



Sixth Consolidated Annual Progress Report on Projects Implemented under the Maldives One UN Fund








**Report of the Administrative Agent of the Maldives One UN Fund
for the Period 1 January – 31 December 2016**



Multi-Partner Trust Fund Office
Bureau of Management Services
United Nations Development Programme
<http://mptf.undp.org>

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Maldives One UN Fund

PARTICIPATING ORGANISATIONS	
	Food and Agriculture Organization (FAO)
	United Nations Children’s Fund (UNICEF)
	United Nations Development Programme (UNDP)
	United Nations Office for Project Services (UNOPS)
	United Nations Population Fund (UNFPA)
	UN Women
	World Health Organization (WHO)

CONTRIBUTING DONORS	
	Denmark
	Expanded DaO Funding Window

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Abbreviations and Acronyms

AA	Administrative Agent
AWP	Annual Work Plan
CSES	Communication and Stakeholder Engagement Strategy
CSO	Civil Society Organisations
CBDRM	Community-based Disaster Risk Management
DRR	Disaster Risk Reduction
EFW	Expanded Funding Window
FAO	Food and Agriculture Organization
GCA	Government Coordinating Agency
HDI	Human Development Index
IWG	Island Working Groups
IWRM	Integrated Water Resource Management
JAWP	Joint Annual Work Plans
LCCF	Laamu Climate Change Forum
LDC	Least Developed Countries
LECRd	Low Emission Climate-Resilient Development
LGA	Local Government Authority
LSA	Land and Survey Authority
LWG	Laamu Working Group
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MEE	Ministry of Environment, Energy
MOFT	Ministry of Finance and Treasury
MOFT-ERMD	Ministry of Finance and Treasury - External Resources Management Department
MOU	Memorandum of Understanding
MPTF Office	Multi-Partner Trust Fund Office UNDP
NBS	National Bureau of Statistics
NDMC	National Disaster Management Centre
NGO	Non-Governmental Organization
PB	Programme Board
PCU	Programme Coordination Unit
PTC	Programme Technical Committee
PUNOs	Participating United Nations Organizations

RC	Resident Coordinator
SDG	Sustainable Development Goals
SOP	Standard Operating Procedure
SWM	Solid Waste Management
TOR	Terms of Reference
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Council for Asia and Pacific
UNFPA	United Nations Population Fund
UNIDO	United Nations Industrial Development Organization
UNICEF	United Nations Children Fund
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
VCA	vulnerability capacity assessment
WASH	Water, Sanitation and Health
WDCs	Women's Development Committees
WHO	World Health Organization

Definitions¹

Allocation

Amount approved by the relevant steering committee for a project/programme.

Annual Work Plan (AWP)

Annual plans that set out the activities to be undertaken during the year to reach the results specified in the project/programme. AWP includes a timeframe, budget and responsibilities for completing the activities.

Approved Project/Programme

A project or programme that has been approved by the Maldives One UN Fund Board for fund allocation purposes.

Contributor Commitment

A contribution expected to be received or already deposited by a contributor based on a signed Standard Administrative Arrangement (SAA) with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent (AA) of the Fund.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund.

Direct Cost

A financial indicator of the percentage of funds that have been utilized by comparing the expenditures report by a Participating Organization against the 'net funded amount'.

Indirect Support Cost

A general cost that cannot be directly related to any particular programme or activity of the Participating Organisations. Under UN MPTFs, these costs amount to 7 percent as per the UNDG agreed MPTF cost recovery.

Net Funded Amount

Amount transferred to a Participating Organisation less any refunds transferred back by a Participating Organisation.

Participating Organisations

Organisations that have signed a Memorandum of Understanding (MOU) with the MPTF Office.

Project Expenditure

The sum of expenses reported by all Participating Organization irrespective of which basis of accounting each Participating Organization follows.

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

¹ Common definitions used by the MPTF Office in annual progress reporting.

Project Operational Closure

A project or programme is considered operationally closed when all activities for which a Participating Organisation is responsible under the approved programmatic document have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organisation.

Total Approved Budget

Amount approved by the Steering Committee.

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Executive Summary

Introduction

The Maldives One UN Fund was established in December 2010, as one of several funding instruments to support the implementation of the UN Development Assistance Framework (UNDAF) and UNDAF Action Plan. The MOU was concluded between 10 Participating Organisations and UNDP Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent (AA) of the Maldives One UN Fund.

The Maldives One UN Fund will enhance the flexibility and predictability of funding to the UN system to implement the UNDAF and the UNDAF Action Plan in support of national priorities and emerging needs. The Maldives One UN Fund will ensure that funding and implementation are undertaken with special attention to transparency and accountability as well as efficient delivery and utilization of resources.

To enable possible resource mobilization for the new UNDAF 2016-2020 and proper closure of the One UN Fund after the completion of all the programmes under One UN Fund, the fund was extended until November 2018 by the One UN Fund Steering Committee.

Through the Maldives One UN Fund and under UNDAF's Outcome 9, the Low Emission Climate Resilient Development (LECRd) Programme is assisting government authorities in the Maldives in building capacities at national and local levels to support low carbon life-styles, climate change adaptation, and disaster risk reduction. The programme is currently providing support to 12 islands in Laamu atoll to realize low emission and climate resilient development. The programme seeks to mainstream LECRd issues into local level development planning and service delivery for greater community-level ownership and sustainability of programme benefits.

The Programme builds on the integrated efforts of seven Participating United Nations Organizations (PUNOs) operating in the Maldives: UNDP, UNICEF, UNOPS, UNFPA, UN WOMEN, WHO and FAO. The LECRd Programme Board (PB), comprised of a wide range of stakeholders, provides policy direction and approves financial allocations. Oversight and coordination functions are carried out by the Programme Coordination Unit (PCU), the Programme Technical Committee (PTC), and the UN Technical Group (UNTG) integrating focal points from all PUNOs.

LECRd programme's implementation had reached midpoint in 2015, and a mid-term evaluation was conducted, the report of which was received in 2016. The Mid Term Review recommendations helped bring focus to programming of unallocated funds in the LECRd Programme into an expanded work-plan, as well as the transition of the programme from Stage 1.

Based on the outputs delivered in 2016 that consists of supporting platforms, policies, and capacity building and emphasized learning by doing, communities in Laamu are now better adapted for evidence based planning in an inclusive, participatory method that they have been trained in. The communities are now capable of gender mainstreaming, consulting with minority groups, as well as prioritizing environmental issues for better adaptation and mitigation. During this reporting period, most activities have reached a concluding stage, particularly in the identified sectors of energy and water security, as well as activities related to policy and platforms.

One of the target outcomes, that is, 'Outcome indicator 2: Percentage of atoll and island councils in Laamu undertaking low emission climate resilient development planning', has seen much progress towards completion, with the preparation of the island level and atoll level development plans. 7 island

development plans and 1 atoll development plan has been submitted, while the remaining are being processed. This is crucial for the success of the programme, where councils are much more robust in practical response to emerging needs of flourishing local populations as well as urgent situations that need quick response.

Strategic Framework

The United Nations Development Assistance Framework (UNDAF) is the strategic programme framework between the Government of the Republic of Maldives and the United Nations. UNDAF 2011-2015 was aligned with national priorities to guide the UN system's assistance to Government of the Maldives, while promoting national ownership. The UNDAF process was built on existing cooperation and was formulated through a nationally-owned, consultative, and participatory process and signed by the Ministry of Finance and Treasury (MOFT) as the Government Coordinating Agency (GCA).

According to the final evaluation, the UNDAF 2011-2015 contributed and added value to addressing development challenges in Maldives in several ways. UN agencies contributed to develop national institutional systems and capacities in the planning, collection and use of evidence-based data to support policy formulation and planning. Secondly, UN studies and surveys highlighted inequalities that are normally concealed by aggregated data such as MDG+ and graduation to middle-income country. And thirdly, through some of their programmes, UN agencies supported the government to institutionalise systems and develop guidelines for inclusiveness, targeting and reaching the most vulnerable groups.

