



## Multi-Partner Trust Fund

### UN Agency Annual Work Plan

	<b>Participating UN Organization:</b> United Nations Development Programme / Special Project
<b>UN Agency Contact:</b>  Tim Scott  Address: 304 East 45th St, Rm, 944, New York, NY, 10017  Telephone: +1-301-980-2373  E-mail: tim.scott@undp.org	<b>For revised budget request indicate MPTF project numbers:</b>  <b>MPTF number – ODA project: 110737</b>
<b>List of countries:</b>	
	<b>Total Budget Approved: USD 2,346,102</b>  <u>Duration</u> <b>Project Start Date: June 2018</b> <b>Project End Date: June 2023</b> <b>Total duration (in months): 60</b>

<b>SIGNATURES</b>	
<b>Participating UN Organization</b>	
Name of Representative:	Haoliang Xu, Assistant Administrator and Director, Bureau for Policy and Programme Support, Global Policy Network
Signature	
Name of Agency:	United Nations Development Programme
Date & Seal	30-Mar-2022
<b>Management Board</b>	
Name:	Victor van Vuuren, Director, Enterprises Department, ILO
Chair, PAGE Management Board	
Date & Seal	5 April 2022

## Background Information

The following outputs and activities describe how UNDP-managed funds provided to the PAGE Multi Partner Trust Fund will contribute to inclusive sustainable growth, green finance and align with the PAGE Results Framework.

To ensure greater catalytic impact, these outputs and activities will complement existing PAGE work in ways that incubate, test and mainstream country-level ideas and solutions, and/or replicate and bring innovative practices to scale within and across one or more countries and regions. Rather than duplicating existing initiatives, they will help create a strategic space to experiment and apply new approaches for inclusive sustainable growth and GE finance, while leveraging PAGE and UNDP experience and public, private and civil society partnerships at the country and regional level.

This country and regional work will build on PAGE efforts to influence national economic planning through assessments of the investments needed to accelerate GE transitions, address climate change and achieve the SDGs, the tradeoffs and dividends involved in such investments, and corresponding policy frameworks that better incentive public-private green finance. These funds will also help PAGE better link to global and regional platforms designed to promote green investment.

### Country Activities

The work will support innovative green finance work in at least two countries in Asia and two in Latin America. Countries will be selected based on a set of criteria that takes into consideration in-country opportunities, government demand and ownership, and complementary PAGE/UNDP GE programming. Priority will be given to existing, graduated and pipeline PAGE countries.

This country level work will include the following types of innovative thematic and technical work:

- strengthening economic decision-making capacities that assess trade-offs and green incentives, including through [economic valuations using Targeted Scenario Analysis](#);
- supporting the design and/or implementation of national/sectoral green investments funds and other innovative financing mechanisms, completing other PAGE and GGKP Finance Platform activities around green bonds, green finance roadmaps, and sustainable finance forums, etc.;
- supporting national and sector policy frameworks that facilitate public-private investments in sectors such as [forestry, agriculture and green commodity value chains](#), with links to [BIOFIN](#), climate finance, the [Green Commodities Programme](#), and SCP 10-Year Framework Programme.

### Regional and Global Activities

Regional and global activities will draw on and inform the country activities described above. They will help share and apply the results of country-level work across current and potential PAGE countries, including through regional capacity development activities, knowledge management, and peer learning within and across regions. They will also be used to strengthen partnerships with other regional initiatives and draw on the experience of existing global platform-based initiatives designed to bring public and private sector partners together to advance the Green Economy and SDGs. Lessons learned from these activities will be used to inform other PAGE global activities, including annual PAGE Conferences and high-level events such as the HLPF, GA, UNEA, and GGKP work.

UNDP will work with PAGE agencies to plan and manage these funds through UNDP HQ, its Global Policy Center in Seoul, and regional hubs based in Panama for the Latin America and Caribbean region, and Bangkok for the Asia-Pacific region. UNDP also leverage its expertise on inclusive sustainable growth including through its Innovation Facility and Private Sector Center and broader portfolios on green finance, green commodities, ecosystems and biodiversity, and climate change.

