

2022 004 Call for Proposals (Grants out)

UNDRR is the United Nations' focal point for the coordination of disaster risk reduction, working with countries and a broad range of partners and stakeholders to support the implementation, monitoring and review of the Sendai Framework for Disaster Risk Reduction 2015-2030 in coherence with the 2030 Agenda and other instruments, for the multi-hazard management of disaster risk in development and the substantial reduction of disaster risk and losses.

UNDRR issues grants, in line with UN Financial Regulations and Rules, to apolitical and not profit-making organizations to facilitate, implement, or carry out activities related to UNDRR's and the partner's mandates and work programmes.

To this end, UNDRR invites not profit-making organisations to submit grant proposals that focus on the project described below.

(Grant Proposal)

Global observatory on financing for prevention and technical advisory on climate and disaster related budget tagging and expenditures tracking systems

A. Rationale

Climate change finance plays an increasingly important role. In particular, climate change adaptation and disaster risk reduction finance is of utmost importance as the need for risk prevention investments in a changing climate has become urgent. Target F of the Sendai Framework also calls for increasing financing of DRR at the international level to complement national actions. Furthermore, in accordance with Priority 3 of the Sendai Framework investing in DRR for resilience, financing needs to serve three fundamental objectives: 1) preventing the creation of new risk, 2) reducing existing risk, 3) and increasing resilience for the residual risk, i.e. risk that cannot be completely reduced. Such objectives will need dedicated budgetary allocation from both domestic and international resources which cut across DRR and CCA objectives.

Most DRR and CCA (such as NDCs, NAPs) related strategies and plans often lack concrete financing plans to fund their implementation. Financing strategies for DRR and CCA are increasingly important and should be linked to integrated national financing frameworks^[1] (INFFs) as a tool to finance national priorities and operationalize the Addis Agenda at the national level, calling for improved mapping of domestic and international financial resources. Coherent and synergetic policy approaches to finance those objectives can lead to greater effectiveness and efficiency and can reduce competition for limited budgets and resources. Looking forward, countries will need to align their budgets with their ambitious commitments to the Paris Agreement climate goals as well as to Sendai Framework implementation. This will

¹ <https://www.un.org/development/desa/financing/what-we-do/other/integrated-national-financing-frameworks/about-inffs#:~:text=Integrated%20national%20financing%20frameworks%20are,what%20needs%20to%20be%20financed.>

require the mobilization of significant domestic and international resources, which is informed by climate and disaster budget tracking and tagging.

Tracking the level of public international and domestic investments and expenditures on climate and disaster related concerns across different sectors to identify gaps and establish priorities is challenging but necessary. While different initiatives exist in Africa, Asia and Latin America in supporting the Ministry of Finance (MoF) in effective financial planning for Climate Budget Tagging, disaster-related expenditure tracking is relatively a new field with a limited number of international examples to draw upon. Currently, most countries in sub-Saharan Africa do not track disaster related investments and expenditures and only a few of them do in Asia and Latin America.

Public expenditure tagging and tracking systems and reviews might have different objectives but contribute to enhance transparency, accountability, effectiveness, and efficiency of investments in achieving policy objectives. Climate and disaster related budget tagging is also used to change and influence decision making, so it has a very clear set of objectives and can be used to track support from development partners. Public expenditure reviews are meant to identify financing gaps and to inform policy changes and to enable the implementation of policy goals and government commitments. The conclusions of expenditure reviews and the development of tagging systems inform changes in budget planning processes at all levels and generate substantive evidence to improve the execution guidance.

At the same time, the identification of current investments and gaps enables and supports resource mobilization efforts. All information which can be effectively used to inform financing strategies for DRR and CCA.

Establishing global and regional observatories to track financing for DRR will provide guidance to countries on how to institutionalize coherent climate adaptation – DRR, and multi-purpose budget tagging and tracking systems. Investments in capacity development at national levels to assess the nature of allocations and efficiency of investments will enable data aggregation at the global and regional level to feed into an advocacy and strategic communication piece of a Think Resilience initiative. Analysis generated will provide evidence on the multiple benefits of risk prevention and strengthen the awareness of differential costs and resilience dividends of risk informing sustainable development in a post pandemic context where fiscal spaces have shrunk, and SDG financing gaps are predicted to increase substantially.