During the period, the new UNDAF 2016-2020 was formulated. It draws on the full range of expertise and resources of the United Nations in the Maldives to deliver development results. Overall, the new UNDAF reinforces the partnership between the Government and the United Nations in support of national priorities and in line with the Sustainable Development Goals (SDGs) for the post-2015 period, tailored to the local context. In particular, it will be focused on benefitting the most vulnerable populations in the country, linked to Maldives' obligations under its ratification of various international Conventions and human rights instruments. Four strategic focus areas have been selected that respond to national needs and make use of the United Nations' comparative advantages. These were identified and further detailed into outcomes and outputs through an intensive consultation process with the Government:

- Youth and Children
- Gender
- Governance
- Environment and Climate Change

Project Approval and Financial Performance

As of 31 December 2016, a total of \$10,187,288 had been deposited in the Maldives One UN Fund with contributions received from the Government of Denmark and the Expanded Delivering as One (DaO) Funding Window (EFW)). US\$ 171,712 has been earned in interest, bringing the cumulative source of funds to US\$ 10,359,000. The Maldives One UN Fund Board approved its first programme for a total of \$445,500 in 2011 on aid-effectiveness and UN coherence. In 2012 a second programme was approved namely "Low-Emission Climate Resilient Development (LECRd) Programme Development" of \$423,255. The total of US\$ 9,377,076 has been transferred to 7 Participating Organizations for the "Low-Emission Climate Resilient Development (LECRd)" Programme, of which US\$ 6,772,083 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 101,873.

Transparency and Accountability

The MPTF Office provides regular information on the operations of the [Maldives One UN Fund](#) on its GATEWAY. The [MPTF Office GATEWAY](#) is a knowledge platform providing real-time data, with a maximum two-hour delay, on financial information from the MPTF Office accounting system on donor contributions, programme budgets and transfers to Participating Organisations. All narrative reports are posted on the GATEWAY which provides easy access to over 9,600 relevant reports and documents, with tools and tables displaying financial and programme data. By providing easy access to the growing number of progress reports and related documents uploaded by users in the field, it facilitates knowledge sharing and management among UN Organisations. It is designed to provide transparent, accountable fund-management services to the UN system to enhance its coherence, effectiveness and efficiency. The MPTF Office GATEWAY has been recognised as a ‘standard setter’ by peers and partners.

1 Introduction

The Maldives One UN Fund was established in December 2010 with the conclusion of the Memorandum of Understanding (MOU) between 7 Participating Organisations and the UNDP Multi-Partner Trust Fund Office (MPTF Office) in its capacity as the Administrative Agent (AA) of the Maldives One UN Fund. The Maldives One UN Fund became operational on 1 July 2011 with the first contribution from the Government of Denmark.

The sixth Consolidated Annual Progress Report on Activities Implemented under the Maldives One UN Fund is submitted to the Maldives One UN Fund Board and contributing Donors, in fulfilment of the reporting provisions of the Maldives One UN Fund Terms of Reference (TOR), the MOU between the MPTF Office and Participating Organisations, and the Standard Administrative Arrangement (SAA) between MPTF Office and Donors.

The Maldives One UN Fund reports on the implementation of projects and programmes approved for funding from 1 January to 31 December 2016.

In line with the MOU, the Progress Report is consolidated based on information and data contained in the individual progress reports and financial statements submitted by Participating Organisations to the MPTF Office. It is neither an evaluation of the Maldives One UN Fund nor the MPTF Office’s assessment of the performance of the Participating Organisations.

2 Background

2.1 Situation Analysis

The Maldives projects a mixed picture of development trajectory. It graduated from the least developed country (LDC) category in 2011 and has achieved GNI per capita of USD 5600 in 2013 (WB, 2015). In November 2014, Maldives was selected as the Chair of the Alliance of Small Island States (AOSIS) for 2015-2016, indicating the importance that the Government places on the climate change related vulnerability issues of the Maldives as well as its foreign policy supporting active role in global governance and partnerships.

The country has achieved five out of the eight Millennium Development Goals (MDGs) ahead of the 2015 deadline, making it South Asia's only "MDG+" country. Progress has been substantial in eradicating extreme poverty and hunger (MDG1), achieving universal primary education (MDG2), reducing child mortality (MDG4), improving maternal health (MDG5), and combating HIV/AIDS, malaria and other diseases (MDG6). Progress has been relatively slower toward achieving gender equality and women's empowerment (MDG3), universal access to reproductive health (MDG target 5b), ensuring environmental sustainability (MDG7), and developing a global partnership for development (MDG8). There is need for continued emphasis on economic development and social justice to ensure that gains made are consolidated and remaining gaps in certain indicators are addressed.

The Maldives' Human Development Index (HDI) has increased steadily from 0.599 in 2000 to 0.698 in 2013, placing it 103rd of 187 countries at the top of the medium human development category and above the average for South Asia. Life expectancy at birth has increased for both women and men, child survival has improved significantly, and the maternal mortality ratio has declined sharply. In large part all these achievements have occurred because of the expansion of services, including universal immunization; high per-capita health spending; and improved antenatal care at atoll level. Key reproductive health indicators such as skilled attendance at birth and coverage of antenatal care have been maintained at par with other middle-income countries.



Photo: UNDP Maldives/Umair Badeeu

The Multidimensional Poverty Index for Maldives identifies multiple deprivations within the same household in education, health and standard of living. This shows that poverty is intrinsic to numerous development areas beyond income, and that these are therefore important when addressing pro-poor development themes and targeting interventions. The impact of poverty has been greatest on children (18 percent living in poverty) and adolescents with few job prospects (unemployment of 43 percent among 15-to 24-year-olds). Women in the atolls also are disproportionately affected when it comes to lower development outcomes. Overall, underlying disparities and exclusions will need to be addressed. When the value of the global HDI is adjusted for inequality in the distribution of various dimensions, for example, it falls to 0.521, a loss of slightly more than 25 per cent; like the MPI, this suggests there continue to be significant pockets of poverty and deprivation in the country. At the same time, the HDI value for

Male' has been found to stand at 0.734, compared with a cumulative HDI value of 0.627 for all atolls. Remote islands with small populations, such as in low-performing regions, have limited access to services and job opportunities and face general isolation. The main source of disparity between Male' and the atolls, meanwhile, has been found in income status and wealth, which determines the ability to seek quality services where they are available. Dispersed and small population, economies of scale and high per capita cost of services challenges equitable service delivery to many islands.

2.2 UNDAF 2016 -2020

The United Nations Development Assistance Framework (UNDAF) 2016-2020, signed between the Government of the Maldives and the UN system in August 2015 presents a coherent vision and strategy for a unified approach to assist the country in reaching its national development priorities where the UN system has a comparative advantage.

The process of UNDAF formulation was inclusive, participatory and evidence-based. In identifying the UNDAF areas of cooperation, national stakeholders considered the dramatic political and governance changes, the significant developments in the economic, socio-cultural, and natural environment of the country, and the major challenges to achieving the nation's development goals and international commitments. The vulnerabilities of the Maldives to global crises, natural disasters, climate change, and other external factors were also considered. The UNDAF is the framework that guided the UN system in planning its assistance to address these risks and to sustain its development gains as the country transitioned to middle-income status.

The UNDAF has **four outcome areas**:

- **Youth and Children**
- **Gender**
- **Governance**
- **Environment and Climate Change**

3 Governance Arrangements

The Maldives One UN Fund TOR outlines the governance arrangements and decision-making process. The Governance Structure is outlined below.

3.1 Board

The Maldives One UN Fund Board is composed of representatives from the Government, the UN system, and the donor community. The Government is represented by the MOFT, Department of National Planning (DNP), Ministry of Foreign Affairs, and the Office of the President. The heads of the Participating Organisations are members of the Board as UN representatives. The Board is co-chaired by the MOFT as head of the GCA and the Resident Coordinator (RC). Since the two major programmes have different donors and stakeholders two separate programme boards are maintained for ease of planning and implementation.

