



Joint Programme Document and Fund Transfer Request

- Template -

Development Emergency Modality – Response to the Global Crisis on Food, Energy, Finance

Eligibility Check

Does the proposal address one or more of the following sectors affected by the global crisis? Select all relevant sectors.	<input checked="" type="checkbox"/> Food	<input type="checkbox"/> Energy	<input checked="" type="checkbox"/> Finance
What are the areas of intervention that will be implemented by this proposal? Select all relevant intervention areas.	<input checked="" type="checkbox"/> Data collection/analytcs	<input checked="" type="checkbox"/> Analysis and forecasting	<input type="checkbox"/> Help devise comprehensive preventative package of response measures
Is the proposal developed under the RC leadership to mobilize the UNCT to effectively and efficiency respond to the crisis?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Testing / catalysing new integrated policies, financing solutions, programmes
Does the proposal contribute to results in the UNSDCF's?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Is the proposal building on and topping up an existing joint programme supported by the Joint SDG Fund?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	<i>(If yes, please follow the specific guidance as per communications from the Secretariat)</i>		

Cover-page

MPTFO Project Reference Number	<i>(Leave blank, for automatic population in Atlas)</i>
Country	Benin
Region	Africa
Joint programme title:	Benin Blue Bond strategy and roadmap
Outcomes(s): <i><verbatim from CF></i>	‘By 2023, the population of Benin, the most vulnerable, are more resilient and have a better quality of life through access to a decent employment, food and nutrition security, sustainable energy clean, and through the sustainable management of natural resources, the effects adverse effects of climate change, crises and disasters.’
Duration:	Maximum 6 months, no later than 31 December 2022
Anticipated start and end dates:	07/2022 to 12/2022

Short description	<p>(for Top-ups, extensions to no later than 31 December 2022)</p> <p>Max 300 words</p> <p>The project ‘‘Benin Blue Bond strategy and roadmap’’ aims to unlock the volume of public and private capital through innovative financing to support the 5-year country programme PAG 2021 - 2026 (<i>Programme d’Actions du Gouvernement</i>) via the following actions:</p> <ul style="list-style-type: none"> • Undertake country bio-diversity assessment • Build up dashboard of blue economy indicators with gender lenses • Develop a Pipeline of projects under blue economy • Capacity building on blue bond of Ministry of Economic and Finance (MEF), CAA (Debt Management Office), Directorate General for Coordination and Monitoring of the SDGs (‘‘DGCS-ODD’’) and INSTaD (Statistics Department) • Review of the Benin’s SDG framework and advise on the need to set up a new Blue Bond framework or not
Resident Coordinator	Salvator Niyonzima, salvator.niyonzima@un.org
UN Joint Program RCO focal point	Jelena Katic, Jelena.katic@un.org , Strategic Planning and RCO Team Lead, +229 51 84 75 86.
PUNO Lead agency JP Focal point	UNCDF, Mamadou Barro, Country Relationship Manager, Mamadou.e.barro@uncdf.org
Other PUNOs JP focal point	UNDP, Francis Andrianarison, PhD, Senior Economist Benin, francis.andrianarison@undp.org
Total budget:	300,000 USD
Source of funds:	
• UN Joint SDG Fund	\$250,000
• PUNO 1: UNCDF	\$25,000 in kind
• PUNO 2 : UNDP	\$25,000 in kind
• Other sources	
SDG Targets directly addressed by the Joint Programme	Min 2 max 5 SDG targets The initiative will support sustainable development through different routes. The five overarching goals supported are SDG 1-Reduce poverty, SDG 8 -Decent work and Economic growth, SDG 13-Climate action, SDG 14-Life below water and SDG 17-Partnership:

Gender Marker

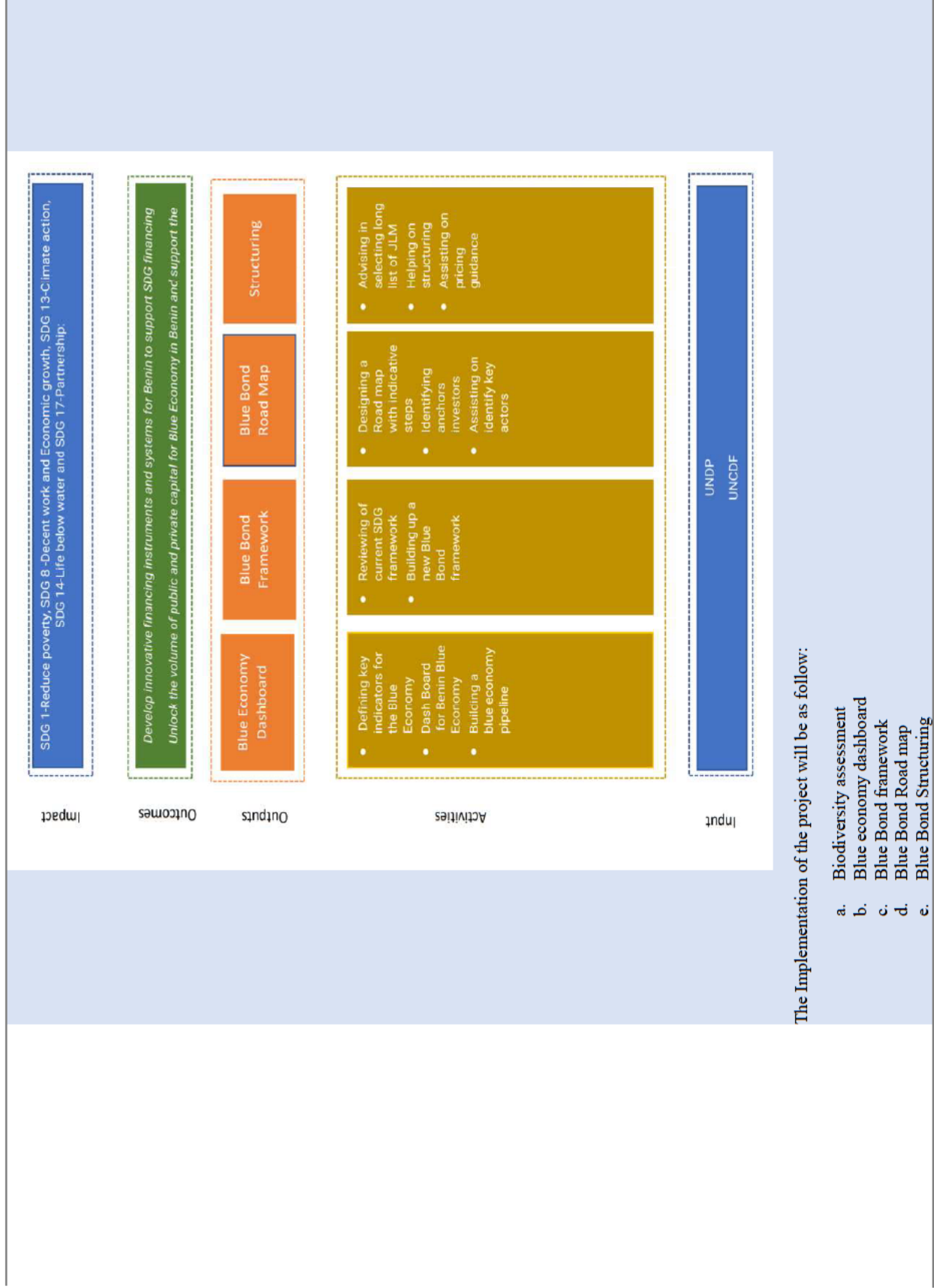
Select only one from the options below

- GEN3: Have gender equality/women empowerment as the primary or principal objective.
- GEN2: Make a significant contribution to gender equality/women empowerment.
- GEN1: Make a limited contribution to gender equality/women empowerment
- GEN0: Make no contribution to gender equality/women empowerment