At regional and global level, analysis and capacity development on ways to track expenditure and its efficiency, will contribute to addressing some of the major obstacles on financing for sustainable development, which is the understanding on how finance is contributing to promote a resilient sustainable development pathway, and how efficient investments are in reaching those most affected and vulnerable to climate and disaster risk. The identification of economic activities, investments and gaps for DRR and CCA would also enable and support resource mobilization efforts at national, regional and global level.

Public expenditure tracking systems involve tracing the flow of public resources for the provision of public goods or services from origin to destination. This kind of analysis help in detecting bottlenecks, inefficiencies in transfer of public good and resources and become a relevant tool for civil society organizations and Parliaments to hold accountable governments for the

management of public investments. Public expenditure tracking surveys, such as those conducted in Nepal to track climate change adaptation in the agriculture sector², enable a wider range of beneficiaries to understand the scope, expected results of budget allocations and actual expenditures in relation to climate change adaptation policies and activities.

B. Purpose

To develop a global taxonomy for tagging DRR – CCA related expenditures and global observatory on financing for prevention and technical advisory on climate and disaster related budget tagging and expenditures tracking systems. This will help address capacity gaps of climate and disaster risk management agencies and stakeholders, in addition to the ministries of finance, to ensure coherent climate and disaster risk reduction related budget tagging and tracking become embedded in routine government processes.

Beyond the benefits of helping governments uncover funding gaps, monitor the effectiveness of spending, facilitate decision making, improve transparency and raise awareness among critical partners, budget tagging and expenditure reviews can be part of a larger approach towards strengthening risk financing and risk-informing development process as a whole. Developing a good understanding of the budgetary landscape can also help countries develop integrated national financing frameworks (INFF), which are a tool to finance national priorities, including the implementation of national DRR strategies

C. Outcomes

Through expert consultations and inputs into an issue paper, technical report, methodological guidance and training materials, UNDRR with its partners at regional and global levels are expecting to bring evidence on the following fronts:

- 1) Improve knowledge on climate and disaster public expenditures tagging and tracking**
 - *Document current practices, processes and approaches in financing DRR in Public Expenditures.* This exercise involves looking at various ongoing national initiatives around the globe to tag and track DRR expenditures (such as the experience from the Philippines, Peru, Mozambique etc.).
 - *Document practices, processes and approaches of public expenditure reviews of other cross-cutting issues/ policy themes such as gender, environment (Mitigation and Adaptation), health, food security tagging and tracking systems and identify relevant lessons learned and its potential application for CCA-DRR expenditure tagging and tracking system.*
 - Engage with stakeholders, relevant experts and communities of practices to keep abreast of ongoing initiatives, build or strengthen synergies and cross-learning from different geographies and communities (such as the CABRI initiative in the Africa region).

- 2) Equip and guide practitioners in the design and implementation of comprehensive disaster and climate budget tagging and tracking methodologies**

² https://www.np.undp.org/content/nepal/en/home/library/environment_energy/public-expenditure-tracking-survey.html

- *Document objectives, methodologies and processes* of climate risk and disaster risk reduction-related public expenditure reviews to identify commonalities, differences and how they could be reconciled for more effective and coherent approaches and harmonized methodologies for transparent and accountable earmarking of DRR and CCA.
- *Assess enablers, gaps, challenges and opportunities* for the institutionalization of climate and disaster budget tagging and tracking systems for climate and disaster risk management at central and sub-national level in support to multi-level risk climate and disaster governance arrangements and strategies' implementation. What has worked, when and why in institutionalizing climate budget tracking systems?
- Review and assess degree of success against different expected outcomes and objectives, examples and innovative approaches to track effectiveness of public expenditure on climate and disaster risk management involving quantitative and qualitative research, such as public expenditure tracking surveys, to monitor the actual flow of funds as well as the experience and assessment of quality, accessibility, and cost of public services for users.