The Board is responsible for:

- Reviewing and approving the TOR and Rules of Procedures
- Ensuring alignment of allocations with UNDAF and national priorities

- Establishing criteria for allocation of un-earmarked funds
- Reviewing and approving proposals from Participating Organisations
- Ensuring consultations with key stakeholders
- Reviewing periodic reports, audits, and lesson learned reviews

3.2 Resident Coordinator (RC)

The overall management of the Maldives One UN Fund is led and coordinated by the RC. In line with the overall objective of enhanced UN coherence in the Maldives, the RC is responsible for:

- Providing strategic leadership of the One UN Fund on the basis of the UNDAF and UNDAF Action Plan
- Advocating and mobilising resources for the One UN Fund in collaboration with Participating Organisations
- Leading a consultative process on allocations from the One UN Fund, and taking final decisions if consensus cannot be reached, with documented process and rationale for such decisions
- Holding the head of the Participating Organisations accountable for the funds allocated to their respective organisation under the One UN Fund
- Providing substantive support to the Maldives One UN Fund, including liaising regularly with the AA to ensure the proper coordination of the Fund

3.3 Resident Coordinator's Office (RCO)

The Resident Coordinator's Office (RCO) supports the RC in the management of the Maldives One UN Fund. The RCO acts as the Secretariat for the Board, working closely with MOFT.

The RCO, LECReD Programme Technical Committee and MOFT together compiled, reviewed and assessed the proposed priorities for funding allocations, ensuring that proposals are in line with the UNDAF and other national priorities before submitting the appropriate recommendation to the Board.

3.4 Theme Groups

To coordinate effectively and efficiently, the Maldives UNCT has established several inter-agency groups or Theme Groups (called Results Groups). The groups were established to be the mechanism to develop strategies that will support the achievement of the UNDAF outcome, ensure that the UN agencies collaborate efficiently and effectively, and facilitate partnership with various stakeholders and donors. The groups reports and recommends appropriate action to the UNCT.

The following are the UN inter-agency groups established under the UNDAF New Programming Cycle 2016-2020: Youth and Children, Gender, Governance, Environment and Climate Change, Communications, Operation Management, UNDAF Technical Team, SDGs, and Contingency Planning.

3.5 Administrative Agent (AA)

As the AA for the Maldives One UN Fund, the UNDP MPTF Office is responsible for the receipt, administration and management of contributions from Donors; disbursement of funds to the Participating Organisations in accordance with instructions from the Board, through the RC, and consolidation of narrative and financial reports produced by each of the Participating Organisations as well as the provision of these reports to the Board and Donors. The MPTF Office performs the full range of AA functions in accordance with the undg-approved "Protocol on the Administrative Agent for MDTF and JP, and One UN Funds".

In line with the MOU concluded between Participating Organisations and the MPTF Office, a clear delineation, including distinct reporting lines and an accountability framework, has been established and is maintained within UNDP between its functions as an AA performed by the MPTF Office and its functions as a Participating Organisation performed by UNDP Maldives.

4 Decision-Making Process

Guided by the UNDAF, the UNCT prepares Joint Work Plans (JWPs), documenting planned activities, budgets and resources for the year. Based on the indicative work plans, the Theme Groups/Inter-Agency Groups submit proposed funding priorities and an updated resources matrix indicating sources of funds and funding gaps. Proposals for funding reviewed and compiled by the RCO, LECReD Programme Technical Committee and the MOFT are submitted to the Board.

The Board reviews the proposed priorities to ensure that they are aligned with the UNDAF/UNDAF Action Plan and emerging national priorities based on which Participating Organisations develop and submit proposals. The Board utilises the allocation criteria to finalise and approve funding with the available un-earmarked funds. Decisions are based on a consultative process and documented jointly by the RCO Office and the MOFT.

When earmarked contributions are received, the Board allocates the resources based on the following criteria:

- Alignment with the UNDAF and strategic priorities
- Implementation capacity of the relevant partner(s)
- Comparative advantages of the Participating Organisation in supporting the implementation of activities
- Priorities which would otherwise not be funded with realistic outcome budgets
- Additional criteria for subsequent allocations include: previous track record of the implementing partner and the Participating Organisation on delivering results, absorptive capacity, and timely, accurate, and meaningful reporting

5 Approval and Implementation Updates

5.1 Programme Allocation, Overview and Status

Contributing Donors for One UN Fund

Contributors	Total Commitments	Prior Years as of 31-Dec-2015 Deposits	Current Year Jan-Dec-2016 Deposits	Total Deposits
DENMARK, Government of	9,737,288	9,737,288	-	9,737,288
Expanded DaO Funding Window	450,000	450,000	-	450,000
Grand Total	10,187,288	10,187,288	-	10,187,288

5.2 Implementation Achievements

The section below provides an overview of the main implementation achievements during the reporting period as reported by the Participating Organisations.

5.2.1 UNDAF Outcome: Institutional capacity strengthened and framework in place to coordinate and plan national development at local and national levels

The Programme “Strengthening UN Coherence, Aid Effectiveness and M&E” shortly called as the Delivering as One project was implemented from 2012 to 2015 by utilizing USD 445, 500 received from Expanded DaO funding window. By 31 December 2015 this funding was expended. No activities were carried out under the project in 2016. However, in 2016 the UNDAF Steering Committee took the decision to extend the One UN Fund and the DaO project was also extended by allocating the interest earned from the One UN Fund. From July to November 2016 RC Office worked with the MOFT to formulate and agree on a work plan. This work plan has been signed by the co-chairs of the Steering Committee and activities will be implemented from January 2017 to November 2018.

5.2.2 UNDAF Outcome: Enhanced capacities at national and local levels to support low carbon lifestyles, climate change adaptation and risk reduction

The Low Emission Climate Resilient Development (LECRd) Programme aims to assist government authorities in the Maldives in building capacities at national and local levels to support low carbon lifestyles, climate change adaptation, and disaster risk reduction. The programme is currently providing support to 12 islands in Laamu atoll to realize low emission and climate resilient development (LECRd). The programme seeks to mainstream LECRd issues into local level development planning and service delivery for greater community-level ownership and sustainability of programme benefits.

The Programme builds on the integrated efforts of seven Participating United Nations Organizations (PUNOs) operating in the Maldives: UNDP, UNICEF, UNOPS, UNFPA, UN WOMEN, WHO and FAO. The programme is innovative and represents a pioneering initiative of bringing together the wealth of diverse

development-oriented expertise from these United Nations Organizations with equally diverse national and local partners to address this multi-faceted development challenge. The LECReD Programme Board (PB), comprised of a wide range of stakeholders, provides policy direction and approves financial allocations. Oversight and coordination functions are carried out by the Programme Coordination Unit, the Programme Technical Committee, and the UN Technical Group integrating focal points from all PUNOs. The Multi-Partner Trust Fund (MPTF) Office serves as the Administrative Agent for the LECReD Programme Fund.

Based on LECReD Programme's Midterm Review & Evaluation recommendation, the Programme was extended until November 2017. The justification for extension was: (1) delayed start of the project because of lengthy mobilization period; (2) slow filling up of the management posts and reduced pool of local experts; (3) unstable political situation in Maldives before the project started; and (4) lack of experience in implementing One UN project.

- **Results**

An important focus of 2016 was to deliver the activities in the JAWP and to deliver programmatic outputs in the most effective and efficient manner. While doing so, the coordination and communication arrangements among partner agencies as well as between national level partners and stakeholders were also further developed in this period.

The Programme has persistently made efforts to strengthen local and national ownership, by reinforcing dialogue with MEE, the Local Government Authority and with the Atoll Council and by integrating Ministries that have so far been relatively indifferent to the process, such as the Ministry of Home Affairs (responsible for LGA and Local councils), the Ministry of Housing and Infrastructure, the Ministry of Defense (responsible for emergency response) and the Ministry of Education. This dialogue aims at ensuring the promotion of an economically, socially and environmentally sustainable future for the Maldives, integrating all responsible parties in building the capacities for LECReD and acknowledging its importance both at national and local level.

During the reporting period, 'Outcome indicator 2: Percentage of atoll and island councils in Laamu undertaking low emission climate resilient development planning', has seen much progress towards completion, with the preparation of the island level and atoll level development plans. 7 island development plans and 1 atoll development plan has been submitted, while the remaining are being processed. This is crucial for the success of the programme, where councils are much more robust in practical response to emerging needs of flourishing local populations as well as urgent situations that need quick response.