JOINT PROGRAM DESCRIPTION

<p>Situation Analysis</p>	<p>Max 500 words. A brief, evidence-based situation analysis of the development challenges to be addressed. It is connected to country analytical work as relevant. Apply a gender lens to the analysis and description of the problem.</p> <p>To meet the UN Sustainable Development Goals (SDGs) by 2030, the quantity, quality, and geographic allocation of financing are all critical to ensure that those currently being left behind are included in future development gains. Least Developed Countries (LDCs) typically face significant financing gaps in their efforts to achieve the SDGs. Many governments in LDCs have limited fiscal space and a heightened reliance on external sources of funding. Whereas the total need for SDG positive investments in LDCs is estimated at \$240 billion per year, only \$40 billion were deployed in 2014, of which only \$6 billion came from the private sector¹. The COVID 19 has affected the LDCs and challenged their economic progress.</p> <p>For the case of Benin, the country has shown resilience during the COVID crisis. Economy was resilient due to strong fundamental and prudent fiscal and debt management. However, the recovery of the economy is challenged by: i) the Ukraine-Russia crisis which triggered inflation and potential food crisis and ii) spillover of the violent extremism in the Sahel region.</p> <p>The country has embarked in diversifying the investors base. With its rating B+ (Standard & Poor's) and B1 (Moody's), Benin has tapped into the international financial markets. A total amount of €2 billion Eurobonds was raised including €500 million SDG bonds. The SDG bond obtained a 'gremium' which lower the borrowing cost, with investors coming mainly from United States (42%) and United Kingdom (38%).</p> <p>Current Eurobonds market conditions are quite challenging due to FED and other central banks' actions to contain inflation by raising interest rates. In addition, FED has announced that it will start a <i>quantitative tightening</i> which will reduce the money supply floating around in the economy. There is the same pattern for the Euro Zone which witnessed a surge of borrowing costs. It is therefore important to think outside the box and offer new sustainable financial instruments. A Blue bond could obtain better rating and attract investors in very tight market.</p> <p>It is worth noting that the country has a 5-year country programme (PAG 2) of XOF 12,011 billion (circa USD 20 billion) for 342 projects including projects in the Blue Economy. There is a funding gap of XOF 8,580 billion (circa USD 14 billion). Therefore, it is critical to 1) unlock the volume of public and private capital and 2) develop innovative sustainable financing instruments and systems for the country.</p>
<p>Programme Strategy</p>	<p>Max 1000 words, summarizing the proposal, including (1) the rationale and relevance of the proposed approach; (2) the expected outputs and their contribution to addressing the impact of the global crisis, CF outcome(s), and related SDG; (3) How the JP results translate into medium-term policy and/or financing solutions; (4) Focus on vulnerable groups; (5) The role of wider UNCT and other stakeholders. Outline any potential risk you foresee in carrying out the strategy and how you plan to mitigate against such risk, if any.</p> <p>The overall objective of the JP is to contribute to diversify source of funding of the transformation of Beninese's economy to become more competitive, productive, and resilient. To achieve this goal, the JP aims to unlock the volume of public and private capital through developing innovative financing to support the PAG2.</p> <p>Theory of Change</p>

¹ Source: "Achieving the Sustainable Development Goals in the Least Developed Countries" report, 2018 published by UNCTAD. https://unctad.org/en/PublicationsLibrary/aidc2018d4_en.pdf



The Implementation of the project will be as follow:

- a. Biodiversity assessment
- b. Blue economy dashboard
- c. Blue Bond framework
- d. Blue Bond Road map
- e. Blue Bond Structuring

The current proposal is in line with the country strategy as the proceeds of the Blue Bond could finance project in water, ecotourism and sustainable fishing identified in the PAG 2 (Pillar 2- Strategic axis 4 and Pillar 3-strategic axis 4).

The current proposal also fits the wider UN strategy of engaging with partners in non-traditional sources of financing as per the Addis Ababa Action Plan. It is also in line with both UNDP and UNCDF's strategic framework. The UNDP Strategic Plan 2022-2025 presents numerous entry points for collaboration with UNCDF, including in the enabling areas on development finance, and in many of UNDP's signature solutions, where UNCDF is well placed to provide complementary innovative financing expertise and solutions. UNCDF will pursue synergies with relevant work of UNDP's Finance Sector Hub, such as the SDG Impact investor maps and standards, and on insurance, bonds, and Integrated National Financing Frameworks among others. Given the redistribution of the development finance, the UN is interested into exploring the new innovative sources of financing. It also needs to be noted that the UN in Benin and the Government of Benin are negotiating the new UNSDCF 2023 – 2026 which is supposed to outline the UN support to the implementation of the PAG 2 and this exercise would be a showcase of how innovative sources of financing could be explored.

Governance and implementation arrangements

Max 500 words. Explain the specific roles and responsibilities of RC/RCO, PUNOs and other partners – to ensure integrated implementation and effective governance under the RC leadership. Focus on coordination, decision-making, reporting and how transaction costs will be reduced. Explain why this is the best approach including how it avoids introducing parallel structures to those that already exist, and confirm that existing structures and mechanisms of UNCT, government, and related programs/initiatives are leveraged.

At the country level, UNDP and UNCDF's country offices (CO) will take the lead in working with national stakeholders and managing the project during the project implementation.

