Zinder, where actions seek to strengthen the agro-forestry-pastoral production and sustainable land management and ecosystems with a view to increase resilience to climate risks<sup>108</sup>. According to Climate Funds Update, GCCA has mobilized USD 83 m to Niger between 2003 and 2016.

The French Development Agency (AFD in French) is implementing several projects. In particular, it is supporting the extension of the NIGELEC electrical network (USD 46.33 million); the socioeconomic development of Kandadji (USD 15.8 million); support for the food security of households (USD 1.36 million); development and management of the Badaguichiri watershed (USD 12.4 million); and management of the natural forests for the sustainable supply of wood energy to Sahelian cities (Bamako, Ouagadougou and Niamey) (USD 1.7 million).

The Swiss Agency for Development and Cooperation (SWISSAID) has a broad programme in Niger since 1974. The programme supports the country on land rehabilitation and protection, agriculture, livestock, wells (sometimes more than 100 m deep), irrigation channels and latrines, as well on management of mining activities and, sometimes, emergency aid. SWISSAID invests around CHF 1.5 million (USD 1.6 m) each year in its programme in Niger. The programme started in the region of Tahoua and expanded to Tillabéri and Dosso.

In parallel, several development partners have been promoting decentralisation in Niger. The World Bank has been supporting decentralisation in the country for almost 15 years through the Community Actions Programme (PAC by its initials in French). The first phase was implemented between 2003 and 2007 and the second phase between 2009 and 2013. The third phase has a budget of USD 44.4 m for the period 2013-2017. The programme focuses on local governance and development and natural resources management. PAC is organized in three components: i) strengthening of the governance capacities of the communes (USD 9 m in phase III), including support to develop the Commune Development Plans (CPDs) and Annual Investment Plans (AIPs); ii) a local investment fund (USD 22 m in phase III); and iii) coordination, management, monitoring-evaluation and communication (USD 3.4 m in phase III). The local investment fund supports investments on sustainable land management, construction and maintenance of socio-economic infrastructures (including wells) and the creation of revenue generating activities<sup>109</sup>. The programme was active in 164 of the 265 communes of the

---

<sup>108</sup> <http://www.gcca.eu/climate-resilience-for-sustainable-agricultural-development>

<sup>109</sup> Community infrastructures include health centres, nutritional centres, maternities, primary schools, markets, slaughterhouses, vaccination centres, rural roads, water harvesting systems, wells, small hydraulic infrastructures and cereal bank, among others.

## NIGER COUNTRY REPORT

country in the second phase. The project has funded more than 3,000 local sub-projects or investments. Related to both this programme, PAC RC also contributes to decentralisation process.

The Government of Belgium, through the Belgian Development Agency / Belgian Technical Cooperation (BTC), has been implementing the Programme to support the operationalization of decentralized entities (PAMED for its initials in French) in the region of Dosso since 2006<sup>110</sup>. Initiated in 2011 and due to close in September 2017, the second phase had a total budget of E 4,600,196. It focused on the intersection of good local governance and food security. It is implemented by the Ministry of Interior, Security, Decentralisation and Religious Affairs<sup>111</sup>.

As part of its programme in Niger, SWISSAID supports decentralisation. In particular, it supports municipal authorities in their search for new sources of finance to increase their resources to set up public infrastructures. In particular, this is done by taxing livestock sold at the communal market<sup>112</sup>.

Despite these programmes and projects, according to its TNC, Niger's access to financial resources for adaptation is insufficient. According to this document, the country lacks enough financial resources to collect and analyse data on threats, exposure and vulnerability and prioritize, implement, monitor and evaluate adaptation programmes and strategies. On this front, according to its INDC, Niger would require USD 1.607 billion in the period 2015-2030. According to the same source, only USD 0.337 billion or 21% of the resources needed to implement the country's contribution on adaptation are available – USD 1,270 or 79% of the resources are unavailable. Regarding sustainable land management, the intended contribution would have a cost of USD 1.27 billion, of which only USD 0.337 billion or 20% is available with domestic sources.

This is only a small part of climate change –related financial needs. In the same document, the country estimates that it would require a total investment of USD 8.667 billion to meet its expected contribution on both the adaptation and mitigation fronts in the period 2015-2030. The unconditional financing coming from the government's own resources and public development aid is estimated at US \$1.167 billion, or 13% of the total cost, for both mitigation and adaptation, US \$7.5 billion or 87% of the total being dependent on access to new sources of financing.

### **Amount and type of CCA finance accessible to local governments in LoCAL countries excluding LoCAL**

Interviews indicate local governments manage a small percentage of available adaptation resources. Of the project listed above, according to available data, only two (PAMED III and PAC RC) transfer resources directly to the communes. The others are managed by the central government, the regional governments (i.e. the UN convergence programme) or non-governmental organisations (NGOs) (i.e. PAC DAT).

<sup>110</sup> This phase had a budget of E 5.6 m and a duration of 4 years, although it was extended twice. It was active in the 43 communes of Dosso.

<sup>111</sup> <https://open.btcctb.org/fr/NER/1924/updates/programme-d-appui--la-mise-en-place-des-entits-dcentralises-dans-la-region-de-dosso-pamed-2.html>

<sup>112</sup> According to SWISSAID, “By supporting the livestock rearing sector through the establishment of vaccination corridors, together with areas for slaughter and for selling livestock products which are controlled by the municipal authorities, SWISSAID helps to boost the economic prosperity of this business sector whilst providing the authorities with tax revenues”.



## NIGER COUNTRY REPORT

In this framework, according to commune budgets made available to the evaluation team, the investment budget of Sokorbe reached a maximum of slightly over 300,000 USD in 2016, but was slightly over 190,000 USD in 2015 and 2017. The investment budget of Dogongoutchi is much greater, about 450,000 USD in 2015 and around 600,000 USD in 2016 and 2017. In both cases, exceptional resources are key. In Dogonkiria, they represented 75% of the investment budget in 2016 and 80% in 2017. It is difficult to tell which part of the investment could be technically considered climate change adaptation finance.

## 5.3.2.1.3

*Types of barriers for access to CCA finance by Niger***Types of barriers for access to CCA finance by LoCAL countries**

Desk review and interviews suggest the existence of a number of barriers. To begin with, some stakeholders show concerns regarding the capacity of sub-national governments to manage the implementation of adaptation programmes, including financial aspects (this is further discussed in section 3.3.6 below). This is particularly acute due to the mixed performance of the national institution that is supposed to be responsible for transferring resources to decentralized governments. The Niger Agency for Financing Territorial Collectivities (ANFIC by its initials in French) was created in 2008 and has mainly focused on conducting studies since then. However, according to interviews, only transfers for education and health are currently operational, with performance issues: the process of reviewing proposal and send resources is still very slow. The windows for environment and hydrology are not currently operational, as the government is still defining the transfer modality. Interviews reveal some political tension, given its link to the Ministry of Interior.