- **Outputs**

In pursuit of the core objective, the programme has proposed to achieve the following outputs:

Output 1: Partnership, coordination and participation platform for local LECReD planning and action is strengthened;

Output 2: Data and knowledge systems established or identified to support evidence-based planning and policy development for LECReD at the local level;

Output 3: Improved Local Level Planning and Management for LECReD;

Output 4: Practical local experience in LECReD's interventions leads to learning and promotes replication

From the Programme implementation viewpoint, the following results were achieved:

Output 1: Partnership, coordination and participation platform for local LECReD planning and action is strengthened.

One of the main results that was achieved during the reporting period was the **national adoption of the revised local development planning methodology** by the Local Government Authority (LGA) for the second planning cycle under the Act on the Decentralization of the Administrative Divisions of the Maldives (Law Number: 7/2010) (Commonly referred to as the Decentralization Act). The timing of the Programme favorably coincided with the second local planning cycle, and offered a unique opportunity to integrate principles of climate change adaptation, mitigation, disaster risk reduction, gender equality and other cross cutting issues into the planning methodology, templates and tools. The exclusion of these elements previously was a challenge for the programme as well as other stakeholders as the necessary vision, policies, strategies and resources were not adequately framed.

The revised planning methodology was developed within the framework of the Sustainable Development Goals (SDGs), and favors an inclusive and participatory approach to planning, while factoring in measures to address climate change adaptation and mitigation, DRR and gender equality. Planning templates, forms and processes, were revised by the LGA under the guidance of LECReD. Further, a planning handbook and video were also produced in the local language to act as a guide for the council members and planners in each island as a step-by-step guide to develop their plans. Follow up interviews with local planners from Laamu confirmed that these tools were extremely useful in guiding them throughout the planning process. These tools will be later used as knowledge products in the LECReD toolkit that will be developed under the Sustainability Strategy of the LECReD Programme.

Indirect support was also provided to the councils and the LGA, mainly focused on gathering evidence through assessments, preparing baselines, monitoring and evaluation plans, conducting surveys, facilitating community level consultations and dialogue, and enhancing capacity and learning through trainings and study tours.



Capacity Development Training with the Councils

arrangements that would influence the governance systems related to environmental management, DRR and low emission, climate resilient development. Further, the review provided insights into the overlapping mandates and roles of the relevant government ministries and authorities whilst highlighting the challenges faced by each organization, gaps in the governance system, as well as the opportunities to strengthen it. The review was also accompanied with a **Capacity Development Roadmap and advocacy materials, and tools and recommendations** for capacity development that are necessary for climate resilient development.

The establishment of a baseline for LECReD was worked upon during the reporting period. The baseline would play a critical role in determining how much vulnerability has been reduced in Laamu Atoll as a result of direct programme interventions and other similar programmes. To do this, an inventory of all existing data was first compiled to identify the available information and gaps in data. A household survey was later commissioned to gather missing information. Additionally, a **Vulnerability Reduction Assessment Methodology** was developed and analysis of the information collected from the household survey started during the reporting period. The outcomes would provide useful information for the local councils and national level organizations to determine the levels of social and economic vulnerability as well as vulnerability to climate change in the Atoll, and if any improvements are made through the programme or other efforts. The methodology can also be applied to other atolls and islands, thus contributing towards replication.

Another key piece of assessment completed during the reporting period was the **Integrated Energy Resource Assessment**. This assessment provided previously unavailable information on different types of energy being used in Laamu Atoll while also determining the various energy use patterns by end users including households, schools, government offices and the different economic sectors. Results from the assessment also highlighted specific renewable energy and energy efficiency opportunities available in key sectors of the Atoll. At Atoll and Island level, this information will provide evidence-based foundation to develop proposals for renewable energy projects that will build on specific renewable energy opportunities, in addition to informing the local development planning process. It would further support the central government for the development of the energy sector and realization of national renewable energy targets.

A key piece of assessment that was conducted to initiate the local development process was the **Review of the National and Local Level Institutional and Governance Arrangements and Legislative Frameworks** which was completed during the reporting period. The findings of this review provided significant insights for the LGA, the International and National Planning Consultants and the Council Planners in informing and understanding the existing laws, regulations, policies and institutional

Another assessment that was carried out during the current reporting period was the **Water Audit** which was completed in the final quarter of the year. The water audit mainly focused on identifying the consumption rate and demand for various water sources, and estimated wastage of water at a household level, through a household survey. Awareness materials on water security, usage, and water saving practices were developed based on the findings of this audit, and will be disseminated in 2017.

Implementation of the **Natural Resource Mapping** activity was expedited during this reporting period. The production of the land use maps and natural resource maps will support the local councils and service providers to identify data and data management needs to support LECReD planning and management. Whilst the National Geographic Information System (NGIS) will ultimately be based in the Maldives Land Survey Authority, the local councils will be able to utilize the resource maps with the training that will be conducted for the council members following the mapping process. It is expected that the mapping process will be completed in the second quarter of 2017, and necessary trainings to council staff will be held within the first two quarters of 2017.

Concurrently, efforts were also made to recruit a company or individual expert to process the satellite imagery of Laamu Atoll procured in 2015. Although challenging, a suitable candidate was identified from the limited pool of global experts during the reporting period. It is anticipated that the processing will be completed by May 2017.

As inclusivity and participatory process is central to achieving the goals of LECReD, a series of **Multi Sector Dialogues (MSDs)** was initiated at the First Laamu Climate Change Forum in 2015 and the second cycle of MSDs continued into the current reporting period, to facilitate a well-informed Local Development Plan. The second cycle saw a 20 percent increase in the total participation rate, and a 13 percent increase in female participation from the first cycle. A total of 95 participants joined the island level MSDs out of which 31.5 percent were female. At the Atoll level dialogue, a total of 38 participants (31.6 percent females) attended. The increase in participation is attributed to the change in the approach to invite participants. Rather than obtaining participant names from the local councils, the participants were pre-identified from other workshops and meetings and also through directly contacting government offices, Women's Development Committees, schools and local NGOs. This method of directly contacting participants was more effective and more engaging.

The MSDs in the reporting period focused on biodiversity conservation, economic development and employment generation, as well as food security and agricultural practices, and identified main issues in each thematic area and also the required policy interventions to address these issues. The outputs of the MSDs were fed directly into the local development plans. Moreover, the discussions of these sessions informed the small grants component, and prioritization process for the climate financing, local development planning consultancy, and implementation of the solid waste management plans under stage two of the programme.

Even though a lot of discussions were raised during the MSDs and a lot of international best practices were provided as examples, the lack of practical know-how remained a key challenge in the Atoll. It is therefore important to facilitate opportunities for learning and knowledge sharing at all possible levels. LECReD supported this through arranging an **International Study Tour to the Seychelles** during April 2016. The objective of this study tour was to observe and identify how other small island developing states addressed issues exacerbated by climate change through their local governance systems. While selecting participants, requests were made to favor a gender balanced selection of civil servants over political appointees, in order to ensure knowledge retention within the council structures.

As a measure to ensure enhanced learning through the study tour, participants were asked to carry out an institutional audit of their respective councils. These audits looked at a given environmental problem for a specific island, and identified the current and future management environments for the local councils, challenges they faced and opportunities available to respond to the issue. A pre-departure workshop was conducted to present institutional audits prepared by the participants. Through conducting this exercise, participants were required to reflect on pertaining environmental issues and strengths and weaknesses of the local councils, which prepared them for the study tour.

In the Seychelles, participants were exposed to various management strategies employed by local councils in the country, in addition to ongoing UN projects, particularly the UNDP projects on renewable energy, waste management, water conservation, and managing marine reserves, through presentations, demonstrations, site visits and interviews with the local beneficiaries. The study tour helped Council members and planners from Laamu Atoll to identify strategies, projects and programmes that could be adopted and replicated in their respective islands, through their local development plans, the small grants programme, and other means of funding.

