Terminal Evaluation of the Climate Risk Finance for Sustainable and Climate Resilient Rain-fed Farming and Pastoral Systems (January 2021)

Summary of Conclusions, Recommendations and Lessons

Main Conclusions:

Project Design and Formulation

The project was excellently designed through a highly participatory multi-stakeholder process. The project document demonstrates that lessons learned from the past LDCF1 project and other ongoing national projects were integrated into the project design and served as baseline for the LDCF2 project. The project log frame analysis found that the project horizontal and vertical logic was sound and relevant risks and activities identified. The project M&E system at design was also robust based on SMART objectives formulated. The project target groups and beneficiaries were also very carefully identified including the development of a stakeholder engagement plan. Gender considerations were effectively built into the design with strategies and activities designed to reach women and the poor. The priorities of the project were in line with the needs of the beneficiaries but also national climate priorities and donor objectives. The absence of a consistent inception phase to clarify roles and responsibilities amongst implementation partners, was a key weakness with subsequent impacts on overall project implementation and delivery. The project demonstrated strong replicability while drawing on excellent comparative advantage of UNDP in Sudan in the design.

Project Implementation

Project implementation was led by the HCENR while delivery was championed through government agencies at national and local levels, working with both private sector and civil society actors to deliver on the project. The project management team was responsible for day-to-day operations of the project with oversight from the project boards, UNDP and HCENR. Implementation started off poorly with limited definition of roles and responsibilities during the inception phase which consequently led to significant delays, communication challenges and conflicts in the delivery of the action. While the project design demonstrated a strong stakeholder engagement plan, the delivery failed to build on ongoing initiatives in the country. Limited documentation of lessons learned, or best practices was achieved putting a dent on potential for replicability. Adaptive management was considered to be moderately satisfactory considering the problems of political interference, staff turnover and other coordination challenges which marred the effective delivery of the project in the beginning. The results of the MTR were largely addressed following the granting of a project extension period. With stronger adaptive management and application of UNDP's comparative advantage, the TE team considers that this project could have vi

been delivered during the project initial period. Credit however to UNDP and the government for not abandoning the action and for striving to make progress that notwithstanding. These issues and others highlighted the fact that despite a robust M&E design judged as satisfactory, the M&E delivery was considered moderately unsatisfactory. This was additionally because despite plans to develop a project theory of change, this was never done. This could have further strengthened the project's pathways to impact. The grant extension enabled however, for delays to be addressed and for the project to be satisfactorily delivered. The project made a significant effort to mainstream gender

despite lack of a dedicated gender plan and evidence showed that over 40% of beneficiaries were women. The following section shows that overall, the project objectives were met, and outcomes achieved.

Project Results

By the end of the project initial period, impacts are emerging in terms of increased food and livestock productivity and hence food security in line with UNDAF/CPAP and GEF objectives and outcomes. Evidence was found of increased adaptation practices related to soil and water conservation practices, livelihood diversification strategy, the use of climate-smart technologies and varieties of crop and livestock, the change of lifestyle from pastoralists to agro-pastoralists. A 65% increase in the productivity for farmers who used improved seeds and water harvesting technology in the target states was reported. It could be argued that a key policy impact of this action has also been the approval and vetting of the Technical and Legal components for the establishment of WII products by the Supreme Insurance Authority and the Higher SHRIA committee respectively.

At specific objective level, the project has benefitted 12, 699 direct beneficiaries comprising about 8500 households in six target states. At specific objective level, 3300 direct beneficiary farmers and pastoralists from the 45,000 targeted were reached. Another 16500 indirect beneficiaries were reached with microfinance and MF/WII products. This suggests unsatisfactory achievement of specific objective target. However, in terms of government commitment to climate risk finance, the Government of Sudan (GoS) increased the budget available for weather related institutions by close to 140% total over the project lifetime. This is enabling these institutions to strengthen their capabilities for monitoring and reporting on weather information. There is a more than 100% (including Baseline) reported increase in the geographic coverage for climate / weather early warning monitoring in each of the 6 target states achieved over the course of the project. The assessment of the overall attainment of the results is strongly influenced by the satisfactory performances across all three project outcomes. Further assessment of the results under the separate outcomes is presented below.

Outcome 1: Institutional and technical capacity for climate observation, forecasting and early warning strengthened at national and local levels.