There will be the following 2-layered governance structure for the execution of the JP:

1. Technical Working group- to discuss day-to-day project execution related matters & determine next steps, report on deliverables, etc.
2. Project Steering Committee (PSC)- formal committee meeting quarterly for decision making related to the project execution

	Purpose	Periodicity of meeting	UNDP Participants	UNCDF participants	Others
Technical Working Group	Day-to-day project management	Fortnightly	UNDP CO team	Investment specialist, LDCIP Benin + Capital Market +	<i>Technical focal points from partner institutions, namely:</i> <ul style="list-style-type: none"> • MEF • CAA • INStatD (Statistics Department)

<i>Chair: UNDP and MEF</i>					Biodiversity	<ul style="list-style-type: none"> • MCV, • MAEP, • MTCA • DGCS-ODD
Project Steering Committee (PSC)	Decision – making related to project execution	Quarterly	UNDP Deputy Resident Representative (Benin) + UNDP Senior Economist (Benin)	Director Capital Market + Head Biodiversity	<ul style="list-style-type: none"> • MEF • CAA • INStad (Statistics Department) • MCV, • MAEP, • MTCA • DGCS-ODD 	
<i>Co-chairs: UNDP + MEF - (TBC)</i>						

Key roles and responsibilities:

The Programme Steering Committee (PSC) is responsible for making management decisions by consensus when required, including the approval of programme plans and revisions, and the programme manager's tolerances. It reviews evidence on project performance based on monitoring, evaluation and reporting, including progress reports and the combined delivery report. The project quality assurance report and donor reports should be discussed with the PSC, along with management actions to improve quality. PSC decisions are made in accordance with standards to ensure management for development results: best value for money, fairness, integrity, transparency and effective international competition.

The PSC's responsibilities include:

- Providing guidance and strategic direction on programme activities.
- Advising on and approving the strategy of a Programme or intervention.
- Approving programmatic policies, implementation modalities, particularly eligibility and selection criteria.
- Approving annual work plan (AWP) and budget, provided by the Programme.
- Appraising and recommending approval of financial support to partners from the programme's funds.

The implementation arrangement for the UN system in Benin are as follows:

UNDP with its presence on the ground and its vast experiences will help in developing the key indicators for the blue economy and building capacity on Blue Bond for CAA (Debt Management Office) INStad (Statistic Department) and DGCS-ODD. UNDP with the support of the Finance Hub, will review the SDG framework and advise on setting up a Blue bond framework.

UNCDF, with its capital mandate will work on reviewing the pipeline. The Capital Market Department of UNCDF will work on the blue bond strategy including (Differentiated investment thesis and credit story, pre-structuring, highlighting key differentiating factors, pricing guidance and issuance timing). UNCDF will also create marketing momentum by using "pilot fishing", which allows to identify anchor investors for the deal and tell the story to a small, selected audience in a confidential environment.

	<p>The Resident Coordinator will play a central role in political and policy advocacy, ensuring that the UN conveys harmonized messages at different policy levels. The RC will provide oversight and be responsible for submitting annual reporting and evaluation of the Joint Programme</p>
<p>Legal context</p>	<p>This section refers to cooperation or assistance agreements form the legal basis for the relationships between the Government and each of the UN organizations participating in this joint programme. For example: the Basic Cooperation Agreement for UNICEF; Standard Basic Assistance Agreement for UNDP, which also applies to UNFPA; the Basic Agreement for WFP; as well as the Country Programme Action Plan(s) where they exist; and other applicable agreements for other participating UN organizations. For the Funds and Programmes, these are standing cooperation arrangements. For the specialized Agencies, these should be the text that is normally used in their programme/project documents or any other applicable legal instruments. The text specific to each participating UN organization should be cleared by the respective UN organization.</p> <p>Indicate the title and date of the agreement between each Participating UN Organization (PUNO) and the government in the following format:</p> <p>Agency name: United Nations Development Programme (UNDP), Benin Agreement title: Standard Basic Assistance Agreement between the Republic of Dahomey and the United Nations Development Programme (UNDP) Agreement date: 18 January 1974 Agency name: United Nations Capital Development Fund (UNCDF), Benin Covered under the UNDP Standard Basic Assistance Agreement</p>

