



Guidelines for funding
State Action Plan on Climate Change (SAPCC)
under Climate Change Action Programme (CCAP)

Ministry of Environment, Forests & Climate Change
Government of India



अहो है हरियाली ।
करो है सुरुवाती ॥

CONTENT

- 1. Context**
- 2. State Action Plan on Climate Change**
- 3. Broad features of SAPCC**
- 4. Approval of State Action Plans**
- 5. Financing of State Action Plans**
- 6. Allocation of funds under CCAP to states**
- 7. Project preparation and approval**
- 8. Monitoring & Evaluation**

Annexure

- I. Project proposal outline and contents**
- II. Indicative Framework for Monitoring and Evaluation**

**Guidelines for
Funding State Action Plan on Climate Change (SAPCC) under Climate
Change Action Programme (CCAP)**

1. Context

1.1 The National Action Plan on Climate Change (NAPCC) was released on 30th June 2008. The NAPCC includes 8 National Missions and 24 other initiatives which are being implemented by the respective nodal ministries in the central government.

1.2 National Action Plan on Climate Change (para 4.6) recognizes the role of state governments and local governments in implementation of the Action Plan. With climate change becoming increasingly central to policy and actions of central Government at various levels, there is need for coherence between climate change strategies at national and state level. It is also clear that climate change (both mitigation and adaptation) will only be addressed if the state governments get involved in planning and implementing actions in pursuance of the goals of NAPCC.

2. State Action Plan on Climate Change

2.1 Recognizing that States have specific issues and local needs to meet the challenges of climate change, a process for preparation of State Action Plans on Climate Change (SAPCC) was initiated following the announcement made by Prime Minister in the Conference of State Environment Ministers held on August 18, 2009. SAPCCs are to be prepared according to a common and generic framework while providing scope for incorporating state specific contexts and situations. SAPCCs are expected to build on the existing policies of the state Government by taking into consideration the ongoing programmes and schemes being implemented at the state level as well as the NAPCC.

2.2 The SAPCCs have to be integrated into the state level planning process so that the resource allocation for the implementation of the identified adaptation / mitigation measures can be defined.

3. Broad features of SAPCC

3.1 As per the common framework, SAPCCs should include climate profile of the state, a strategy of intended actions, and outline of specific implementation activities. This should be based on assessment of the vulnerability to climate change and associated risks in the state, and impacts of climate change. Accordingly, the SAPCC should identify the adaptation and mitigation measures necessary to reduce the state's vulnerability in the short term, medium term and long term.

3.2 The SAPCCs have to indicate the budget and incremental costs of carrying out the activities aimed at capacity building, technical assistance, demonstration projects (where needed), and the incremental costs for implementation of various

activities in different sectors as prioritized. The total costs for implementation of activities relating to capacity building, technical assistance, and demonstration projects, and] additional costs required to meet climate challenge are to be taken as incremental costs of the activities/projects. The specific terms of reference, in the light of which the implementation of SAPCC will be reviewed will have to be indicated in the SAPCC.

4. Approval of State Action Plans

4.1 A National Steering Committee under the Chairmanship of Secretary, Ministry of Environment and Forests & Climate Change has been set up to consider and approve/recommend the SAPCC. The Steering Committee will approve the SAPCCs, allocate funds to states, approve specific projects and actions under the SAPCCs as necessary, and review the implementation of the SAPCCs.

4.2 An Expert Committee under the Chairmanship of Adviser, Climate Change Division, MoEF&CC, with members from various Nodal Ministries/ Departments functions to screen the SAPCCs and recommend them to the Steering Committee for consideration. The expert committee has the task of reviewing the draft documents and providing suggestions/recommendations to States for finalizing the SAPCC documents.

4.3 The SAPCC documents as endorsed by the Expert Committee will be submitted for approval of the National Steering Committee on Climate Change.

5. Financing of State Action Plans

5.1 The state governments will be generally expected to provide the resources for implementing the SAPCC in their plan outlay approved by the Planning Commission for the respective sectors. However, the central government will make *additional* resources available to states to help them meet the incremental/full cost of the mitigation and/or adaptation activities as the case may be.

5.2 Recognising the need of providing adequate resources for implementing SAPCCs, the 12th Five Year Plan has launched a new central sector scheme titled 'Climate Change Action Programme (CCAP). The CCAP would support state actions that build capacity to assess climate change, formulate adequate response measures to the challenge and implement the relevant activities within agreed policy. Funds under the CCAP would be provided to states on program and project basis.

