Project Reporting: GCF Legal Agreements and GCF Monitoring & Evaluation

ARMENIA
“De-risking and Scaling-up Investment in Energy Efficient Building Retrofits”
UNDP-GCF Project
INCEPTION WORKSHOP

Cynthia Page, UNDP Regional Technical Adviser

Yerevan - 2017 August 31
OVERVIEW

I. Legal Agreements

II. GCF Monitoring & Evaluation (M&E)
   • Key reporting dates
   • Additional requirements

III. Services provided by UNDP
Legal agreements governing UNDP – GCF partnership

**Accreditation Master Agreement (AMA)**
Defines general legal terms and conditions for all GCF projects

**Funded Activity Agreement (FAA)**
- Defines project-specific terms and responsibilities
- Replaces the Term Sheet
- Annexed to the Project Document
- ‘Implementing Partner’ is referred to as ‘Executing Entity’

**Project Document**
Called “Subsidiary Agreement”
Rules and Regulations of Implementing a GCF Project

I. Legal agreements

The AMA & FAA are detailed regarding responsibilities, covenants and conditions.

Responsibilities
Covenants & Conditions

Conditions precedent to disbursement

Reporting
deadlines are specific & APRs necessary for disbursement

The GCF task manager must certify fulfillment of conditions prior to release of funds.
Key Standard Provisions of the AMA

Clause 8 of AMA

“The Accredited Entity shall be responsible for the overall management, implementation and supervision of each Funded Activity in line with its own internal rules, policies and procedures, including administering and managing the use of GCF Proceeds, as well as the monitoring, evaluation and reporting responsibilities as set forth in the relevant Funding Proposal and FAA. The Accredited Entity (including its staff and experts) shall not be responsible or liable for any financial losses or damages caused to the Fund other than resulting from a breach of this Agreement or any FAA by the Accredited Entity (including by its employees, directors, officers, agents and representatives).

The Accredited Entity shall inform the Fund of any circumstances that may substantially interfere with the performance of its obligations under this Agreement, FAA or with its management of any Funded Activity, or otherwise jeopardize the achievements of any objectives, outcomes or outputs of any Funded Activity, providing detailed information thereof to the Fund for its information promptly upon becoming aware of such circumstance.”
Key Standard Provisions of the AMA

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Key Standard Provisions of the FAA - Budget/Disbursement

1. GCF Policy on Budget Reallocations
   “Permitted Reallocation. Any reallocation among the Funded Activity’s outputs... resulting in a variation of more than ten per cent (10%) of the previously agreed budget for the output to which budget is reallocated must be approved in writing by the Fund in advance.” (Clause 5.01 of the FAA)

2. GCF Policy on Disbursement Requests
   “After the first disbursement by the Fund, all subsequent disbursements shall be subject to the expenditure of at least seventy per cent (70%) of the previous disbursements for the Eligible Expenditures.” (Clause 3.06 of the FAA)
   GCF has confirmed that this is based on commitments, not actual cash expenditures.

3. No formal GCF policy on project extensions
GCF Project Cycle and Milestones as per FAA

From FAA: Reporting Period of the Project shall be from the Effective Date to the Completion Date (“Reporting Period”)

- **Inception Report**
  - 6 months
  - Due after 6 months from FAA

- **Notice of FAA Effectiveness** (‘Effective Date’)
  - ‘Project Start’ for GCF as defined in FAA
  - 30 June 2017

- **Interim Independent Evaluation Report**
  - Due to GCF within 3 months after 3 years from FAA effectiveness
  - 30 Sept 2020

- **Closing Date**
  - “means the date which is five (5) years after the Effective Date (or such later date as the Fund shall establish by notice to the Accredited Entity)”
  - 30 June 2022

- **Completion Date**
  - “no later than one (1) year after the Closing Date (except if otherwise agreed with the Fund)”
  - 30 June 2023

I. Legal agreements
End of Project Reporting Milestones as per FAA

Closing Date: 30 June 2022
Completion Date: 30 June 2023

12 months

6 months after Completion Date

Two mandatory reports to be submitted after Project Completion

1) Project Completion Report

Within three (3) months after Completion Date

2) Final Independent Evaluation Report

Within six (6) months after Completion Date

Due date for all reports:
30 December 2023
Key Date for Project-Specific Conditions from the FAA

Clause 8. Conditions Precedent to Disbursement

8.01 (b) (iv) “Completion and submission to the GCF in form and substance satisfactory to the GCF and the Accredited Entity of an operational manual for the implementation of financial incentives under output 4”

30 May 2018

Clause 9. Additional Representations, Warranties and Covenants of the Accredited Entity

9.02 (c) “Within twenty four (24) months after the Effective Date, procure an independent evaluator to conduct a technical review of outputs 1, 2 and 3

30 June 2019
II. GCF M&E

GCF M&E and Reporting Requirements

Inception Report

All Reports will update on:
- Results Framework
- Safeguards (e.g. ESMP/F)
- Gender
- Conditions for disbursement
- Annual WorkPlan
- Co-financing/ expenditures