UNDP will draw on the experience of complementary initiatives including the GGKP Finance Platform, UNEP Finance Initiative, which has several members and activities in LAC, IFC on sustainable banking, GGGI on bankable projects, and expertise developed by PAGE and partners on social and environmental screening of loans and investments through South-South learning.

More detailed workplans, including targets and result indicators will be prepared for each Activity.

<p><b>Outcome 2</b>      <b>Countries are implementing evidence-based sectoral and thematic reforms in line with national IGE priorities.</b></p>
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**Total direct costs: USD 1,292,619**

**Output 2.1 - Sectoral and thematic diagnostics, assessments, and policy analysis undertaken (USD 400,619)**

**Activity: Addressing trade-offs and incentives for greening major commodities in Latin America and Caribbean (at least two) and in Asia (at least one) through Targeted Scenario analysis (TSA)**

Targeted Scenario Analysis (TSA) is an analytical approach developed by UNDP that captures and presents the value of ecosystem services within a country's decision-making context to help inform and make the business case for greener, more sustainable policy and investment choices. It weighs the pros and cons of continuing with business as usual (BAU) scenarios, compared with more sustainable ecosystem management (SEM) scenarios. Presenting data to decision-makers in this way increases the likelihood that it will be used to inform policy and management decisions that help accelerate the transition to greener economies. TSA also emphasizes outreach, communication and participatory approaches throughout the process to ensure ownership of TA objectives and results.

Working through its Green Commodities Programme and complementary programming, UNDP will co-finance at least two TSA economic valuations of ecosystem services linked to the production of economically significant commodities in Latin America and at least one in Asia. In Latin America, these will include a focus on the Chaco and Amazon regions and links between jaguar conservation, deforestation, cattle, and agriculture. In Asia, this will likely include a focus on palm oil in Indonesia.

The TSA will be explained within the context of other PAGE assessments, e.g. T21, IGEM, etc., to help country partners understand how PAGE diagnostic tools differ and complement one another.

**Output 2.2 - Advisory support integrated into the design and advancement of sectoral and/or thematic policies, strategies, and plans (USD 412,000)**

The following activities will include a focus on various forms of green finance, including combination of public, private, hybrid and innovative finance mechanisms such as equity funds and green bonds, and similar mechanisms and finance solutions.

**Activity: Greening major agricultural commodities through the "Commitment to Action" Initiative (C2A)**

The expansion of cash crop production has been a leading driver of deforestation in many of the world's remaining major forests, causing a loss of valuable carbon sinks and other services important to society, such as clean air and water, and livelihoods for forest-dependent peoples. Large forest-ecoregions under pressure include the Amazon Basin, Congo Basin forest, forests of Borneo, Kalimantan, Guinean forests in West Africa, and Gran Chaco Forest of South America.

Many commitments have been made by governments and companies, to reduce deforestation resulting from the production of cash crops, but progress in achieving the goals set out in these commitments has been slow and uneven. Starting in the Amazon, where production of commodities including soy, beef, palm, coffee, and cocoa continues to contribute to forest loss and degradation, UNDP is supporting participating countries to help move them “From Commitment to Action”.

UNDP has sourced funding to enable a first phase of work for countries in the Amazon region, working via the UNDP Country Office in each country, and the Sustainable Development Cluster in the Panama regional hub. Participating countries will call together government, private sector and civil society representatives to undertake the following steps in each country, starting in mid-2018:

#### *Phase 1*

1. **Take stock of existing commitments** by government and the private sector (domestic and international) to reducing deforestation from commodity production in the country
2. **Identify any conflicting policies** or weaknesses in enforcement, that are enabling continued expansion of commodity “footprints” into primary and secondary rainforest
3. **Identify the actions already planned** and budgeted for, to meet the commitments, and highlight gaps where additional actions and spending are required, including a range of finance solutions
4. **Produce a “roadmap”** outlining the key set of public and private sector actions through which the country will work towards its commitments
5. **Announce the roadmap** publicly through a UN forum (e.g. UNFCCC COP-24) with representation from the government, private sector, civil society and financial/technical partners