3) Inform practitioners on the benefits and use of joint tagging and tracking for disaster and climate public expenditures on:

a) DRR and CCA integrated financing

- *Develop a framework and key messages* on how climate change adaptation and disaster risk management tagging, and budget systems contribute towards financing climate change adaptation and disaster risk reduction commitments within the umbrella of Integrated National Financing Frameworks (INFF).
- *Identify opportunities to strengthen synergies among public expenditure and donor aid by using climate and DRR tagging and tracking systems* to enhance international cooperation to developing countries, including LDC graduating countries and its reporting through Target F of the Sendai Framework and Sustainable development goals relevant indicators. Provide regional guidance to facilitate coherent reporting on Target F of the Sendai Framework.
- *Identify opportunities to better integrate climate and DRR related expenditure budget expenditure performance reports by SDG; provide insights for development finance assessments, especially in LDC graduating countries.*

b) DRR and CCA national and local comprehensive risk management planning:

- *Identify the opportunities and pathways for CCA and DRR expenditure reviews, tagging and tracking systems* to support the agenda on comprehensive risk management, prevention and reduction, and provide concrete tools for risk-informed investments and planning.
- *Develop an analytical framework on how climate adaptation and disaster risk reduction related expenditure data can be utilized along economic appraisal tools* (such as Cost Benefit Analysis), and damage and loss information to support the assessments of multiple benefits of comprehensive risk management.

4) Build the evidence base to support financial decision makers, public advocacy and policy changes

- *Tracking financing flows in risk prevention* as well as other fiscal data would support in identifying resource requirements versus allocation. Observatories at national, regional or global level could help quantify and track investments which will allow public and private sector to measure the real-world outcomes of investments in disaster risk reduction. Such observatory could build on the OECD DAC methodology and further improve it by labelling prevention investments.
- *Data from the network of observatories on DRR and adaptation financing* will bring together analysis on DRR and climate change adaptation financing flow, public and private investment, and capacity building on tracking financial flows. The global observatory would be built on a network of regional observatories and disseminate guidance, provide technical assistance to ensure application of standard taxonomies, common methodologies and comparable approaches, aggregate and analyze data to produce global and regional trends, thematic analysis and advocacy pieces to incentivize policy and practice transformation on investments both on the public finance as well as private domain.

D. Outputs

Working closely with UNDRR and its global and regional partners, the main outputs expected to be delivered by the grantee include:

- 1) ***An issue paper to systematize experiences***, methodologies and procedures used for tracking and tagging of climate and disaster related expenditures in the finance and public investment sectors
- 2) ***Methodological guidance and taxonomy for tagging DRR – CCA related expenditure and training package*** which are expected to enhance the contribution of climate and disaster risk management public expenditure tagging and tracking systems to enable risk-informed development.
- 3) **A training package to support national and local governments in understanding and using the global taxonomy for tagging and tracking of investments in DRR and CCA.**
- 4) **Observatory methodology including feasibility study and roadmap for establishing a global observatory, based on a network of regional observatories, on financing for DRR and adaptation.**
- 5) **Series of webinars at the global and regional level for sharing of existing practices and approaches for classifying budget allocations, tagging and reviewing of public expenditures as well as results from the Think Resilience initiative.**

Additionally, the grantee will ensure that:

- There is regular communication within the UNDRR focal points;

- That a Technical Oversight Group which includes stakeholders from both the global perspective such as UNDP, OECD, WB, IMF, European Commission, regional MDBs, other relevant initiatives to guide this Think Resilience initiative.
- Regional consultations on the feasibility, methodology and roadmap for establishing a network of observatories on financing for DRR and climate change adaptation are conducted;
- Progress on the action plan is regularly monitored (ideally on a monthly basis);
- There is timely implementation and reporting of actions including substantive summary reports of all activities; and,
- Monthly calls with the Technical Oversight Group and UNDRR to provide updates on actions are organised.