In addition, collected data shows that local governments have limited capacity to develop project proposals that can actually mobilize resources for climate change adaptation. As noted above, one of the two communes (Dogon Kiria) has not mainstreamed climate change adaptation into its CPD. While the other commune (Sokorbe) has conducted this exercise, as noted above, the resulting CPD is not particularly robust. The 2016 performance assessment report included in the 2015/2016 Annual Report (p. 27) recognized in this sense that the municipal council of Sokorbe had to work further in the integration of climate change in the design of the investment project, in particular regarding the justification of the “additional cost”. In this sense, often the elected representatives have to deal with the pressure to attend urgent needs, and prioritized actions that cannot always be fully considered as adaptation priorities. In this context, WB PAC RC has not been able to allocate all funds due to the absence of enough robust proposals. This has is related to limited technical human resources, particularly at the commune level. The communes don’t usually have enough technical personnel and depend on technical assistance from the department level. Unfortunately, sometimes lack of resources for transport prevents the technical service for providing support at the communal level. In addition to a quantitative issue, there is also a qualitative one, as there is still significant room to build the capacity of the technical personnel at the department level as well, despite the efforts already undertaken by LoCAL in this context. In addition to technical resources, local governments struggle to provide co-financing to adaptation programmes, even in kind, given the small scale of their operation and investment budgets.



### Types of barriers for access to CCA finance by LDCs and LoCAL countries addressed by LoCAL

LoCAL Niger has contributed to overcome some of the barriers mentioned above. While other programmes were already working directly with sub-national governments on adaptation, LoCAL has provided additional proves that this approach is not only more adequate, but it can also be efficient. Interviews with development partners suggest that they are now more convinced of working directly with this level of governments, pointing out that it could become standard in the future. However, LoCAL has not been able to use the national transfer system, due to issues beyond the scope of the programme.

In contrast, LoCAL's contribution to build capacities at the national, departmental and commune level regarding climate adaptation is limited. Despite the positive efforts of the programme on training and the provision of technical support, as further discussed in section 4.1.1, interviews suggest that a poor understanding of the additionality of climate change is still dominant. Indeed, as discussed below, a considerable part of the resources of the programme have been executed on investments on which the additionality of climate change is unclear. There is significant room to build capacities in this regard both to increase the direct resilience benefits of the programme investments and being able to develop proposal that can mobilize international resources.

#### 5.3.2.1.4

#### *Additionality of the approach brought by LoCAL*

CCA programmes and projects have been presented in section 2.1.2 above. LoCAL's added value resides mainly in its typical approach to building local planning and financial management systems, to foster a decentralized approach to resource management and allocation that is owned and led by local authorities. As noted above, it is however not the only institution to put forward this type of approach in Niger. WB's PAC RC and Belgian-funded PAMED III follow similar approaches<sup>113</sup> in the two communes visited where UNCDF was incidentally not active prior to LoCAL<sup>114</sup>. Furthermore, while it wasn't used in the second cycle of investments, LoCAL is the only CCA programme in Niger to apply an explicit performance-based grant system (section 3.3.3 further discusses the PBCRG system).

LoCAL's added value in terms of resilience is less clear. As recognized in the 2015/2016 Annual Report for Sokorbe, to a great extent LoCAL has funded investments where the rationale for climate change additionality has not been made clearly explicit, addressing what in some cases could rather be argued as developmental and sometimes humanitarian aid needs regardless of climate change - the upcoming vulnerability assessments could contribute to making this process more transparent and

<sup>113</sup> There is a difference though. While LoCAL and PAMED transfer the resources to the overall budget of the commune, PAC RC transfers them to a special account..

<sup>114</sup> As noted above, SWISSAID supports municipal authorities in their search for new sources of finance to increase their resources to set up public infrastructures. In particular, this is done by taxing livestock sold at the communal market.

## NIGER COUNTRY REPORT

explicit. In this sense, the type and design of LoCAL investments do not differ considerably from those conducted by other programmes and projects in the communes visited, such as PAMED III, PAC III and SWISSAID, which focus on decentralization and local development but do not have a specific climate change focus. As discussed in detail in section 5.1.1 below, and pointed out by some development partners, the scale of resources of LoCAL is relatively similar to that of other programmes and projects.

### 5.3.2.2 As presently designed, how coherent is programme design across its three phases of implementation in view of its objectives?

#### 5.3.2.2.1 *Degree of alignment of LoCAL with needs and priorities in terms of CCA at the local and national level*

As noted above, LoCAL's approach is clearly supportive of Niger's decentralization process, in terms of recognizing the role of local governments and in its plan to use the national transfer systems, which in Niger is however not currently operational.

While the phased approach is a convenient one as it allows to assess what works well and what works less well, and improve the latter, LoCAL's experience in Niger reveals a conflict between breadth and depth. As they have been set in the global programme document, the phases are very ambitious in terms of the coverage of the targeted local governments without a sufficiently strong reference to the level of investment (and coordination) resources and no reference to an integrated approach to building climate change resilience in any communities by targeting multiple drivers of resilience in a given community, to expect an impact of resilience of these communities. In phase one, LoCAL Niger shows dispersed investments (50,000 USD per commune, but just one very targeted investment per village), without any kind of integration either internally or with other programmes to address the drivers of resilience in a systematic manner in these villages and communes. As a result, resources are spread very thin and investments don't raise economies of scale and cross benefits. The planned second phase makes this point even more prominent. For the second phase, countries need to cover 10% of local governments. In Niger, this means moving from 2 to 27 communes. To maintain the same level of investment per commune, financial resources would need to increase from 100,000 USD, to 1,350,000 USD, which doesn't seem realistic taking into account that resources did not increase from the first to the second year.

LoCAL's experience in Niger suggest that phases are also over-determined in temporal terms. In many countries, it might be difficult to plan (conduct the necessary vulnerability assessments and adaptation prioritization), implement, show results (e.g. the acacia takes 5 years to produce rubber) and bring many other players on board (e.g. from 2 to 27 communes) in only three years. The risk of moving fast, but without appropriate depth in each commune and targeted village is significant, as Niger's programme shows in terms of adaptation planning and building partnerships for the new phase.

## 5.3.2.2.2

*Degree of coherence of the program activities with outputs and outcomes*

While there is coherence between the global and specific objectives and the expected results presented in the Inception Report (pp. 17-18), some of the eligible activities included in the document (pp. 29-30), such as the maintenance of wells, don't have a clear climate change adaptation element. Some institutions, such as the European Union, do not indeed include the rehabilitation of wells under adaptation projects, conducting this type of activity under hydrology or diversification projects. To a great extent, however, the climate change relevance of an investment would depend more on its design. In some cases, the eligible activities are reasonable in principle, the specific eligibility of a particular investment depending on its specific contribution to increasing climate change resilience. For instance, specific measures involved in the rehabilitation of a well could be justified if it addresses the specific impacts of climate change. As presented in section 3.2.5, according to the latest report, 70% of the total value of investment has been allocated to the rehabilitation of wells. Stakeholders claim that there is a need to rehabilitate them because the phreatic waterbed has diminished due to climate change. However, there are no studies to demonstrate this – the waterbed could have diminished due to increased demand given massive population growth. Moreover, studies analysing the long-term liveability of the areas have not been conducted. In this sense, the programme seems to have allocated most of its resources to address short-term needs expressed by the communities, regardless of medium and long-term adaptation needs<sup>115</sup>. Indeed, without medium and long-term analysis these type of investments, with an over twenty years life cycle, could result in mal-adaptation. Importantly, as discussed in sections 5.1.1 and 6.2, this could compromise other objectives of the programme, such as mobilizing international climate change funds, like the Green Climate Fund (GCF), for which additionality is a key basis for resource allocation.