Workplan Template											
Develop innovative financing instruments and systems for Benin to support SDG financing											
Outcome 1		List of activities	Time frame		Overall budget description	PLANNED BUDGET				PUNO/s involved	Implementing partner/s involved
Output	Target/s		2022	Q4		Joint SDG Fund (USD)	PUNO Contributions (USD)	Total Cost (USD)	PUNO/s involved		
Output 1.1	Blue Economy Dashboard	Assessing Bio-diversity and defining key indicators for the Blue Economy	X		75,000	0	0	0	UNDP +UNCDF	MEF, CAA, INStatD , MCV, MAEP, MTCA DGCS-ODD	
		Building a Dashboard for Benin Blue Economy		X							
		Developing a blue economy pipeline		X							
Output 1.2	Blue Bond Framework	Reviewing of current SDG framework	X		50,000	0	0	0	UNDP	MEF, CAA, INStatD , MCV, MAEP, MTCA DGCS-ODD.	
		Designing a Blue bond framework		X							

Unlock the volume of public and private capital for Blue Economy in Benin and support the country development strategy													
Outcome 2		Target/s	List of activities	Time frame		Overall budget description	PLANNED BUDGET				PUNO/s involved	Implementing partner/s involved	
Output	Output			Q3	Q4		Joint SDG Fund (USD)	PUNO Contributions (USD)	Total Cost (USD)				
Output 2.1			Road map with indicative steps		X								
		Blue Bond Road Map	Identifying anchors investors		X	50,000	0	0	0	0	0	UNDP +UNCDF	MEF +CAA
			Assisting on identify key actors		X								
Output 2.2			Advising in selecting long list of JLM		X								
		Structuring	Helping on structuring		X	75,000	0	0	0	0	0	UNDP +UNCDF	MEF +CAA
			Assisting on pricing guidance		X								

Monitoring, accountability, financial management, and public disclosure

Standard text – do not change

Reporting on the Joint SDG Fund will be results-oriented, and evidence based. **The Convening/Lead Agent will develop a simple final narrative report and submit it to the Joint SDG Fund Secretariat, through the Resident Coordinator no later than two (2) months after the operational closure of the programme activities.**

The Resident Coordinator will be required to monitor the implementation of the joint programme, with the involvement of Joint SDG Fund Secretariat to which it must submit data and information when requested. Additional insights (such as policy papers, value for money analysis, case studies, infographics, blogs) might need to be provided, per request of the Joint SDG Fund Secretariat.

PUNOs will be required to include information on complementary funding received from other sources (both UN cost sharing, and external sources of funding) for the activities supported by the Fund, including in kind contributions and/or South-South Cooperation initiatives, in the reporting.

PUNOs at Headquarters level shall provide the Administrative Agent with the following statements and reports prepared in accordance with its accounting and reporting procedures, consolidate the financial reports, as follows:

- Annual financial reports as of 31st December each year with respect to the funds disbursed to it from the Joint SDG Fund Account, to be provided no later than four months after the end of the applicable reporting period; and
- A final financial report, after the completion of the activities financed by the Joint SDG Fund and including the final year of the activities, to be provided no later than 30 April of the year following the operational closing of the project activities.

The Project will be using a pass-through fund management modality where UNDP Multi-Partner Trust Fund Office will act as the Administrative Agent. The programmatic UN entity of the Facility shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent of the Joint SDG Fund (Multi-Partner Trust Fund Office). Such funds will be administered by each UN Agency, Fund, and Project in accordance with its own regulations, rules, directives and procedures. The entity shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent. Indirect costs of the Participating Organizations recovered through project support costs will be 7%. All other costs incurred by each PUNO in carrying out the activities for which it is responsible under the Fund will be recovered as direct costs. Procedures on financial transfers, extensions, financial and operational closure, and related administrative issues are stipulated in the Operational Guidance of the Joint SDG Fund. PUNOs and partners must comply with Joint SDG Fund brand guidelines, which includes information on donor visibility requirements.

Risk Management

See further instruction below (delete the instructions before finalizing the ProDoc)