Moreover, constructive dialogues, networking and idea exchanges took place in the **Third Laamu Climate Change Forum** which was held in Laamu Gan from 16 to 18 October 2016. The theme for the final climate change forum was 'Learning from Laamu' and focused on looking back at the activities conducted during the course of the programme and reflecting on the lessons learnt and how they can be replicated in other parts of the country. More than 120 participants, including representatives from 18 Atolls, attended the Forum. Stakeholders in Laamu Atoll were given the opportunity to showcase their success stories and challenges they faced in implementing activities. The forum created a platform where participants had the chance to share knowledge and ideas, and gave opportunity for participants from other atolls to provide constructive feedback based on experiences in their respective atolls.

A key challenge that would face the local councils in implementing their local development plans is finding a means to finance the plans. Even though the Decentralization Act calls for both administrative and fiscal decentralization, due to the infancy of the governance structure, economic situation of the country and limitations in resources, financial decentralization has not been adopted by the country. All matters relating to the government budget and finance is centralized in the capital island, with heavy control measures in place. As expected, this resulted in reluctance by the councils to prepare their five year plans. In response to this, LECReD supported the facilitation of multiple **workshops to explore various methods**

of revenue generation within the existing legislative frameworks, such as public private partnership models, crowdfunding, grants, and funding through local and international investors. Discussions were conducted to explore the various sources of short and long-term funding and revenue generation to overcome existing barriers.

In addition to the workshops, LECReD further supported the process by analyzing various funding streams available to implement the local development plans within the existing legal and administrative frameworks, primarily through identifying various options and opportunities for **climate financing**. The cost benefits analysis of the different funds and the possible synergies between the key sectors was also conducted. Furthermore, the existing Laamu Development Trust Fund, which is currently administered by the Atoll Council, was reviewed to identify measures to link with LECReD principles.

Implementation towards enhancing local and national capacities for LECReD and local development planning was observed during this reporting period. All island councils in Laamu Atoll were trained on forecasting for possible future climate scenarios and structure their local plans accordingly. Additionally, council planners were educated about the relevance of climate change impacts on local planning and importance of natural ecosystems in sustaining their communities and livelihoods, and on gender mainstreaming and incorporating gender dimensions to the plans. At the time of reporting, seven Island Development Plans and the Atoll Development Plan have been finalized and forwarded to the LGA.

The programme has continuously advocated for gender mainstreaming throughout all areas of LECReD and technical input has been injected in areas that need particular attention, such as advocacy on the areas of promoting women's economic empowerment and the importance of incorporating gender dimensions in climate change and climate resilience initiatives while taking into account cultural sensitivities.

A training of trainers (ToT) manual on Gender and Climate Change specific to Laamu Atoll and its islands was developed in the reporting period. While women have a strong body of knowledge and expertise that can be used in climate change mitigation, DRR, and adaptation strategies, limited access to resources and decision-making processes increases their vulnerability to climate change. The integration of a gender dimension recognizes women's vulnerability and potential as agents of change. The manual acts as a guidance document to local trainers to sensitize local LECReD programme stakeholders and partners, such as Atoll and Island Council members, as well as the local communities to the gender dimension of climate change and provide a starting point in building their capacity to effectively mainstreaming gender into programme activities and beyond, into their five-year island and atoll development plans ensuring that gender-responsive climate change and resilience planning and budgeting are well integrated.

Enhancement of existing advocacy material also initiated, with new material that guides perceptions related to women's role in mitigation and adaptation to climate change as well as local development planning. It is expected to be completed in early 2017.

The development of **Sustainable Agriculture Development Plan** was initialized with the collection of baseline data through the food security survey.

Output 2: Data and knowledge systems established or identified to support evidence-based planning and policy development for LECReD at the local level.

LECREd supported a pilot mechanism in Laamu Atoll to **manage administrative data** at island and atoll levels. The data portal “Laamu Koshaaru”, developed in the previous reporting period, has been launched in the third quarter of 2016, and incorporates data needs of different sectors such as land use, energy, agriculture, and food security. This was built on the previous efforts made by NBS to formulate a data collection system for the Island Councils. It is envisaged that the database will facilitate atoll level analyses, ensure safe and secure storage of data, and make data accessible to all.

To facilitate data entry into the web portal during fourth quarter of the reporting period, 17 staff of 12



Laamu Koshaaru training

councils were trained on usage of the web portal. Relevant staff from 11 Island Councils and 1 Atoll Council, NBS, NCIT (National Centre for Information Technology), LGA and LECReD completed a two-day training on usage of the web portal and gained the capacity to operate Laamu Koshaaru. Laamu Koshaaru is being reviewed by NBS and other relevant stakeholders before the portal will go live. It is anticipated that the portal will be live in February 2017, and once the portal is fully operational, LGA and Atoll Council will take the ownership from NBS.

Data from all islands have been collected for the **Household Income and Expenditure Survey** during the reporting period. The findings and island profiles from the survey will be available in July 2017, and will be crucial for mapping out vulnerabilities.

LaamuInfo was launched during LCCF3. LaamuInfo is an **indicator based database** adopted from the DevInfo technology. The aim of developing LaamuInfo is to support evidence-based decision making process in Laamu Atoll. LaamuInfo provides data for the development of Island Development Plans and other planning process within the councils and other institutions. It also generates maps, graphs and tables with only 3 clicks, bringing evidence to the fingertips of the island or atoll council members, planners and sectoral policy makers. LaamuInfo has already made an important contribution in streamlining and standardizing Laamu Atoll statistics in national statistics and is envisaged to be connected to Laamu Koshaaru. More than 112 indicators and 2,707 data values are currently available in LaamuInfo from: five National Censuses, 25 years of Statistics, eight National Surveys and the Tsunami four years report.

LECREd also assisted MoFA to improve the data collection systems by introducing a log book system to farmers in the region. Four training modules, a trainer's manual and data tabulation and analysis formats were developed as a capacity building tool to strengthening data collection systems. The log book was pre-tested at the island level before introduction to the farmers. Training was provided on data collection to 170 farmers, six administrative staff of the local councils. Six staff from Statistics Unit at MoFA was trained on tabulation and analysis.

Output 3: Improved local level planning and management for LECReD



A product from VCA

As part of the work carried out with NDMC, **Community Based Disaster Risk Management (CBDRM) trainings** were carried out in all 11 islands in the atoll. The CBDRM process includes carrying out a **Vulnerability and Capacity Assessment (VCA)** identifying hazard vulnerability and available resources, and capacity to mitigate and respond to hazard impacts, incorporating youth and women. A community-based disaster mitigation plan and disaster response plan formulates the Disaster Management Plan (DM Plan) that was developed through the CBDRM process in each community. Based on the VCA, Disaster Management plan was developed in each island with two key components, island-level disaster mitigation and response plan. An emergency simulation exercise was carried out in each island to test out the DM plan. A total of 228 community members took part in the CBDRM trainings that were carried out on 11 islands. A total of 308 community members were identified in their communities as Emergency Response Capacities.

One of the key activities completed in 2016 also include the finalization of **Health Care Waste Management Strategy** involving the Ministry of Health, MEE, key partners and stakeholders. The purpose of this strategy is to enforce the “National Health Care Waste Management Policy” and the “National Health Master Plan” by establishing a countrywide integrated healthcare waste system which is managed without adverse effects on human health and environment and that is environmentally and economically sustainable.



National Vector Control Campaign Launch in Laamu

National Vector Control Campaign was also launched during LCCF3 in Laamu Atoll in presence of the Health Minister. Additionally, field work of the **Feasibility Assessment of Installing Solar PV systems** in Health Facilities of Laamu atoll was also completed during the period. LECReD also received the report of “**Studies on Groundwater Quality Assessment of Laamu atoll to Assess Feasibility for Drinking Purposes**”, and will provide valuable data that will feed into policies.

Output 4: Practical local experience in LECReDs interventions leads to learning and promotes replication.

As much of the programme focuses mainly on soft components and activities or inputs that would not yield immediate and visible results, one of the biggest challenges faced by the Programme is demonstrating the benefits of shifting towards a low emission, climate resilient future. The ‘no-regrets’ actions falling under Output 4 of the Programme has been designed to address this issue. Under this Output, LECReD conducted a **Rapid**



Assessment on the feasibility of Solar panels installed at a school

installing solar panels on school rooftops in late 2015. This assessment provided valuable data on availability of roof space, relative strength, inclination, usage of energy fixtures and appliances, energy saving opportunities, grid connection and design concept for the PV systems.