It is worth noting that to a great extent this caveat is linked to the weakness in mainstreaming climate change adaptation in the existing CDP. While in theory it is reasonable to take them as the basis for prioritizing investments, the truth is that they don't allow a proper prioritization. The commune of Sokorbe needs to conduct first vulnerability assessments, while Dogonkiri's CDP should present more clearly the additionality brought by climate change in the investment choices targeted.

---

<sup>115</sup> Please note that the point is not whether there are needs (there certainly are) and whether these should be addressed (they certainly should), but instead the extent to which these are caused by climate change, how this will affect them in the medium and the long run, and whether it is the mandate of a climate-change adaptation programme, such as LoCAL, to address them. Humanitarian needs have to be addressed by the corresponding programmes, with the corresponding funds.

### 5.3.2.3 How well are programme objectives supported by partners in Niger?

#### Contributions of international partners

LoCAL participates in relevant national working groups, such as the Technical Committee on Decentralization, chaired by the Ministry of Interior, Public Safety and Decentralization; the Working Group on Climate Change, chaired by the Executive Secretary of CNEDD; and the Working Group on Resilience, chaired by UNDP's Resident Representative.

In spite of this, site visits and interviews reveal that coordination could be improved. So far communication with UNDP and WFP seems to take place through a United Nations Volunteer (UNV). In addition, some coordination with the European Union and PADEL exists. Interviews pointed out that the CDP of Dogon Kiria will be reviewed shortly with financial support from the EU, which will pay external consultants, and technical support from LoCAL, which will cover the cost of the technical team of the Department. According to the 2015 Annual Report (p. 16), following a request from LoCAL's Technical Committee, PADEL Mayahi provided training to municipal staff on financial management of grants, including LoCAL designated assistant accountant. However, interviews revealed that coordination with other key projects has not taken place. Although the 2015/2016 Annual Report (p. 28) noted that a coordination structure would be created in 2016-2017 with the PAC RC and FLEUVE projects, interviews in May 2017 showed that PAC RC staff did not know about LoCAL. Indeed, not only are there limited contributions from financial partners, but strategic synergies with other development and climate change related programmes (e.g. PAC RC, PAMED or SWISSAID) do not seem to have been seized so far to the extent they could have.

#### Contributions of national partners (central government)

LoCAL Niger is based on a Memorandum of Understanding (MoU) between UNCDF and the Government of Niger (GoN) represented by the Ministry of Environment, Urban Sanitation and Sustainable Development, which leads the Technical Committee. As noted in section 3.1 below, while the Ministry of Finance is absent, the Technical Committee gathers the most relevant ministries, departments and agencies.

At the national level, the GoN has provided financial and non-financial contributions. Regarding the former, the GoN provided 40,000 USD in 2016 and 20,000 USD in 2017 (Annual Report p. 32). Regarding the latter, the GoN has contributed with the time of technical staff, equipment and vehicles at the department level.

#### Contributions of local governments

Sub-national governments at regional and commune level are also engaged, the former in monitoring and the latter in selecting activities, receiving the funding and managing the investment process.

## NIGER COUNTRY REPORT

While they provide technical support, according to the latest sub-project information made available to the evaluation team, there has been no direct financial co-financing from the governments in Niger. Focus group discussions reveal that in some cases households made financial contributions to the construction of wells. In Yellemehamad communities indicated that they had contributed 40 FCFA per household to construct the well. Moreover, as discussed in section 6.2 on sustainability, focus group discussions indicate that user groups have been created in some wells and that these include financial contribution to maintain them.

Nevertheless, there is room to increase the engagement of the civil society. The 2015/2016 Annual Report (p. 25) recognizes that Sokorbe's municipal councils should involve communities in the execution of the programme through social accountability regarding the financial aspects of the investments. As noted in section 4.1.1, this is however difficult both because the scarcity of resources and the fact that there are only a few big national NGOs in Niger and these tend to be expensive and ill-prepared and often clash with government's technical services, sometimes refusing even to provide data to the government. It is also worth noting that the Association of Municipalities and the Association of Regions are not engaged, but the programme plans to do so.

### Contribution of the private sector

By the time of this evaluation, LoCAL has not been able to engage the private sector in Niger. Although a law on public-private partnerships provides a welcoming enabling environment, the extreme poverty and vulnerability of the selected areas, the limited size of the interventions, spread over a number of communes, and the nature of these interventions do not provide an incentive to traditional private sector investments under the programme. While the programme's intention to reach out the Chamber of Agriculture in September 2017 is a good idea, results are still at an early stage to hope making a convincing case to mobilize private investment. In this sense, it is worth noting that WB's PAC RC originally included a component on climate insurance that was later removed given the difficulties to operationalize it.

#### 5.3.2.4 To what extent is programme design sufficiently taking cross-cutting issues such as gender and human rights and social and environmental performance into account?

The National Policy on Gender of 2007 has four strategic focuses: the family and community level, the economy, governance and the implementation of the policy. According to it, targeted groups shall not be passive beneficiaries, but shall instead be active beneficiaries, participating in a significant way in the identification of their needs and priorities and the design, implementation and monitoring of the projects and programmes addressing them.

Collected evidence suggests that LoCAL has contributed to gender equity at the family level. The rehabilitation of wells has made the life of many women easier, as in Niger they are typically in charge of collecting water. Women's economy has also improved as a result of the programme. According to

## NIGER COUNTRY REPORT

the 2015 Annual Report (p. 18), 518 women were engaged in cash-for-work activities on land rehabilitation, in addition to 325 youngsters and 171 men, creating a total of 5738 hours/day temporary jobs with a salary of 1,275 CAF per day. Besides, LoCAL has supported animal fattening in profit of women and fight against malnutrition of children and women. According to the latest sub-project information made available to the evaluation team, women represented 50% of beneficiaries of physical adaptation measures, both in wells and land rehabilitation.

The contribution of LoCAL in terms gender equity at community level is less substantive. While the performance criteria includes the participation of vulnerable groups in the identification and prioritization of activities, there is no specific reference to gender. Disaggregated information on gender is incomplete in project reporting regarding beneficiaries: this is available only for 6 of the 9 adaptation measures supported by the programme in the latest sub-project information table made available to the evaluation team. While focus group discussions suggest that women's voice was heard during these processes, the 2015 Annual Report (p. 25) acknowledges that the participation of women in the identification and prioritization of actions has been weak. In this sense, it is worth noting that the technical service is composed entirely by men. Interviews indicate that a gender assessment of CDP in Sokorbe conclude that it was poor in mainstreaming it. Indeed, a review in this regard is currently planned. According to the latest sub-project information made available to the evaluation team, women were not significantly included in awareness raising and capacity building activities: only 1 of the 65 people involved in these activities was female.

While 26 men and 16 women without social attachment and support have been engaged in cash-for-work activities, there is no evidence of further engagement.