#### *Phase 2*

6. **Support an appropriate multi-stakeholder forum** where stakeholders can develop a detailed implementation plan for the roadmap and its financing, including timelines and indicators
7. **Identify mechanisms for implementation, monitoring and report back** on an ongoing basis on the indicators for the implementation plan and fulfilment of the commitments

Examples of the kind of actions to be included in the Roadmaps are:

- Reconciling and aligning national policy goals affecting commodity production
- Strengthening and reform of policies and laws
- Mapping forests being converted for commodities
- Strengthened land use planning with stakeholders in high-risk areas
- Cut-off dates after which forest clearance is not allowed
- Monitoring and enforcement measures, and penalties for non-compliance
- Traceability systems for company sourcing, and local purchasing policies

Using PAGE funds, UNDP will co-finance these C2A activities while linking to the “Amazon Initiative: Sustainable Amazon by 2030”. This work will also draw on the TSA analysis described above.

### **Output 2.3 - IGE financing partners mobilized and engaged including UNCT, donors, IFIs, development banks and private sector - Facilitating private sector green finance (USD 480,000)**

#### **Activity A: Establish Private Equity Fund in Mongolia**

Sustainable pastureland management is key to Mongolia’s long-term socioeconomic stability, resilience, and green economy transition. As of 2016, the livestock sector output accounted for over 80% of the country’s agriculture output, employing 35% of total employees in the country. A transformational change is needed so that herders are included in the value chains that take

ecological sustainability and market needs into the equation. Part of this solution includes the creation of a private equity fund to invest in sustainable livestock value chains through SMEs.

PAGE is already supporting initial work to establish a private equity fund in Mongolia to help incentivize sustainable land management. With these initial funds, a feasibility study and conceptualization of the Sustainable Value Chain Investment Facility has been developed that will crowd in private sector investments. Additional PAGE funding will support the further development of the fund.

#### **Activity B: Green Sukuk (Green Islamic Bond) in Indonesia**

The Indonesia Ministry of Finance has requested the support of UNDP to develop a Green Sukuk (Green Islamic Bond). This request is a direct outcome of work supported jointly by UNDP and UNEP to establish a climate change mitigation budget tagging system which will enable the government to report on revenues used to address climate change, including those generated by the Green Sukuk.

This new PAGE-funded work will build on the ongoing Sustainable Development Finance programme that UNDP supports with the Ministry of Finance and the Fiscal Policy Agency to conduct climate expenditure reviews, as well as the country's innovative finance lab and the impact fund for agriculture. It will be linked to the planned palm oil TSA described above and related work of the Green Commodities Programme, UNEP-UNDP work with Robo bank, as well as Islamic finance and green bond work in Malaysia and other countries that are developing budget tagging systems. As relevant, this work will also draw on and complement the PAGE e-course on green bonds that is being prepared in collaboration with GIZ and SEB for a launch in the fall of 2018.

#### **Activity C: Other Innovative National Finance Solutions**

<b>Outcome 4:</b>	<b>Countries have improved their knowledge base for advancing Inclusive Green Economy</b>	<b>Total direct costs: USD 900,000</b>
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#### **Output 4.1. IGE knowledge products generated and shared through North-South-South collaboration (USD 900,000)**

##### **Activity A: Showcasing green investment opportunities through Green Latin America Awards**

The Green Latin America Awards ([Premios Latinoamerica Verde](#)) exhibits, connects, and rewards the best 500 social and environmental projects in the region, energizing green economy processes in LAC by showcasing best practice initiatives in 10 categories that are explicitly aligned with the SDGs. With 5 years of experience, the success has been incremental and well recognized regionally. In 2017, the Awards had a total of 2407 cases from 679 cities and 36 countries from a multitude of applicants - individuals, local governments, NGOs, indigenous groups, private and financial sectors, etc. The event was broadcast online with more than 1 million viewers worldwide. The event is organized by the awards' nonprofit organization together with the Municipality of Guayaquil-Ecuador and in partnership with CAF, CI, IICA, Earth University, Direct TV, Avianca and PWH. UNDP has been a partner since 2015 with a signed MOU between the LAC Regional Hub and the organizers.