Risks	Risk Level: (Likelihood x Impact, as per instructions)	Likelihood: Certain - 5 Likely - 4 Possible - 3 Unlikely - 2 Rare - 1	Impact: Essential - 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1	Mitigating measures	Responsible Org./Person
Contextual risks					
Lower demand of Blue because of COVID 19 and Russia Crisis	High	3	4	Blue bond remains a niche market. In addition, early engagement with potential anchors investors will be done	UNDP/UNCDF
Non competitive pricing for the Blue bond.	High	3	4	Benin has a good track record for Eurobonds. Despite, market volatility, it is still expected to have a competitive pricing.	UNDP/UNCDF
Programmatic risks					
Low engagement of Government counterparties	Medium	3	3	The Government has already embarked in both SDG financing and tapping in international markets	UNDP
The projects supported by the initiative do not have strong development impact	Medium	2	3	There are a few eligible projects under the country development framework	UNCDF
Institutional risks					
Join Partnership risk	Low	1	3	The two agencies have a long-lasting working cooperation. Currently, UNDP and UNCDF are working on Fiji Blue bond. In addition, the governance structure including the leadership of the RCO will help streamline the JP.	RCO
Fiduciary risks					
Funds are not used for the intended purposes	Low	1	3	Both UNDP and UNCDF have strong financial management and financial control. The central role plays by the RCO provide also comfort for value of money from the JP.	RCO

Likelihood	Occurrence	Frequency	Consequence	Result
Very Likely	The event is expected to occur in most circumstances	Twice a month or more frequently	Extreme	An event leading to massive or irreparable damage or disruption
Likely	The event will probably occur in most circumstances	Once every two months or more frequently	Major	An event leading to critical damage or disruption
Possibly	The event might occur at some time	Once a year or more frequently	Moderate	An event leading to serious damage or disruption
Unlikely	The event could occur at some time	Once every three years or more frequently	Minor	An event leading to some degree of damage or disruption
Rare	The event may occur in exceptional circumstances	Once every seven years or more frequently	Insignificant	An event leading to limited damage or disruption

		Consequences					Level of risk	Result
Likelihood		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Extreme (5)		
Very likely (5)	Medium (5)	High (10)	High (15)	Very High (20)	Very High (25)	Very High (25)	Very High	Immediate action required by executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Risk cannot be accepted unless this occurs.
Likely (4)	Medium (4)	Medium (8)	High (12)	High (16)	Very High (20)	Very High (20)	High	Immediate action required by senior/ executive management. Mitigation activities/treatment options are mandatory to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.
Possible (3)	Low (3)	Medium (6)	High (9)	High (12)	High (15)	High (15)	Medium	Senior Management attention required. Mitigation activities/ treatment options are undertaken to reduce likelihood and/or consequence. Monitoring strategy to be implemented by Risk Owner.
Unlikely (2)	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)	High (10)		Management attention required. Specified ownership of risk. Mitigation activities/treatment options are recommended to reduce likelihood and/or consequence. Implementation of monitoring strategy by risk owner is recommended.
Rare (1)	Low (1)	Low (3)	Medium (3)	Medium (4)	High (5)	High (5)	Low	

Budget per UNSDG Categories

UNSDG BUDGET CATEGORIES	UNDP		UNCDF	
	Joint SDG Fund (USD)	PUNO Contribution (USD)	Joint SDG Fund (USD)	PUNO Contribution (USD)
1. Staff and other personnel	20 000	25 000	20 000	25 000
2. Supplies, Commodities, Materials	15 000		14 659	
3. Equipment, Vehicles, and Furniture (including Depreciation)				
4. Contractual services	55 000		55 000	
5. Travel	10 000		10 000	
6. Transfers and Grants to Counterparts	25 000		-	
7. General Operating and other Direct Costs	5 000		3 986	
Total Direct Costs	130 000	25 000	103 645	25 000
8. Indirect Support Costs (Max. 7%)	9 100		7 255	
TOTAL Costs	139 100	25 000	110 900	25 000

Signature of Joint Programme document and Fund Transfer Request as per UNSDG budget categories.

I hereby confirm that the funds requested are in accordance with the approved Work Plan & Joint Programme Document. * I also certify that the copy transmitted to the MPTF Office is a true copy of the original which is secured by the RC Office. I have received documentation from Participating Organizations demonstrating Committed amounts where applicable. I also confirm that the PUNOs' indirect cost does not exceed 7%.

RESIDENT COORDINATOR
SIGNATURE
Name: Salvator Niyonzima, Resident Coordinator
Date and Signature

09-jun-2022

DocuSigned by:
[Redacted]
C77B9F2110AD44D...

UNDP Representative
SIGNATURE
Name, Title: Mohamed Abchir, Resident Representative
Date and Signature

08-Jun-2022

DocuSigned by:
[Redacted]
068161305720482...

UNCDF Representative
SIGNATURE
Name, Title: Preeti Sinha, Executive Secretary
Date and Signature

08-Jun-2022

DocuSigned by:
[Redacted]
7702C7411DDF469...

DocuSigned by:

[Redacted]