### 5.3.3 Efficiency

#### 5.3.3.1 What is the quality of programme management?

Overall, the programme is well managed. Interviews at the national level indicated that although some important stakeholders, such as the Ministry of Finance, the Association of Municipalities, the Association of Regions and the Chamber of Agriculture, are not yet represented (it is planned to invite them to the next meeting in July 2017), the Technical Committee includes most of the relevant stakeholders: the Ministry of Environment, the Ministry of Interior, Public Safety and Decentralization, the ANFIC and UNCDF. Desk review and interviews also suggest that it meets with a reasonable frequency (twice a year and whenever is needed) and carries out its function. Interviews indicate that while the programme planning framework (January to December) should be adjusted to be aligned with the national one (June to July), the validation of previous activities and the planning of the following year is conducted in time.

Interviews reveal that the decentralized structures are key for programme management. Composed by the governor (president), the mayor (vice-president) and all technical staff, with the environment

## NIGER COUNTRY REPORT

focal point as the secretary, they provide considerable support in the production of monitoring reports.

The proper management of the programme relies to a great extent on the national coordinator and, to a lesser extent, on UNCDF's focal point. Interviews suggest that all coordination activities at the national level rely on a single person, the national coordinator, who lacks the support of an administrative assistant to deal with the very specific UN administrative rules, and a technical assistant to support coordination activities. Moreover, UNCDF's focal point's involvement in the project seems to be limited. While he is supposed to work in LoCAL 70% of its time, UNCDF daily activities take in reality about 80% of his time. Interviews indicate that as a result the national coordinator is overwhelmed, and has abandoned some government responsibilities to be able to take care of the implementation of LoCAL. Furthermore, the logistics for regular monitoring missions are not ensured. Interviews with key stakeholder point out that the government DSA for monitoring missions is extremely low, implying that government officials travelling need to complement it with their own budget. Besides, according to the same sources, it is often difficult to get a vehicle to conduct these missions. It is important to note here that while this assessment shows that management of the program in Niger has been adequate, there is room to improve it from a technical perspective to ensure that existing funds are strategically allocated, being more strict when reviewing which of the proposed activities will be funded, avoiding investments where climate additionality is unclear.

### 5.3.3.2 How well has the initiative delivered its expected results to date and what is the quality of the programme outputs (deliverables) delivered to date?

#### 5.3.3.2.1 *Number of participating local governments*

In Niger, the programme is working in two communes of the Dosso region (Sokorbe, in the Loga department and Dogonkiria in the Dogondoutchi department).. The 2016 Annual Report mentions that the commune Fawel, in the Loga department, would be integrated to the programme in 2016-2017.

#### 5.3.3.2.2 *Number of local governments which have integrated the PBCRG*

In Niger, LoCAL is using the budgeting and procurement system of the communes. The two pilot communes met the Minimal Conditions to access to grants in 2015 and 2016. It is worth noting that due to limited resources, good performance in the first cycle (the global performance of the

## NIGER COUNTRY REPORT

communes was 75% for Sokorbe and 70% for DogonKiria) did not imply additional funds in the second cycle. Interviews reveal frustration at the commune level, as if a promise had not been kept, compromising the credibility of the programme.

By transferring resources directly to the communes, LoCAL is not using Niger's national fiscal transfer system. As noted above, this is reasonable, as ANFIC was not fully operational. Indeed, while LoCAL plans to use this system in the second phase, there are serious concerns on the robustness of the institution, even though UNCDF has been committed under other programmes at the national level to support the development of ANFIC.

### 5.3.3.2.3 *Proportion of funds disbursed related to planned disbursements*

According to the 2015/2016 Annual Report (p. 29), LoCAL in Niger mobilized USD 140,000. Of this amount, USD 100,00 or 71% were mobilized at the commune level and USD 40,000 or 29% were mobilized at the national level, for the technical committee. At the time of the 2015/2016 Annual Report, 87% of funds had been executed. While funds had been almost completely executed at the national level, 82% of funds had been executed at the commune level. According to the latest sub-project information made available to the team of this evaluation, these funds have now been fully executed. According to the latest matrix, USD 99,840 was executed in Niger in PBCRG at the commune level.

**Table 14. Summary of the financial situation**

	Communes		Technical Committee		Total Grant	
	CFA	\$ US	CFA	\$ US	CFA	\$ US
Grant	59303600	100 000	23 721 440	40 000	83025040	140 000
Total expenditures	48454119	81705,2	23 659 160	39 895	72 113 279	121 600
Expenditure rate	81,71%	81,71%	99,74%	99,74%	86,86%	86,86%

Source: 2015 Annual Report, p. 29.

### 5.3.3.2.4 *Number of adaptation and resilience investments*



According to the latest available information, LoCAL has implemented nine (9) activities in Niger, 3 in Sokorbe and 6 in Dogonkiria. In this sense, the average investment cost was USD 11,093, this ranging between USD 1,414 and USD 27,860.

### 5.3.3.2.5

### *Types, budget and stage of implementation of investments funded with LoCAL funds*

#### **Geographical distribution**

According to the latest sub-project information made available to the evaluation team, USD 69,521 or 70% of PBCRG resources were executed in Dogon Kiria, while USD 30,319 or 30% were executed in Sokorbé.

#### **Distribution by type of investment**

In terms of type of investments, out of the 9 adaptation measures, 6 or 67% of all measures consisted on infrastructure development and 3 or 33% in capacity building. In terms of funds, resources for infrastructure amounted to 87,696 USD, concentrating 82% of all disbursed funds. In turn, capacity building and awareness raising activities amounted to USD 12,145, concentrating 12% of disbursed funds. Capacity building included training commune stakeholders on climate change, putting in place an early warning system and training 50 people on phytosanitary issues.

#### **Distribution by sector**

Adaptation measures in Niger have focused on water and sanitation (rehabilitation of wells), agriculture and general environmental protection, that is, protection and rehabilitation of land. In term of number of adaptation measures, 5 investments or 56% focused on water and sanitation, and 2 measures or 32% on agriculture and general environmental protection each. In term of funds, water and sanitation concentrated USD 69,343 or 69% of all funds; general environmental management, USD 19,767 or 20%; and agriculture, USD 10,730 or 11% of all funds.

As noted in section 3.2.4 above, the average investment cost was USD 11,093. While the average cost of a water and sanitation investment (USD 13,866), was certainly higher than that of agriculture (USD 5,365) and land rehabilitation (USD 9,884), there was significant variation within sectors. The cost of well rehabilitation ranged between USD 6,838 and USD 27,860; the cost of measures on agriculture (all capacity building) between USD 2,809 and USD 7,920; and the cost of land rehabilitation between USD 1,414 (awareness raising) and USD 18,352 (actual physical work).

#### **Cost effectiveness**

While the 2015/2016 Annual Report and sub-project fiches don't provide information on the number of beneficiaries, the latest sub-project information made available to the evaluation team provides

## NIGER COUNTRY REPORT

some incomplete figures<sup>116</sup>. According to that source, 2,480 rural inhabitants benefited from the 5 investments in wells, with an average of 413 beneficiaries per well (except in one with 300 beneficiaries, the other four benefited around 500 inhabitants). In turn, the physical investment on land rehabilitation benefited 1,014 people, according to the same source. In this context, the average per capita cost for wells was 34 USD/beneficiary and the average per capita cost for physical land rehabilitation works was 18 USD/beneficiary.