Final Evaluation Report

Project Completion Report

Interim Evaluation Report

GCF Annual Project Reports
Key Reporting Dates

- **Inception Report**
  - DUE: 30 December 2017

- **1st GCF APR**
  - DUE: 01 March 2018

- **2nd GCF APR**
  - DUE: 01 March 2019

- **3rd GCF APR**
  - DUE: 01 March 2020

- **Interim Evaluation Report**
  - DUE: 30 September 2020

- **4th GCF APR**
  - DUE: 01 March 2021

- **5th GCF APR**
  - DUE: 01 March 2022

- **6th GCF APR**
  - DUE: 01 March 2023

- **Project Completion Report**
  - DUE: 30 September 2023

- **Final Evaluation Report**
  - DUE: 30 December 2023

II. GCF M&E
GCF M&E is *additional* to UNDP M&E

- GCF Annual Report (GCF APR)
- Interim Evaluation
- Final Evaluation

UNDP Monitoring and Reporting Requirements
- e.g. QA system, ROAR
Services provided by UNDP

**UNDP provides a 3-tier role**

1. Day-to-day project oversight supervision: 
   (A) *startup* and (B) *implementation*
2. Oversight of project completion
3. Oversight of project reporting

**Project Assurance must be independent of the Project Management function**

- *Quality assurance* supports the *Project Board* and *Project Management Unit* by carrying out objective and independent project oversight and monitoring functions
- The Project Board *cannot* delegate any of its quality assurance responsibilities to the Project Manager
Thank You

Cynthia Page

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### Detailed list of services (1)

#### 1. Day-to-Day Oversight Functions

**A. Project Start-up**

- Prepare all the necessary documentation for the negotiation and execution of the FAA
- Prepare the Project Document with the government counterparts
- Technical and financial clearance for the Project Document
- Organize Local Project Appraisal Committee (LPAC)
- Project Document signature
- Ensure quick project start and first disbursement
- Hire project management unit staff
- Coordinate/prepare the Inception Workshop
- Oversee finalization of the Inception Workshop report
## Detailed list of services (2)

### 1. Day-to-Day Oversight Functions

#### B. Project Implementation

- **Project Board**: Coordinate/prepare/attend annual Project Board Meetings
- **Annual work plans**: QA of annual work plans prepared by the project team; issue UNDP annual work plan; strict monitoring of workplan implementation and the project timetable according to the conditions of the FAA and disbursement schedule
- **Prepare GCF/UNDP annual project report**: review inputs provided by Project Manager/team; provide specialized technical support & complete required sections
- **Procurement plan**: Monitor the implementation of the project procurement plan
- **Supervision missions**: Participate in and support in-country GCF visits/ learning mission/ site visits; conduct annual supervision/ oversight missions
### Detailed list of services (3)

#### 1. Day-to-Day Oversight Functions

#### B. Project Implementation (continued)

- **Interim Independent Evaluation Report**: Initiate, coordinate, finalize the project interim evaluation report and management response.
- **Risk management and troubleshooting**: Ensure that risks are properly managed, and that the risk log in Atlas (UNDP financial management system) is regularly updated; Troubleshooting project missions from the regional technical advisors or management and programme support unit staff as and when necessary (i.e. high risk, slow performing projects).
1. Day-to-Day Oversight Functions

B. Project Implementation (continued)

- **Project budget**: Provide quality assurance of project budget and financial transactions according to UNDP and GCF policies
- **Performance management of staff**: where UNDP supervises or co-supervises project staff
- **Corporate level policy functions**: Overall fiduciary and financial policies, accountability and oversight; Treasury Functions; Travel services; Asset management, and procurement policies and support; Management and oversight of the audit exercise; Information Systems and Technology provision; Legal advice and contracting/procurement support policy advice; Strategic Human Resources Management; Office of Audit and Investigations oversight/investigations into allegations of misconduct, corruption, wrongdoing and fraud; and social and environmental compliance unit and grievance mechanism.
### 2. Oversight of project completion

- Initiate, coordinate, finalize the **Project Completion Report**, Final Independent Evaluation Report and management response
- QA of **final evaluation report** and management response
- Independent Evaluation Office assessment of final evaluation reports; evaluation guidance and standard setting
- QA of final cumulative **budget implementation and reporting** to the GCF
- Return of any un-spent GCF resources to the GCF
## Detailed list of services (5)

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<tr>
<th>3. Oversight of project reporting</th>
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<tr>
<td>• Quality assurance of the project <strong>interim evaluation report</strong> and management response</td>
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<tr>
<td>• Technical review of <strong>project reports</strong>: quality assurance and technical inputs in relevant project reports</td>
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<tr>
<td>• Quality assurance of the <strong>GCF annual project report</strong></td>
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<td>• Preparation and certification of UNDP annual financial statements and donor reports</td>
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<td>• Prepare and submit fund specific <strong>financial reports</strong></td>
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