Using PAGE funds, UNDP will:

- Organize business roundtables between development/private banks, private investors, and the best 500, strengthening and formalizing networks that have only happened at a smaller scale;

- Organize a high-level dialogue around green economy and sustainable financing mechanisms;
- Promote the sustainable finance category together with a broader visibility effort for the awards through PAGE and UNDP's webpage and social media channels;
- Be part of the selection process of the best 500 projects and jury for each category;
- Systematize green economy trends in LAC using the Awards as a multiple case study source. A first publication analyzing the alignment of 2017 best 500 projects with the SDGs is underway.

**Activity B: Other Regional and Global Events**

PAGE funds will also be used to strengthen South-South learning and green finance communities of practice by piggybacking on already planned regional workshops in Latin America and Asia. These regional events will likely include lessons learned from TSA implementation and the C2A initiative. Efforts will be made to promote systematic capacity building approaches for government and private sector partners engaged in activities outlined under Outcome 2 as part of broader efforts to ensure the sustainability of PAGE results. This can be done through partnership arrangements with national training facilities drawing on PAGE experience including work led by UNITAR.

Lessons learned from these activities described above, will be used to inform other PAGE global activities, including annual PAGE Conferences and high-level side events convened during the HLPFs, annual meetings of the UN General Assembly, South Africa Ministerial Conference, UNEA4 and UNEA 5, and GGKP work including the Green Finance platform.

All activities will draw on PAGE communications support and expertise, including for PAGE branding.

**Annex 1: Summary Table by Outcome, Output, and Activity**

<b>Outcome, Output, and Activity</b>	<b>USD</b>
<b><u>Outcome 2: Countries are implementing evidence-based sectoral and thematic reforms in line with national IGE priorities.</u></b>	1,292,619
<b>Output 2.1</b> Sectoral and thematic diagnostics, assessments, and policy analysis undertaken (USD 400,619)	
Activity: Addressing trade-offs and incentives for greening major commodities in Latin America and Caribbean (at least two) and in Asia (at least one) through Targeted Scenario analysis (TSA)	
<b>Output 2.2</b> Advisory support integrated into the design and advancement of sectoral and/or thematic policies, strategies, and plans (USD 150,000)	
Activity: Greening major agricultural commodities through the “Commitment to Action” Initiative (C2) (USD 480,000)	
<b>Output 2.3</b> IGE financing partners mobilized and engaged including UNCT, donors, IFIs, development banks and private sector - Facilitating private sector green finance	
Activity: Establish Private Equity Fund in Mongolia	
Activity: Green Sukuk (Green Islamic Bond) in Indonesia	
Activity: Other National Finance Solutions	
<b><u>Outcome 4: Countries have improved their knowledge base for advancing Inclusive Green</u></b>	900,000
<b>Output 4.1. IGE knowledge products generated and shared through North-South-South collaboration</b> (USD 900,000)	
Activity: Showcasing green investment opportunities through Green Latin America Awards	
Activity: Other Regional and Global Events	
<b>TOTAL DIRECT COSTS</b>	2,192,619



**Annex 2: Budget**

<b>CATEGORIES</b>	<b>Total Revised* Budget for ODA project</b>
1. Staff and other personnel	550,000
2. Supplies, Commodities, Materials	
3. Equipment, Vehicles, and Furniture (including Depreciation)	
4. Contractual services	913,726
5. Travel	241,205
6. Transfers and Grants to Counterparts	158,795
7. General Operating and other Direct Costs	328,893
<b>Sub-Total Project Costs</b>	<b>2,192,619</b>
8. Indirect Support Costs** (7%)	153,483
<b>TOTAL</b>	<b>2,346,102</b>

\* With the 18<sup>th</sup> request for a no-cost extension, UNDP has made a budget revision for the funds already received up to and including the 17<sup>th</sup> transfer of funds (without increase in budget). The column for 'earlier revised budget' in the 18<sup>th</sup> request shows the reallocated budget by UNDG budget categories.

\*\* The rate shall not exceed 7% of the total of categories 1-7, as specified in the PAGE MOU and should follow the rules and guidelines of each recipient organization. Note that Agency-incurred direct project implementation costs should be charged to the relevant budget line, according to the Agency's regulations, rules and procedures.