## 5.3.3.2.6

*Level of alignment of investments funded with local needs and global priorities*

Desk review and interviews at the local level suggest that activities on capacity building are aligned with local climate change adaptation priorities, as presented in section 2.1.1 above. Investment in land degradation can be also considered a relevant adaptation strategy, and is harmonious with the local and national priorities as established in the NAPA or the INDC, as presented in section 2.1.1 above.

As noted in section 2.1.3 above, this global evaluation does not have enough information to determine whether the rehabilitation of wells is an adaptation or mal-adaptation strategy, as specific studies on the current and short, medium and long term impacts of climate in each of the wells is not available. Likewise, it is not possible to assess whether this type of investment is aligned with local adaptation priorities. While CDPs mention this as an adaptation strategy, it is unclear to what extent this is the case, given the absence of studies at that regard.

## 5.3.3.3

*What is the quality of programme monitoring systems? To what extent do they help capture the likely results of these investments?*

## 5.3.3.3.1

*Existence of a sound baseline assessment in the planning documents*

The project document (p. 36) indicates that LoCAL planned to develop a baseline regarding the performance of the communes and use it as the programme baseline. In this framework, the 2015/2016 Annual Report (p. 14) mentions that the assessment of the performance of communes conducted that year would serve that purpose. However, a baseline regarding the overall situation of

---

<sup>116</sup> Numbers are not provided for one capacity building measure and only aggregated numbers are provided for two well investments.

## NIGER COUNTRY REPORT

communes before the programme was not developed. This approach is technically weak for two reasons. First, while it promotes decentralisation and therefore focuses on local governments, the LoCAL Niger goes beyond that: the baseline of the programme is not limited to that of the communes. Second, the first year of programme implementation cannot be considered the baseline, given that, if the project is effective, the activities conducted over the first year would have already modified the situation previous to the project start. The CDPs do provide a lot of socio-economic information on the communes which could have easily fed into a baseline.

#### 5.3.3.3.2 *Existence of a sound performance measurement framework/logframe, with specific, measurable, attainable, relevant and time-bound (SMART) indicators, in the planning documents*

In Niger, the project document includes a section on M&E system (pp. 38-39). This section provides an open list of indicators divided in three main categories: activity indicators, indicators regarding the performance of communes and indicators regarding the impact of the programme in the country. However, it is not very clear what are the reporting requirements (the list is open). Baseline and targets are not provided.

#### 5.3.3.3.3 *Level of quality and of relevance of the indicators used for PBCRGs*

According to the project document (pp. 26-28), LoCAL Niger uses three types of indicators: minimum conditions, disbursement conditions and performance indicators. Communes have to comply with two minimum conditions the first year and with 4 additional after that year. In the first year a signed agreement between LoCAL and the commune and the regular functioning of deliberative instances is requested. In the following years, it is requested that: i) CCA has been mainstreamed in the CDP; ii) audit evidence of the lack of mismanagement; iii) provision of a six-monthly and annual reports; iv) execution of at least 80% of planned activities of the previous year. The disbursement conditions also are more stringent for the second year onwards, and differentiate between the first and the second tranche. In this context, according to the project document, LoCAL Niger would assess the performance of the participating communes according to the following indicators: i) integration of CCA into the CDP; ii) preparation of an annual CCA programme; iii) civic participation in the identification and prioritisation of the activities; iv) collection and analysis of climate data; v) integration of CCA aspects in the design of investments; vi) conformity with the investment menu; vii) execution of funds; and viii) monitoring, accounting and reporting. Aspects v and viii have a weight of 20 points; the others, of 10 points. Of these aspects, vii and viii (with a weight of 30 points) could be

## NIGER COUNTRY REPORT

considered governance and the rest (i, ii, iii, iv, v and vi) (with a weight of 70 points) could be considered as directly linked to climate change adaptation.

The first year a manual was developed to assess the performance. The annual report indicates (p. 14) that this would be enriched and validated after the 2016 assessment exercise. According to the same source (p. 19), this was conducted by a team composed by members of the Technical Committee, UNCDF and an independent international consultant during one week in July 2016. The assessment involved meetings with the Secretary General of the Ministry of Environment and Sustainable Development, the Governor of Dosso and the prefects of Loga and Dogon Doutchi, as well as focus group discussions with beneficiaries and observation of sites. However, the Annual Report does not identify any challenges at this regard.

Some additional aspects stand out in this regard. To begin with, the minimum conditions do not seem stringent enough: the integration of CCA into the CDP is considered a minimum condition only in the second year, while the integration of CCA aspects in the design of investments, a performance criteria, should perhaps be a minimum condition. Indeed, while 70% of the score could be linked to CCA, it focuses on mainstreaming and participatory issues. Furthermore, during implementation a key performance indicator, such as the collection and analysis of climate data, was discarded, as it was considered not applicable at the commune level (p. 21 of the 2015-2016 Annual Report). Moreover, the system seems not to provide an approach to ensure some kind of objectivity: ratings seem to be very high. Despite the deficits already explained, Sokorbé got 90/100 points on integration of CCA into the CDP and Dogon Kiria gets 90/100 points on integration of CCA in the design of investments, without justification – it is also inconsistent with the observation and analysis of the team of this evaluation. Good ratings are provided even when the explanation of the assessment shows a bad performance: Sokorbe gets 75/100 points on integration of CCA in the design of investments even if the text states that the council needs to work further on this. This generous rating doesn't show a lot of space for improvement, sending misleading signals.

## 5.3.3.3.4

*Existence of a sound M&E strategy, that includes a description of roles and responsibilities, a timeframe/work plan, a budget and reporting requirements*

The project document includes a section on M&E system (pp. 38-39). This section establishes the objectives of the system, assigns responsibilities and presents the indicators to be followed. Regarding responsibilities, the project document distinguishes between internal and external M&E. The Secretariat of the LoCAL Niger Committee is in charge of internal M&E, while the LoCAL-Niger Committee is in charge of external M&E, with support from UNCDF. Internal M&E consists in the monitoring of transfers as well as the regular performance of this, while external M&E entails regular external audits and one evaluation, two years after the start of the transfer system, to assess the progress made and eventually identify corrective measures. An open list of indicators is also provided. These are divided in three main categories: activity indicators, indicators regarding the performance of communes and indicators regarding the impact of the programme in the country. However, it is

## NIGER COUNTRY REPORT

not very clear what are the reporting requirements (the list is open) and under whose responsibility these indicators fell. While some temporal references are provided in the M&E section, these are vague (how often does regular mean?). Indeed, at least in this regard the section seems not be aligned with the minimum conditions which in the second year require the provision of half-yearly and annual reports. Although it is understood that the USD 40,000 transferred to the national level included funds for conducting M&E activities, a budget for M&E was not specifically defined. As noted in the 2015 Annual Report (p. 14), resources were not planned for audits.