Schools were identified as the direct beneficiaries of the activity through Programme Board Meeting. Through consultations with the community members on the justification, it was agreed that they represent an impartial and shared space which exists in each community where benefits of reducing electricity consumption within these schools would be shared equally among the community. Furthermore, schools presented a good opportunity for demonstration and learning.

The installation work of the Solar Panels as well as the training component under the activity was completed during the reporting period. The trainings looked at the operation and maintenance of the solar panels and were given to the council staff and employees of the Fenaka (Utility Company) Island and Regional Offices. The objective of these trainings was to contribute towards building national capacities at the local and national-level and contribute towards Outcome One of the programme. The **Energy Resource Assessment** mentioned earlier in this report would provide useful information and data to the trained Fenaka staff to undertake their responsibilities and also for any similar or scaling up projects in the future.

The **Small Grants Scheme** of the LECReD Programme was initiated during 2015 to provide enabling grants to the community to undertake small-scale projects falling in line with the LECReD principles.

Although the contracts being signed in 2015, majority of the grants did not start implementation until early 2016. Impressive and immediate results were seen in certain islands shortly after the disbursement. An excellent example of this is the “My Maamendhoo – Clean Maamendhoo” project managed by Maamendhoo Council in Laamu. Information gathered from interviews with the Council members and observations from monitoring trips show how the Council has utilized learnings from different programmatic interventions to design and implement the “My Maamendhoo – Clean Maamendhoo” project. For example, the Council members had collated learnings from the study tour on waste management best practices (conducted in 2015) and the knowledge gained from the MSDs to develop the project proposal for the Small Grants Scheme.

Similarly, the Council reports to have borrowed concepts of ‘participatory planning’ and ‘community-level consultations’ from LECReD to obtain the buy-in from different stakeholders within their own community. Additionally, they report to have used the skills they gained from the trainings conducted in 2015 on conflict mediation, negotiation and consensus building, in managing these stakeholder discussions.

Despite the successful implementation process of this project, there are some challenges that are to be noted. The lack of capacity in project implementation in island councils prevented a smooth and timely implementation process. To address this issue, workshops on project management was conducted for the grantees. Moreover, obtaining local contractors and frequently changing cost of construction further hindered the timely completion of the project. We also saw a challenge in obtaining regular progress reports which made regular monitoring and guidance on a timely basis on the grantees difficult.

The second cycle of the Small Grants Scheme was rolled out during quarter one and two of the year. It was observed that the second cycle attracted more participation from the community, a good indicator of the acceptance of the first cycle of grants. There was a 73 percent increase in the number of concepts submitted and a 103 percent increase in participation in the outreach programmes as compared to the first cycle. Female participation also increased by 106 percent.

Specific focus was placed for women-led projects, to increase participation of women in these consultations and to provide them with information to submit proposals for this cycle. Out of the concepts that were received, 13 were women-led proposals, in comparison with the first cycle of small grants, where no proposals were submitted by women-led organizations. However, only 8 of these proposals were directly women-led projects and the other 5 submitted were for proposals to be implemented at Island Schools. One proposal was selected for the grant. Fonadhoo Women's Development Committee was awarded for their proposal "Sustainable Agriculture by Women in Fonadhoo (SAW)".

We also noted a significant improvement in the content and quality of the concepts submitted with clear linkages with the rest of the programmatic activities. These improvements can be attributed to the continuous engagement with the community through different initiatives to improve community knowledge and understanding on climate change and related issues. Moreover, the second cycle saw increased diversity in the areas of work. Areas in which concepts submitted includes: business and innovation, coastal bio-shield/tree planting/reef protection, disaster risk reduction, fisheries, hydroponics/auto pot farming, renewable energy, mangroves and natural resource conservation, organic farming, street lighting, waste management and behavioral change, and innovative and sustainable organic farming. A total of seven new grants were contracted during the second cycle, and the funds were disbursed during the fourth quarter.

To offer additional support to the grantees, a three day **training on Project Management** was conducted and a guidance booklet was developed in the local language. Evaluations conducted following the Project Management workshop revealed that the participants gained useful insights and knowledge on project management, proposal development, financial management, risk management, monitoring and evaluation, and reporting, among other things.



Climate smart agriculture training

The farming community CBOs received **Trainings on climate smart sustainable agriculture practices** including water harvesting and irrigation, good agriculture practices, integrated soil fertility management, integrated pest management and safe use of pesticide, to assist them in promoting better management of agricultural activities and small grants projects. At the end of October 2016, trainings had been provided to 532 people from seven islands of which 55 percent were women. Technical assistance also provide 18 farmers from the atoll with an introduction to good agricultural practices in the field.

The physical works in the islands for the rectification of **Community Rain Water Harvesting (CRWH) systems** were commenced in November 2015. As per the agreed terms, the contractors mobilized and executed projects in 29 sites on nine islands. Rigorous monitoring was conducted throughout the implementation phase to ensure quality. By the end of January 2016, 95% of the works were completed in the field. Following the site visits by LECReD, some island



Rectified CRWH facility

councils proposed additional requests to strengthen the storage capacities. These requests were considered and during the Programme Board meeting held on 9 February 2016, an additional \$214,000 was approved from Stage 2 budget, which included providing tank replacement, RWH site relocations, walls to shield some RWH shelters for some of the islands. All works in these islands were completed and handed over to the island council and MEE by end of October 2016. Defects Liability Period of these works will be completed by end of May 2017. LECReD also provided capacity building on operations and maintenance for the operators and caretakers of these CRWH facilities. Operations and maintenance manual for the systems were developed and was shared with MEE for their review. This manual is expected to be finalized within the first quarter of 2017.

LECReD also developed a **Water Management Plan** for Laamu atoll. This plan included information on the water use profile of the communities, water management responsibility, water quality, data gathering and monitoring, opportunities to improve water management, recommendations for water conservation and improvement of efficiencies. A **guideline on RWH** was developed through LECReD with information gathered from the islands.

As part of the waste management component, LECReD supported the development of **solid waste management (SWM) plans** for 11 islands, through inclusive consultations, participatory decision-making, multi-sector dialogue, and skills training. These plans were revised by the Solid Waste Management Department of MEE and EPA. The SWM plans were developed in consultation with island communities, and it provided island level solid waste management options in consultation with atoll council and relevant partners. Additionally, an **Investment Plan** was developed providing recommendations on the investments needed for the waste management system proposed for Laamu atoll, while identifying existing resources. Implementation of the investment plan will be carried out as part of the LECReD Stage 2 activities.

The first round of trainings for women of three islands of Laamu atoll on Solid Waste Management (SWM) with a focus on waste segregation at household level was conducted. Given that women are involved in waste management at a number of levels including handling day-to-day household waste and waste

generated from sweeping/cleaning the islands, they are disproportionately exposed to risks associated with exposure to harmful waste products related to improper and inefficient handling of waste. The trainings were held from 28th August -3rd September 2016, at Gan, Fonadhoo and Maamendhoo. The main objective of these trainings is to equip women with the skills to manage waste effectively at the same time becoming agents of change by passing down the information and knowledge they have acquired whilst advocating for proper SWM plans to reduce the impact of climate change and improve the lives of island communities.

The second round of trainings will commence in early 2017, and contributes to capacity development of the island communities for the second stage of LECReD in establishing waste management facilities in the islands of Laamu atoll.

- **Challenges, lessons learned and best practices**

LECRd faced similar challenges in programme implementation as the previous reporting period.

A persistent challenge facing implementation was the **difficulty in recruiting competent local individuals and firms** to undertake activities. Considerable amount of time was spent on the recruitment process as candidates with the right set of qualification and experience were not attracted to advertisements. Moreover, once contracted, delays in meeting deliverables also caused delays in programme implementation. As many of the activities are sequenced in a manner that the output of one activity feeds into the following activity, a delay in any deliverable would cause interruptions in other activities.