E. Suggested activities

Deliverable 1: Prepare an issue paper/technical report that systematizes experiences, methodologies and procedures used for tracking and tagging of climate and disaster related expenditures in the finance and public investment sectors.

The grantee will:

- Identify good practices from across the globe on current and ongoing initiatives on investment in climate and disaster risk-related budget tagging and tracking to identify enablers, achievements, success factors, challenges and opportunities for improvement to ensure ad-hoc budget or expenditure review exercises that contribute to larger efforts in enhancing public finance management systems, risk-inform public investments, enhance investments in climate action and disaster risk management.
- Exploration of how the experiences with different approaches, processes and methodologies used so far can be capitalized to enable more institutionalized and sustainable coherent tracking systems for both DRR and CCA investments.
- Lessons learned through analysis from other cross-cutting areas such as gender, persons with disabilities, food security, nutrition, etc. to guide this work.
- Building upon the comprehensive risk assessment and planning guidance developed by UNDRR and all regional and global analysis on CCA and DRR coherence to highlight the advantages and propose a framework to comprehensively track investments in adaptation and disaster risk reduction. These will serve as recommended methodologies for institutionalizing systems for domestic and international resources tracking as well as for reporting against Sendai Framework Target F and regional targets (such as the PoA additional target 3 in Africa).
- Identification of opportunities to strengthen synergies among public expenditure and donor aid by using climate and DRR tagging and tracking systems to enhance international cooperation to developing countries, including LDC graduating countries and its reporting through Target F of the Sendai Framework and Sustainable development goals relevant indicators and provide regional guidance to facilitate coherent reporting on Target F of the Sendai Framework.

- Identification opportunities to better integrate climate and DRR related expenditure budget expenditure performance reports by SDG; provide insights for development finance assessments, especially in LDC graduating countries

Deliverable 2: Methodological guidance and taxonomy for tagging DRR – CCA related expenditure and training package to enhance the contribution of climate and disaster risk management public expenditure tagging and tracking systems to enable risk-informed development.

The grantee will:

- Develop a global taxonomy for tagging and tracking of economic activities in DRR and CCA. This will be done through the analysis of existing practices and approaches to classify budget allocations, tagging and reviewing of public expenditures. The taxonomy will focus on hydro-meteorological and environmental events. This global taxonomy of DRR and CCA will be used for tagging and tracking allocations and expenditures and is expected to inform avenues for climate change adaptation and disaster risk reduction public expenditure tracking systems to become more coherent, effective and relevant in supporting policy changes and enable implementations towards multi-sector comprehensive risk management approaches.
- Prepare a methodology to conduct climate sensitive DRR expenditure reviews. Using the global taxonomy of DRR and CCA for tagging and tracking allocations and expenditures to inform avenues for climate change adaptation and disaster risk reduction public expenditure tracking systems to become more coherent, effective and relevant in supporting policy changes and enable implementations towards multi-sector comprehensive risk management approaches.

Deliverable 3: A training package to support national and local governments in understanding and using the global taxonomy for tagging and tracking of investments in DRR and CCA.

The grantee will:

- Develop a training package will be developed in partnership with UNDRR Global Education and Training Institute (GETI) to support national, and local, governments in understanding and using the global taxonomy for tagging and tracking of investments in DRR and CCA. This training package will provide capacity building support for governments to use tagging and tracking of DRR and CCA investments for identifying financing gaps and for ensuring investments are aligned to commitments.

Deliverable 4: Observatory methodology including feasibility study and roadmap for establishing a global observatory, based on a network of regional observatories, on financing for DRR and adaptation.