## 5.3.3.3.5

*Proportion of M&E budget executed to date*

Information on this is not available. As noted above, a M&E budget was not provided any way in the project document.

## 5.3.3.3.6

*Proportion and types of reporting materials submitted correctly and on time*

As noted in section 3.3.5 above, the reporting requirements are unclear. The minimum conditions suggest that a half-year and annual reports were required for communes. According to the 2015 Annual Report (p.16), one commune (Dogon Kiria) prepared the two reports, while the other (Sokorbé) only presented the half-year report. It is worth noting that, according to the same source (p. 14), an audit was not conducted because funds were not planned for this. To deal with this the programme would organize a mission by the Council of General Inspection of Territorial Administrations (IGAT by its initials in French), while UNCDF would facilitate the audit of LoCAL grants to pilot communes.

At the programme level, an annual report was prepared in 2016, including the assessment of the performance of the two participating communes. However, reporting is incomplete. For Niger the latest sub-project information made available to the evaluation team does not specify the year and the results/impacts; presents incomplete information on the number and gender of beneficiaries and the villages and geographical coordinates (longitude and latitude) of the investments; and shows some doubts regarding under which sector to classify them.

## 5.3.4 Effectiveness

## NIGER COUNTRY REPORT

### 5.3.4.1 To what extent is the programme contributing to changes in the capacity of local governments to plan, budget and manage climate-adaptive investments in Niger?

#### 5.3.4.1.1 *Variation in the level of appreciation of local government representatives of the importance of implementing CCA actions as a result of the program*

While, as noted in section 3.2.5, the PBCRGs have mostly focused in Niger on wells, both in terms of number of adaptation measures and executed funds, PBCRGs have involved some awareness raising and capacity building activities. In particular, according to the latest sub-project information made available to the evaluation team, PBCRG funds have supported 3 capacity building activities for a total budget of USD 12,145 (12% of all PBCRG funds). Specifically activities consisted on raising awareness on climate change adaptation of 15 elected representatives, training 50 people on phytosanitary issues and putting in place 5 early warning systems, all in Dogon Kiria. All PBCRG focused on infrastructure in Sokorbé. While training of elected representatives is a useful step, interviews suggest that the targeted population should have been wider, covering also the technical services, and the two communes; and that it was a bit short (2 days) and theoretical (it would have been good to use the tools).

As noted in section 2.2 above, there is also room to increase the engagement of the civil society. The 2015/2016 Annual Report (p. 25) recognizes that Sokorbe's municipal councils should involve communities in the execution of the programme through social accountability regarding the financial aspects of the investments. Interviews suggest that this is difficult, both because of the scarcity of resources and the fact that there are only a few big national NGOs in Niger and these tend to be expensive and ill-prepared and often clash with government's technical services, sometimes refusing even to provide data to the government.

#### 5.3.4.1.2 *Variation in the availability of climate change vulnerability assessments as a result of the program*

LoCAL's work in Niger has not directly changed the availability of climate change vulnerability assessments so far. As noted above, in addition to the LoCAL investment menu, the programme builds on existing CDPs to select activities. Sokorbe's CDP was reviewed in 2014 to mainstream climate change, including a vulnerability assessment, albeit the prioritization exercise could have

## NIGER COUNTRY REPORT

been improved. LoCAL did not contribute to this process. Dogon Kiria's CDP includes some references to climate change, but is not based on a robust climate change vulnerability assessment. As highlighted above, as a result of this, it is hard to demonstrate that funded activities are actually informed by vulnerability assessments.

Within this framework, LoCAL plans to support the climate change review of Dogon Kiria's CDP in 2017 in partnership with the European Union. This exercise would involve a climate change vulnerability assessment. As noted in section 2.3, the European Union will pay the consultants, while LoCAL will cover the cost of the technical team of the Department.

In a rather indirect way the programme has contributed to climate change vulnerability assessments. The programme has allocated around 2,800 USD resources in Dogon Kiria to support the functioning of the early warning system. Although this focuses mainly on food security<sup>117</sup>, the information that is collected can be used for a broader assessment. While the system is currently incomplete<sup>118</sup>, it is certainly a promising tool.

## 5.3.4.1.3

*Variation in the number of local development plans that explicitly include climate change adaptation as a result of the program*

As noted above, in Niger, LoCAL is building on existing CDPs. At the time of this evaluation, the programme has not contributed to mainstreaming climate change in CDPs. Sokorbe's CDP was reviewed from this point of view in 2014, with support from PAC RC, although the resulting product has important flaws in terms of prioritization. As noted above in section 2.1.1 above, while the CDP explicitly analyses climate projections and assesses vulnerabilities, it is far from evident which part of the proposed strategies refers to development and which is linked to the additional stress created by climate change. LoCAL plans to support the review of Dogon Kiria's CDP in 2017 in partnership with the EU.

---

<sup>117</sup> The early-warning system at decentralized level was set up in 2008, with support from CARE. The system goes from the village to the national level, via the commune and the department levels. A report covering a number of indicators, with corresponding thresholds to define the alert level (normal, alert, urgent), is sent monthly by the department level. The information is used to identify preliminary vulnerable areas and, after a more in-depth analysis of a sample, elaborate an action plan. Importantly the system focuses on what happened, regardless of climate projections.

<sup>118</sup> According to interviews, about 1000 of the 12,000 villages and about 100 out of the 265 communes of the country are currently filling in reports. According to the same source, these are typically incomplete, as observers lack fiches and resources to visit places. In addition, delays are common. Furthermore, there are interests. Finally, response often does arrive and when it does is partial. According to interviewees, So far alerts have been sent regarding floods, drought and plague. There has been only early response regarding the flood, about 10 days, to deal with malaria; in the plague the central government sent equipment and vehicles to treat only 800 of the 1350 affected hectares. In the other cases, there hasn't been any response.

## NIGER COUNTRY REPORT

It is also worth mentioning that although the country has since 2012 a methodology for integrating climate change in local planning, produced by the National Environmental Council for a Sustainable Development (CNEDD by its initials in French), and the guidelines of the Ministry of Interior, Public Affairs and Decentralisation on the development of CDPs include some climate change adaptation elements, its implementation is at best starting. In this sense, it cannot be taken as a given, especially given the limited capacity at the decentralized level.

#### 5.3.4.1.4 *Variation in the number and value of investments with CCA components implemented or currently into implementation*

Existing data does not allow assessing this properly. On the one hand, although a certain part of the previous investments could be considered climate change adaptation, there wasn't a clear distinction between the developmental component and the adaptation component. On the other hand, as explained above, there are doubts about the adaptation nature of some of the investments funded by LoCAL that would need to be better documented.

### 5.3.5 Likely impacts

#### 5.3.5.1 To what extent is the programme supporting increased flows of additional climate finance to the local levels

##### 5.3.5.1.1 *Total funds made available by LoCAL for CCA to local governments*

According to the latest report, LoCAL has transferred USD 99,841 to the two communes where it is working in Niger<sup>119</sup>. As noted in section 3.2.5, of this amount, 30% or USD 31,319 have been transferred to Sokorbe and 70% or USD 69,521 to Dogon Kiria.