Challenges were also faced in getting **local participation in workshops or trainings**. Local councils constantly stressed their human resource limitations and the difficulties they face by having one or few individuals engage in almost all activities. The increased frequency of the trainings caused challenges in undertaking their original responsibilities. Usually, workshops require the council members or civil servants to be away from their island for two to three working days, which has been quoted as a major reason for low participation. Sharing the training calendar with the council members at the beginning of the year was found to be a useful method of getting increased participation as this allowed council staff to organize and plan their commitments around the training schedule.

On a similar note, the programme continued to face difficulties in getting **female participation** in workshops and trainings. Participants usually quote family and other domestic responsibilities as the main reasons inhibiting them to travel to another island for trainings. As much as possible, efforts have been taken to ensure that female participants to join the activities. For example, island level MSDs were conducted in clusters and within a single day so that the participants do not have to spend the night away from their home islands. This method has proved to be more effective, as the island level MSDs had a 13 percent increase in female participant rate as compared to the previous cycle. Another example would be the participation of females in the international study tour to Seychelles. Special requests were made to include women in the delegation, however, out of 17 participants, only three were female.

Although all workshops were well received, the **number of participants attending the workshops** were not up to the expected level. This may be due to the fact that LECReD Programme is a multi-agency programme and basically it is the same personnel from the beneficiaries' side that are involved with the LECReD activities of all agencies. This, coupled with the fact that they have their routine work, resulted in constraint of not enough absorption of the knowledge induced for the project implementation.

From the small grants component, a main challenge that was noted is the constraints faced by government entities in carrying out **procurement work** under the National Financial Laws. Several beneficiaries expressed this constraint as a major difficulty in adhering to the project time line. Given that the majority of the grantees were the local councils, they are legally required to adhere to the National Financial Laws and administrative guidelines, resulting in delays in implementation. For example, four councils received grants during the first cycle to establish waste management centers. All four councils reported to have faced challenges in selecting a suitable contractor within the allocated budget and experienced delays in implementation due to the stringent procurement procedures of the government. Another challenge reported by the grantees is **the limited pool of contractors and suppliers** within the Atoll. Councils also noted the **difficulty in obtaining the required approvals and permits** from the relevant government entities through the formal channels and the limitations of human resources within the council as barriers to implementation. These challenges combined presented a major obstacle to the councils and other grantees to stick to the project timelines resulting in delays and ultimate extension of the contracts by additional three months to complete the work.

A major challenge in data management activities is **low level of commitment by the Councils to collect and analyze island level data**. Continuous advocacy efforts from LECReD and NBS are needed to prioritize data collection and entry as part of council's regular work. Efforts have been made in the forum to highlight the importance of data and evidence in planning exercises. Due to limited staffing in NBS and other institutions, it is challenging to provide feedback on the technical clarifications needed by the IT contractor. The contractor has agreed to work beyond the contract period to facilitate the feedback process.

Execution of Community-based Disaster Risk Management (CBDRM) process in bigger islands with comparatively larger populations is more challenging compared to the islands with smaller population. In case of Gan, since the island is both geographically and demographically large, the emergency simulation exercise was difficult to plan in the duration of the CBDRM training. Therefore, a separate simulation exercise is planned for Gan.

A key challenge that was identified in coordination of the programme is that knowledge sharing is very low within councils and island level institutions. Following a workshop or a training, once participants return to their respective islands, they seldom convey the information that they have learned to the rest of their team, nor are the lessons documented at any level in their organization.

6 Financial Performance

The Financial Performance section includes key financial data on the Maldives One UN Fund and is presented as an annex. Financial information is also available on the on the MPTF Office GATEWAY: <http://mptf.undp.org>.

**Consolidated Annual Financial
Report of the Administrative Agent
for
the Maldives One UN Fund
for the period 1 January to 31 December 2016**

Multi-Partner Trust Fund Office
Bureau for Management Services
United Nations Development Programme
[GATEWAY: http://mptf.undp.org](http://mptf.undp.org)
31 May 2017

DEFINITIONS

Allocation

Amount approved by the Steering Committee for a project/programme.

Approved Project/Programme

A project/programme including budget, etc., that is approved by the Steering Committee for fund allocation purposes.

Contributor Commitment

Amount(s) committed by a donor to a Fund in a signed Standard Administrative Arrangement with the UNDP Multi-Partner Trust Fund Office (MPTF Office), in its capacity as the Administrative Agent. A commitment may be paid or pending payment.

Contributor Deposit

Cash deposit received by the MPTF Office for the Fund from a contributor in accordance with a signed Standard Administrative Arrangement.

Delivery Rate

The percentage of funds that have been utilized, calculated by comparing expenditures reported by a Participating Organization against the 'net funded amount'.

Indirect Support Costs

A general cost that cannot be directly related to any particular programme or activity of the Participating Organizations. UNDG policy establishes a fixed indirect cost rate of 7% of programmable costs.

Net Funded Amount

Amount transferred to a Participating Organization less any refunds transferred back to the MPTF Office by a Participating Organization.

Participating Organization

A UN Organization or other inter-governmental Organization that is an implementing partner in a Fund, as represented by signing a Memorandum of Understanding (MOU) with the MPTF Office for a particular Fund.

Project Expenditure

The sum of expenses and/or expenditure reported by all Participating Organizations for a Fund irrespective of which basis of accounting each Participating Organization follows for donor reporting.

Project Financial Closure

A project or programme is considered financially closed when all financial obligations of an operationally completed project or programme have been settled, and no further financial charges may be incurred.

Project Operational Closure

A project or programme is considered operationally closed when all programmatic activities for which Participating Organization(s) received funding have been completed.

Project Start Date

Date of transfer of first instalment from the MPTF Office to the Participating Organization.

Total Approved Budget

This represents the cumulative amount of allocations approved by the Steering Committee.

US Dollar Amount

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

INTRODUCTION

This Consolidated Annual Financial Report of the **Maldives One UN Fund** is prepared by the United Nations Development Programme (UNDP) Multi-Partner Trust Fund Office (MPTF Office) in fulfillment of its obligations as Administrative Agent, as per the terms of Reference (TOR), the Memorandum of Understanding (MOU) signed between the UNDP MPTF Office and the Participating Organizations, and the Standard Administrative Arrangement (SAA) signed with contributors.

The MPTF Office, as Administrative Agent, is responsible for concluding an MOU with Participating Organizations and SAAs with contributors. It receives, administers and

manages contributions, and disburses these funds to the Participating Organizations. The Administrative Agent prepares and submits annual consolidated financial reports, as well as regular financial statements, for transmission to contributors.

This consolidated financial report covers the period 1 January to 31 December **2016** and provides financial data on progress made in the implementation of projects of the **Maldives One UN Fund**. It is posted on the MPTF Office GATEWAY (<http://mptf.undp.org/factsheet/fund/MV100>).

The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

2016 FINANCIAL PERFORMANCE

This chapter presents financial data and analysis of the **Maldives One UN Fund** using the pass-through funding modality as of 31 December 2016. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/MV100>.

1. SOURCES AND USES OF FUNDS

As of 31 December 2016, 2 contributors deposited US\$ **10,187,288** in contributions and US\$ **171,712** was earned in interest.

The cumulative source of funds was US\$ **10,359,000** (see respectively, Tables 2 and 3).

Of this amount, US\$ **10,245,831** has been transferred to 7 Participating Organizations, of which US\$ **6,772,083** has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ **101,873**. Table 1 provides an overview of the overall sources, uses, and balance of the **Maldives One UN Fund** as of 31 December 2016.

Table 1. Financial Overview, as of 31 December 2016 (in US Dollars)

	Annual 2015	Annual 2016	Cumulative
Sources of Funds			
Contributions from donors	-	-	10,187,288
Fund Earned Interest and Investment Income	21,273	9,439	171,712
Interest Income received from Participating Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
Total: Sources of Funds	21,273	9,439	10,359,000
Use of Funds			
Transfers to Participating Organizations	2,167,754	3,632,017	10,245,831
Refunds received from Participating Organizations	-	-	-
Net Funded Amount	2,167,754	3,632,017	10,245,831
Administrative Agent Fees	-	-	101,873
Direct Costs: (Steering Committee, Secretariat...etc.)	-	-	-
Bank Charges	168	48	1,906
Other Expenditures	-	-	-
Total: Uses of Funds	2,167,922	3,632,065	10,349,609
Change in Fund cash balance with Administrative Agent	(2,146,649)	(3,622,626)	9,391
Opening Fund balance (1 January)	5,778,667	3,632,017	-
Closing Fund balance (31 December)	3,632,017	9,391	9,391
Net Funded Amount	2,167,754	3,632,017	10,245,831
Participating Organizations' Expenditure	2,315,810	3,273,181	6,772,083
Balance of Funds with Participating Organizations			3,473,748

2. PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2016.

The table below includes commitments made through Standard Administrative Agreements signed up to 31 December 2016, and deposits. It does not include commitments for future years.