The grantee will:

- Develop a global observatory methodology that clearly sets out the approach for building the regional observatories that will converge as one global observatory. The global observatory will serve to:
 - i. Collate the data and provide analytical tools to assess economic losses attributed to disasters, current investment levels in public and private finance on DRR, the return on current investment in DRR and the investment needs to deliver a disaster resilient world.
 - ii. Provide analysis for decision makers in the financial community and support global/regional convening and advocacy in support of greater investment in DRR and climate change adaptation broadly, and more particularly, on prevention.
 - iii. Provide a capacity building hub with a pool of experts in tracking of DRR financing that can be deployed in support of establishing tracking systems on DRR and climate change adaptation financing tailor to the specific region.
- Prepare a feasibility study to assess the data sources needed to build the regional observatories from both public and private finance and to, understand what sources can be used and where the data can be found. The study will also examine how the regional observatories will be established and how they will feed into the global observatory.
- Develop a roadmap that suggests governance arrangements, the potential financial arrangements and partners, strategic areas of work, services line and financing mechanisms based on a feasibility analysis and a comprehensive theory of change and a well-articulated value proposition.

Deliverable 5: Series of webinars at the global and regional level for sharing of existing practices and approaches for classifying budget allocations, tagging and reviewing of public expenditures as well as results from the Think Resilience initiative.

The grantee will prepare a series of webinars that include:

- The sharing of existing practices that are expected to inform avenues for climate change adaptation and disaster risk reduction public expenditure tracking systems to become more coherent, effective and relevant in supporting policy changes and enable implementations towards multi-sector comprehensive risk management approaches.
- Presentations and findings from the issue paper, global taxonomy and methodological "how to" guidance on DRR and CCA tagging and tracking, regional and global observatory methodology and related training materials from this Think Resilience initiative.

F. Resources: USD 300,000

G. Elements specific to the project that the grantee should know

- Within three weeks from the start of the grant, the grantee will have developed a clear implementation plan for each of these outputs. The plans will include clear timeline, milestones, and deliverables.
- Applicants are required to indicate a plan for implementation, taking into consideration challenges created by the COVID-19 pandemic. *[Mandatory]*
- Applicants should include a detailed concept note on the policy note requested and a detailed proposal on how they will work with the reference group.

H. Budget and administrative-related aspects:

The duration of the proposed project **cannot exceed 19 months**. The maximum amount requested from UNDRR for the implementation of this project cannot exceed **USD 300,000**. The project proposal must not exceed 10 pages (attachments such as scanned copies of entity's registration, CVs of staff etc. do not count).

For this purpose, please fill in duly **all the sections of the application form, include the required documents** (scanned copy of NGO/IGO's registration certificate, CVs of staff etc.) and **budget excel sheets**, and send **the complete application package** (application form, budget excel sheets, entity registration certificate, CVs of staff, etc.) to the following email address:

undrrgrantproposal@un.org

cc: **pandaa@un.org**; **helen.ng2@gmail.com**

Reference: 2022 004 Call for Proposals – Global observatory on financing for prevention and technical advisory on climate and disaster related budget tagging and expenditures tracking systems

Deadline for applications: 7 April 2022 midnight New York, USA EST (Eastern Standard Time).
Incomplete and/or late applications **will not be considered**.

Projects' activities can include, amongst others, the following:

- seminars, workshops, trainings;
- capacity building activities;
- institutional strengthening activities and
- advocacy

The following types of activity will not be covered:

- capital expenditure, e.g. land, buildings, equipment and vehicles;
- individual scholarships for studies or training courses;
- supporting political parties; and
- sub-contracting

Due to the number of applications, **only short-listed applicants will be notified.**

Please note that the grant payment schedule will be determined with the selected grantee when finalizing the agreement. UNDRR standard practice is: not to exceed 40% of the requested amount upon signature of the grant agreement; remaining payments made based on a schedule of payments linked to production of project milestones and the final payment, 20%, will be paid after the end of the project, once final documents have been received, verified and approved by UNDRR.

Refund of grants: UNDRR may request organizations to refund, either in part or in whole any amounts paid in respect of a grant when:

- the project was not implemented in full or in part;
- the grant was spent for ineligible expenditures other than those mentioned in the budget proposal submitted to, and approved by UNDRR;
- no narrative, financial or audit report was submitted within the deadline established by the grant agreement;
- a narrative report and/or a financial report submitted was determined to be unsatisfactory;
- a negative evaluation of the project by UNDRR;
- any other valid reason provided by the UNDRR.