The funds made available by LoCAL represent a relatively small portion of Sokorbe's annual investment budget: about 16% of 2015 and 2017 investment budget (which stands at an average of

---

<sup>119</sup> Note that LoCAL has also made available 40,000 USD for the national level. While these resources contribute to the implementation of programme, they cannot be considered funds for the local level.



## NIGER COUNTRY REPORT

about 190,000 USD) and about 10% of the 2016 investment budget (which stands at around 300,000 USD). The percentages are similar in Dogon Kiria, even though the amount spent there is twice as high: total funds made available by LoCAL represent 15% of the annual investment budget of 2015 (around 450,000 USD), and 12% of the budget of 2016 and 2017 (around 600,000 USD).

Compared to other programmes, funds made available by LoCAL are modest. In Dogon Kiria, PAC III provided twice this amount in 2016 and around 30% more in 2017<sup>120</sup>, while PAMED II transferred around 70% more in 2016 and 2017 and Swissaid provided over 2.6 times more in total in 2016 and 2017. As presented in section 2.1.2, PAC and PAMED started in Dosso earlier than LoCAL (PAC in 2003 and PAMED in 2006) – Swissaid started its programme in Niger in 1974, but it is not clear since when it is working in Dosso. While none of them have a special focus on climate change adaptation, as noted above, PAC and SWISSAID certainly fund land protection and rehabilitation and wells – the coverage of PAMED is unclear. As discussed in section 2.2.3, available information does not allow to clarify the extent to which LoCAL designs factor in the additionality of climate change vis a vis the design of other programmes (the 2015/2016 Annual Report recognizes room for improvement in this regard in Sokorbe). In this sense, the resources mobilized by PAC, PAMED and Swissaid cannot be considered as LoCAL leverage, but independent funds. In this regard, LoCAL Niger has not been able to coordinate substantially with other programmes building on complementarities and synergies.

## 5.3.5.1.2

*Types of mechanisms created to facilitate access of local governments to international climate change funds*

At the time of this evaluation, LoCAL has not provided significant support to the GoN regarding access to international climate funds. At the time of the in-country visit, discussions were ongoing on which institution to be accredited before the GCF. The CNEDD proposes the Bank of Agriculture (Banque Agricole), which is in the process of being accredited by the Adaptation Fund. UNCDF's preferred approach would be to accredit ANFIC, as all resources for local governments are likely to pass through them in the future. However, as discussed above, this institution is weak and lacks buy-in from both government institutions and development partners at the moment. It is worth noting that CNEED has sent a formal letter to UNDP to prepare a preparedness proposal for the Bank of Agriculture for the GCF.

## 5.3.5.2

*Likely impacts in terms of resilience*

While, for the reasons explained above, the medium and long-term resilience benefits of the investments are not prominent, LoCAL has definitely contributed to improve the quality of life of targeted populations. In this sense, interviews and site visits demonstrate a great impact in terms of

---

<sup>120</sup> Mainly for training, the construction of a market, storage infrastructure and other communal infrastructure, sustainable land management and water.

improved access to clean water, as a result of investments in wells, and income, as a result of cash-for-work on land rehabilitation, in the short term. Regarding water, the impact is considerable given that beneficiaries of the programme had to walk long distances (6 or 10 km) every day for water, which sometimes was polluted, as animals used it as well. Impacts in the medium and long term are still to be seen. (Gender impacts are analysed in section 2.1.4 above – in short, collected evidence suggests that LoCAL contributed to gender equity at the family and economic level, but not that much at community and policy levels)

In addition, as discussed in section 4.1.1 above, there has been capacity building, mainly for the elected representatives of one commune, and to a certain extent collection of data, through the early warning system. Furthermore, training and some equipment were provided to deal with plagues in 2016, which has been already utilized in favour of increased harvests.

Overall, it is worth mentioning that the impacts of LoCAL in Niger have been compromised by the dispersed and non-integrated approach. Development and resilience investments would have been bigger if instead of working mainly alone and spreading the resources thin, the programme would have worked more on the basis of complementarities and synergies with other programmes, deploying a multi-dimensional package that allows critical mass and reinforces impacts. In this structure, LoCAL could cover the additionality of climate change, informed by robust medium and long term vulnerability assessments.

### 5.3.6 Sustainability

#### 5.3.6.1 To what extent are changes at the policy and institutional level both nationally and locally supported by the programme likely to continue over time?

##### 5.3.6.1.1 *Number and type of lessons learned identified at national and local level in terms of institutional mechanisms and policies*

According to the 2015/2016 Annual Report, drawing lessons is one of the 6 outcomes of LoCAL Niger. In particular, this outcome reads: “the lessons learned from the execution of LoCAL Niger are documented, assessed and disseminated at scale”. However, the activities mentioned in the Annual Report under this outcome don’t go beyond regular project monitoring and reporting, with no specific focus on drawing lessons<sup>121</sup>. Indeed, the 2015/2016 Annual Report demonstrates that a significant

---

<sup>121</sup> Specifically these activities are: “Tenue d'un journal auxiliaire pour l'enregistrement comptable des dépenses financées par la subvention LoCAL, avec archivage ordonné des documents justificatifs; Suivre la consommation des crédits inscrits

## NIGER COUNTRY REPORT

room for improvement exist in this regard. Lessons are drawn for two of the other five outcomes (on capacity building and implementation of adaptation measures)<sup>122</sup>. Nevertheless, one of them cannot be considered a lesson. Moreover, the report presents the challenges and management actions in the other three outcomes but fails to draw a lesson. Furthermore, lessons are not prominent in the report, for instance by presenting them together in a single section (e.g. the one on lessons). Besides, apart from the dissemination of the report, there is no evidence of efforts to share lessons.

### 5.3.6.1.2 *Main barriers for sustainability*

Two fundamental interlinked aspects compromise the financial sustainability of the programme. As noted in section 2.1.2, the resources available to Niger and its local governments for climate change adaptation are small. It is unlikely that domestic resources will increase significantly, given its pressing development needs. In this framework, CCA will likely rely on external funding. The limited clarity of the climate additionality of LoCAL Niger reduces its chances of mobilizing this. As noted above, the integration of climate change adaptation into CDP has been limited in one commune (Sokorbe) and inexistent (although planned) in the other (Dogon Kiria) and efforts to factor in climate change adaptation in the design of the investments is limited. As noted in section 2.1.4, LoCAL Niger's investments are not significantly different from those funded by programmes working on decentralisation with no particular emphasis on climate change, such as PAC III, PAMED III or Swissaid. As pointed out in section 5.1.1, while Niger is likely to be a priority country for these funds given its pressing development needs, this constitutes a huge challenge to mobilize resources from international climate change funds, especially the GCF, which is particularly demanding in the justification of climate additionality. While the 2015/2016 Annual Report<sup>123</sup> and interviews show awareness on the importance of these issues, there is still significant work to do to ensure the climate additionality of LoCAL investments.