The **Maldives One UN Fund** is currently being financed by 2 contributors, as listed in the table below.

Table 2. Contributors' Commitments and Deposits, as of 31 December 2016 (in US Dollars)

Contributors	Total Commitments	Prior Years as of 31-Dec-2015 Deposits	Current Year Jan-Dec-2016 Deposits	Total Deposits
Government of DENMARK	9,737,288	9,737,288	-	9,737,288
Expanded DaO Funding Window	450,000	450,000	-	450,000
Grand Total	10,187,288	10,187,288	-	10,187,288

3. INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent ('Fund earned interest'), and 2) on the balance of funds held by the Participating Organizations ('Agency earned interest'), where their Financial Regulations and Rules allow return of interest to the AA.

As of 31 December **2016**, Fund earned interest amounts to US\$ **171,712**.

Details are provided in the table below.

Table 3. Sources of Interest and Investment Income, as of 31 December 2016 (in US Dollars)

Interest Earned	Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Total
Administrative Agent			
Fund Earned Interest and Investment Income	162,274	9,439	171,712
Total: Fund Earned Interest	162,274	9,439	171,712
Participating Organization			
Total: Agency earned interest			
Grand Total	162,274	9,439	171,712

4. TRANSFER OF FUNDS

Allocations to Participating Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2016, the AA has transferred US\$ **10,245,831** to 7 Participating Organizations (see list below).

4.1 TRANSFER BY PARTICIPATING ORGANIZATION

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Participating Organizations.

Table 4. Transfer, Refund, and Net Funded Amount by Participating Organization, as of 31 December 2016 (in US Dollars)

Participating Organization	Prior Years as of 31-Dec-2015			Current Year Jan-Dec-2016			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
FAO	184,575		184,575				184,575		184,575
UNDP	4,610,030		4,610,030	2,692,975		2,692,975	7,303,005		7,303,005
UNFPA	210,368		210,368	119,641		119,641	330,009		330,009
UNICEF	240,750		240,750	100,000		100,000	340,750		340,750
UNOPS	793,648		793,648	460,515		460,515	1,254,163		1,254,163
UNWOMEN	122,475		122,475	89,386		89,386	211,861		211,861
WHO	451,968		451,968	169,500		169,500	621,468		621,468
Grand Total	6,613,814		6,613,814	3,632,017		3,632,017	10,245,831		10,245,831

5. EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year **2016** were submitted by the Headquarters of the Participating Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Participating Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The **2016** expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/MV100>.

5.1 EXPENDITURE REPORTED BY PARTICIPATING ORGANIZATION

In **2016**, US\$ **3,632,017** million was net funded to Participating Organizations, and US\$ **3,273,181** million was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ **10,245,831** and cumulative expenditures reported by the Participating Organizations amount to US\$ **6,772,083**. This equates to an overall Fund expenditure delivery rate of **66** percent.

The agencies with the three highest delivery rates are: UNOPS (97%), UNFPA (80%) and WHO (62%)

Table 5. Net Funded Amount, Reported Expenditure, and Financial Delivery by Participating Organization, as of 31 December 2016 (in US Dollars)

Participating Organization	Approved Amount	Net Funded Amount	Expenditure			Delivery Rate %
			Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Cumulative	
FAO	184,575	184,575	42,349	40,454	82,804	44.86
UNDP	7,303,005	7,303,005	2,582,386	1,927,512	4,509,898	61.75
UNFPA	330,009	330,009	136,788	126,633	263,421	79.82
UNICEF	340,750	340,750	138,165	48,008	186,173	54.64
UNOPS	1,254,163	1,254,163	320,961	901,641	1,222,602	97.48
UNWOMEN	211,861	211,861	58,762	63,226	121,988	57.58
WHO	621,468	621,468	219,492	165,705	385,197	61.98
Grand Total	10,245,831	10,245,831	3,498,903	3,273,181	6,772,083	66.10

5.2 EXPENDITURE BY UNDAF OUTCOME

Table 5 displays the net funded amounts, expenditures incurred and the financial delivery rates by UNDAF Outcome.

Table 5. Expenditure by UNDAF Outcome, as of 31 December 2016 (in US Dollars)

Country/Sector	Prior Years as of 31-Dec-2015		Current Year Jan-Dec-2016		Total		Delivery Rate %
	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	Net Funded Amount	Expenditure	
Maldives							
Aid Coordination M&E	445,500	442,335		35	445,500	442,371	99.30
Economic Development & Envt	6,168,314	3,056,567	3,632,017	3,273,145	9,800,331	6,329,713	64.59
Maldives Total:	6,613,814	3,498,903	3,632,017	3,273,181	10,245,831	6,772,083	66.10
Grand Total:	6,613,814	3,498,903	3,632,017	3,273,181	10,245,831	6,772,083	66.10

5.4 EXPENDITURE REPORTED BY CATEGORY

Project expenditures are incurred and monitored by each Participating Organization and are reported as per the agreed categories for inter-agency harmonized reporting. In 2006 the UN Development Group (UNDG) established six categories against which UN entities must report inter-agency project expenditures. Effective 1 January 2012, the UN Chief Executive Board (CEB) modified these categories as a result of IPSAS adoption to comprise eight categories. All expenditure incurred prior to 1 January 2012 have been reported in the old categories; post 1 January 2012 all expenditure are reported in the new eight categories. The old and new categories are noted to the right.

Table 6 reflects expenditure reported in the UNDG expense categories. Where the Fund has been operational pre and post 1 January 2012, the expenditures are reported using both categories. Where a Fund became operational post 1 January 2012, only the new categories are used.

2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

2006 UNDG Expense Categories

1. Supplies, commodities, equipment & transport
2. Personnel
3. Training counterparts
4. Contracts
5. Other direct costs
6. Indirect costs

Table 6. Expenditure by UNDG Budget Category, as of 31 December 2016 (in US Dollars)

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2015	Current Year Jan-Dec-2016	Total	
Personnel (Old)	117,657	-	117,657	1.86
Other direct costs (Old)	3,882	-	3,882	0.06
Staff & Personnel Cost (New)	588,196	446,610	1,034,806	16.35
Suppl, Comm, Materials (New)	12,620	18,145	30,765	0.49
Equip, Veh, Furn, Depn (New)	146,280	169,595	315,875	4.99
Contractual Services (New)	1,263,150	1,581,339	2,844,489	44.94
Travel (New)	308,978	305,074	614,052	9.70
Transfers and Grants (New)	272,420	224,516	496,936	7.85
General Operating (New)	556,270	314,618	870,888	13.76
Programme Costs Total	3,269,453	3,059,897	6,329,349	100.00
¹ Indirect Support Costs Total	229,450	213,284	442,734	6.99
Total	3,498,903	3,273,181	6,772,083	

¹ **Indirect Support Costs** charged by Participating Organization, based on their financial regulations, can be deducted upfront or at a later stage during implementation. The percentage may therefore appear to exceed the 7% agreed-upon for on-going projects. Once projects are financially closed, this number is not to exceed 7%.

6. COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Participating Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG. The policies in place, as of 31 December 2016, were as follows:

- **The Administrative Agent (AA) fee:** 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ 0 was deducted in AA-fees. Cumulatively, as of 31 December 2016, US\$ 101,873 has been charged in AA-fees.
- **Indirect Costs of Participating Organizations:** Participating Organizations may charge 7% indirect costs. In the current reporting period US\$ 213,284 was deducted in indirect costs by Participating Organizations. Cumulatively, indirect costs amount to US\$ 442,734 as of 31 December 2016.

7. ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<http://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Participating Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.