✓ There is more than 100% increase in the coverage for climate /weather monitoring in each of the 6-target state achieved during this project period.

✓ Establishment of weather stations, distribution of telephone equipment, production of weather and information bulletins and link to iCloud for climate information sharing.

✓ 75% women & 70 % men covered with climate monitoring and observation devices (AWS, rain gauges, early warning unites and APP).

✓ Collaboration with MTN and Sudani to provide customized SMS services to the project's target communities in Early warning system, Microfinance /Micro insurance related information.

Based on the baseline situation, the TE concludes that this outcome meets the expectations (satisfactory).

Outcome 2: Residual climate risk to rural livelihoods in the states of greatest rainfall variability addressed through parametric insurance products.

✓ 20 products approved by the Supreme Insurance Authority which has far exceeded 6 WII products.

✓ Policies developed from more than 10 companies.

✓ Average number of days to settle claims ranges decreased from 25 to 20 days in 2017 to 15 in 2019.

✓ The average claims ratio increased from 45% in 2017 to 55% in 2019.

Compared to the baseline, the TE concludes that the achievement of this outcome is satisfactory.

Outcome 3. Improved access of needy farmers and pastoralists to financial services for climate change adaptation and disaster risk reduction.

✓ 12 loan products, at least two for each of the 6 states developed.

✓ 11 finance policies in collaboration Microfinance institutions reaching 3,300 (40% female) direct farmers and pastoralist.

✓ Six smart technologies adopted like water harvesting techniques; early maturing crop species; drought resistant seed varieties in six states working with the Agricultural Research Corporation.

✓ Productivity was increased 65% in farmers who used smart technologies.

The effectiveness of outcome 3 is assessed to be satisfactory.

Recommendations

Outcome 1

✓ Ensure that project equipment supplies are done based on objective criteria accepted by stakeholders; ensure sophisticated equipment-like drones and EWS are provided with their accessories.

✓ Build local capacity for maintenance and security of climate information infrastructure.

✓ Continue to secure and maintain collaboration with mobile telephone companies and local media agencies to disseminate climate information.

✓ Develop an inventory of project assets such as the iCloud server, drones, mobile-based application, the call Centre, early warning unit equipment, and cars, and be prepared for the maintenance/transfer which to be clearly stated in the exit strategy.

Outcome 2

✓ Scale up MF and insurance products beyond initial 3300 beneficiaries following validation of products by Supreme insurance authority and SHRIA council.

✓ Continue sensitisation and awareness creation amongst farmers and pastoralists on MF and climate insurance products and on climate resilience building to enhance adoption and buy-in.

✓ Continue to promote MF and climate risk finance amongst national MF and insurance companies.

Outcome 3

✓ Continue engagement with MF/insurance companies to adapt, refine and upscale climate risk finance products, targeting not only small farmers and pastoralists but also explore nomadic pastoralists.

✓ Facilitate experience sharing between MF and insurance companies to share lessons and best practices.

✓ Organise, centralise, and promote lessons learned on best agricultural/pastoral practices via written and video reports and other means/tools.

✓ Future projects could also consider coupling climate information system with a market information system enabling farmers to access market information which can also help them to market their products.

✓ Regularly monitor legal framework for MF/WII to ensure it continuously responds to the emerging needs of small farmers and pastoralists.

Lessons Learned

A number of key lessons can be drawn from this project which can inform future projects.

✓ Strong multi-stakeholder engagement in the project design, helps clarify needs and ground project on local realities. It also ensures that the strengths of different groups of actors are taken into consideration. During implementation, clarification of roles and responsibilities ensures that complementarities are built while avoiding overlaps, competition, and waste of resources.

✓ Small farmers and pastoralists when engaged in the process of designing and implementing climate risk finance tools enhances buy-in and adoption of practices.

✓ Microfinance and micro insurance are effective tools for building climate resilience amongst farmers and pastoralists when delivered in culturally adapted approaches. for instance, the role of the SHRIA council helped to address barriers to adoption.

✓ Need to couple financial products with capacity building, productive resources, and practices but also facilitation of market access for farmers. This package can build stronger resilience to climate vulnerability, increase incomes, and reduce poverty.

✓ A mix of technological packages owned and managed by local actors can increase roll out of climate information systems. Building synergies between international and private sector agencies to access satellite data, training and technical assistance are required to develop a viable climate information service.

✓ Government leadership is critical but there must be avenues for accountability amongst government officials.