This aspect leads to the second barrier: the failure to deploy an integrated and systemic approach, coordinating internally and/or substantially with other programmes to simultaneously target multiple drivers of resilience in a given community. As noted in section 2.3 coordination with other programmes has been limited. This not only reduces the impact on resilience in the field, but also reduces the attractiveness for the private sector. As noted in section 2.3, although a law on public-private partnerships provides a welcoming enabling environment, the extreme poverty and vulnerability of the selected areas, the limited size of the interventions, spread over a number of communes, and the nature of these interventions do not provide an incentive to traditional private sector investments under the programme. For public private partnerships (PPPs) to become reality, the programme would probably need to adjust its geographic (and perhaps sectoral) focus, as well as

---

au budget communal et veiller à l'éligibilité des dépenses; réparation et endossement (annuellement) du rapport d'exécution semestriel et annuel des communes et du programme d'adaptation au changement climatique et transmission dudit rapport au Comité LoCAL Niger ».

<sup>122</sup> The first lesson refers to the importance of the composition of the Technical Committee for the implementation of the programme. The second lesson simply reflects that PAC RC is working in Sokorbe.

<sup>123</sup> The 2015/2016 Annual Report (p. 16) acknowledges that the municipal council of Sokorbe has to work further in the integration of climate change in the design of the investment projects, in particular regarding the justification of the "additional cost" and that this will force the commune to identify and exploit synergies with other programmes, in a framework in which LoCAL Niger would provide only the additional costs related to climate change adaptation.

## NIGER COUNTRY REPORT

its approach, working in denser areas and trying to build economies of scale and agglomeration by partnering with other programmes. Another approach to private sector investment amenable to the zones targeted might reside in fostering lower level micro-credit schemes with farmers to develop climate smart agriculture, as a complementary approach to building resilience at the household and village level. In this front, Swissaid is promoting warrantage. This system, which involves paying an advance for harvests, allows a farmer to obtain money quickly, without selling the fruits of his labour cheaply. He receives a good price for his harvest and it is stored in a communal warehouse until such time as the demand for grain is at its highest. It is then sold at a healthy profit and the farmer repays the advance received. In the meantime he uses the money he has borrowed to develop other income-generating activities and support his family.

In addition, there are important operational barriers for the sustainability of LoCAL Niger. As noted in section 3.1, interviews reveal that resources for programme management have been scarce. The same approach is unlikely to work if the programme was to be scaled up. In this sense, the commitment of the national coordinator and other stakeholders is unlikely to be enough to ensure proper management if the number of communes increases from 2 to 27, especially if some are, as it would arguably be the case, more remote. While the programme could further engage UNVs in programme management at sub-national level, and the regional technical committees certainly facilitate the work at national level, it is crucial that LoCAL builds a stronger national management team, including not only a coordinator, but also an administrative assistant and if possible a technical assistant. In addition, UNCDF's focal point should really spend 100% of his time in LoCAL (or at least 70%). Similarly, resources for monitoring missions should increase, considering the need of providing a car (at least) if the programme is to expand significantly in geographic terms.

The situation is better in terms of the sustainability of the sub-projects. Focus group discussions reveal that management structures have been created both for wells and areas of rehabilitated land. For the former, this includes cleaning them and, in some cases, collecting a small monthly fee to pay any maintenance work, although field visits did not allow to fully verify that money is actually been collected. Regarding rehabilitated land, the management team guards the site, to prevent livestock eating the trees. In one of the two sites, fencing has been considered. In any case, as noted in sections 2.3 and 4.1.1, field visits showed challenges with respect to social ownership, beneficiaries looking more for short-term benefits (cash-for-work, access to safe drinking water) than to structural changes to increase resilience.

## 5.3.7 Annexes

### 5.3.7.1 List of reviewed documents

Programme documents:

- LoCAL Niger Document de cadrage (July 2014)
- LoCAL Niger Inception Report

NIGER COUNTRY REPORT

- LoCAL Niger 2015 Annual Report
- LoCAL Niger Logframe

External sources:

- Sokorbe Local Development Plan
- Sokorbe Budgets 2016 and 2017, covering also 2015
- Dogon Kiria Local Development Plan
- Dogon Kiria Budgets 2016 and 2017, covering also 2015
- Niger's Intended Nationally Determined Contribution, 2015
- Niger Third National Communication to the UNFCCC, 2016
- Niger National Strategy and Action Plan regarding Climate Variability and Change, 2003
- Ministère de l'intérieur, de la sécurité publique, de la décentralisation et des affaires religieuses, Direction générale de la décentralisation et de la déconcentration, Brochure d'information sur la décentralisation au Niger, Édition 2011.
- Ministère de l'intérieur, de la sécurité publique, de la décentralisation et des affaires religieuses, Direction générale de la décentralisation et de la déconcentration, Document-Cadre de politique nationale de décentralisation, mars 2012.
- European Commission, Climate resilience for sustainable agricultural development: <http://www.gcca.eu/climate-resilience-for-sustainable-agricultural-development>
- World Bank, Niger Community Action Project for Climate Resilience: <http://projects.worldbank.org/P125669/niger-community-action-project-climate-resilience?lang=en&tab=overview>

## NIGER COUNTRY REPORT

## 5.3.7.2 List of interviewed stakeholders

No.	Name	Institution	Position	Date
1	Oumarou Harouna	Ministry of Environment – Direction of non-timber forest products	Director LoCAL Focal Point	15/05/2017
2	Nicole Kouassi	UNDP	RR Adjointe au Programme	
3	Abdou Soumaila		Team Leader – Climate Change Resilience	
4	Maina Bila	Ministry of the Environment, Urban Sanitation and Sustainable Development (MESUDD)	General Secretary  President of the LoCAL Niger Technical Committee	
5	Nassirou Nayaoussa	Direction Générale de la Décentralisation et des Collectivités Territoriales	Directeur Général (Pi)	
6	Kamey Maazou	CNEDD – Conseil National Environment Duralle	Sécretaire Exécutif	
7	Mme HADIZA	ANFICT – Agence National de Financement the Collectivite	Director General	

## NIGER COUNTRY REPORT

		Territorial		
8	Djamaré Abdoulaye	Department of Loga	Préfet	16/05/2017
9	Issoufou Harouna	Commune of Sokorbe	Major	
10	Hamidou Diouga	Departement Dogon Doutchi	Préfet	17/05/2017
11	Maman Tourba	Commune of Dogon Kiria	Major	
12	Adamou Oumardu	Early Warning System		18/05/2017
13	Idrissa Mamoudou	CNEDD, Secretariat Executive	Conseiller Technique Environmentaliste, Focal point for LoCAL, mainstreaming CC in planning	
14	Moussa Bouda	European Union	Section Rural Development and food security; CC focal point	
15	Mahamane Lawali Elhadji	UNDP	Manager for the Energy Environment Programme,	19/05/2017
16	Pascal Karorero	UNDP	Resident Representative a.i.	

NIGER COUNTRY REPORT

17	Bachard Lamine Abdoulkader	PAC RC	Environmental Management Expert	
----	----------------------------------	--------	------------------------------------	--

In addition, the evaluation team conducted separate focus group discussions in the villages of Baziga and Farey Gourou Kayna in Sokorbe in May 16<sup>th</sup> and in the villages of Toudoun Zakka and Woutchia in Dogon Kiria in May 17<sup>th</sup>