5.3 State Governments may seek assistance, where needed and possible, additional funding from the following sources for implementation of various activities:

- National Missions under NAPCC
- Allocation by Finance Commission
- Compensatory Afforestation Management and Planning Authority

- Unallocated pool of resources for North Eastern states
- Bilateral and multilateral agencies
- Carbon offsetting and trading schemes (domestic and international)

6. Allocation of funds under CCAP to states

6.1 Funds will be provided for incentivising actions of the State Governments and help them meet the incremental/full cost of the mitigation and/or adaptation activities as the case may be. Grants will be based on transparent criteria to be developed and agreed/approved by the National Steering Committee on Climate Change. Funds will be approved by the National Steering Committee on Climate Change for the eligible project under SAPCC and this will be on first come first serve basis subject to the available of funds.

7. Project preparation and approval:

7.1 Projects can be designed/prepared in the following areas:

- Capacity building
- Developing knowledge networks Capacity building of nodal agency and other stakeholders
- Setting and strengthening of climate change Cells Preparing and updating climate change data, scenarios and vulnerability and impact assessments Mitigation measures/actions in various sectors
- Adaptation measures/actions in various sectors

7.2 While formulating the project, the following aspects need to be taken into account:

- (a) Climate relevance and additionality
- (b) Level of vulnerability;
- (c) Level of urgency and risks arising from delay;
- (d) Ensuring access to the fund in a balanced and equitable manner;
- (e) Lessons learned in project and programme design and implementation to be captured;
- (f) Securing regional co-benefits to the extent possible, where applicable;
- (g) Maximizing multi-sectoral or cross-sectoral benefits;
- (h) Adaptive capacity to the adverse effects of climate change.
- (i) Terms of Reference for Monitoring and Evaluation

7.3 The Department/Agency at the state level responsible for activities listed in SAPCC will prepare project providing details in the prescribed format. A format for project proposal, outline and content is given at **Annex I**.

7.4 The Nodal Agency at State level will obtain approval of the State level Steering Committee for the project. The projects approved by the State Steering Committee need to be forwarded by the state nodal agency to the Joint Secretary (Climate Change Division), M/o Environment & Forests, Paryawaran Bhawan,

CGO Complex, Lodhi Road, New Delhi for consideration. The project will follow the same procedure given in para 4 of this document.

7.5 The projects for capacity building and demonstration up to Rs. 50 lacs may be approved by the State Steering Committee. The list of approved projects in the prescribed format will be submitted to the MoEF&CC for release of funds. Funds would be disbursed with the concurrence of Integrated Finance Division (IFD) and approval of the Secretary (E&F). In other cases (projects having an outlay of over Rs 50 lacs), the states will furnish the detailed projects reports in the prescribed format for consideration and approval of the NSC. All cases involving the ex-post facto cases will be placed before the NSC for approval.

7.6 The Proposal submitted by State Governments will be considered for funding by the National Steering Committee on the basis of recommendations of the Expert Committee. The Expert Committee will recommend funding on the basis of the merit of the project proposal and take into consideration, inter-alia, the state-wise criteria-based allocation and additional parameters as may be necessary for effective implementation of the project, as indicated in para 6.

7.7 Climate Change Division with the concurrence of Finance Division will release the funds on instalment basis to the Nodal Agency for onward transmission to the implementing agency. The state nodal agency will be responsible, jointly with the implementing agency, for proper utilisation and financial management and accounting of the funds released.

8. Monitoring & Evaluation

8.1 The State Nodal Agency will be responsible for monitoring of the progress of the approved and funded projects through an established mechanism. The State Steering Committee will establish a monitoring mechanism at the State level for this purpose. The progress will be monitored and reviewed by the State nodal agency periodically and reported to Climate Change Division, MoEF&CC. This Report will be taken into account while releasing next instalments of funds under the project.

8.2 The National Steering Committee on Climate Change in MoEF&CC will review the progress submitted by State Governments for various projects funded by Ministry and funds received from other sources for addressing the issue on climate change. The review will be based on monitoring that may be entrusted to third party reviewers/agencies drawn from an accredited panel of experts/agencies approved by the government. The review and monitoring will take place on the basis of specific terms and conditions that will be incorporated in the project proposal. The central government may also follow the Planning Commission guidelines and procedures in concurrent and post implementation monitoring and evaluation of projects. An indicative monitoring framework is indicated at **Annexure II**.

PROJECT PROPOSAL OUTLINE AND CONTENTS

Project summary

The Project Summary should be a brief write up of the key points contained in the Proposal. This should include;

- i. **Problem statement** or challenge the project is intended to address
- ii. **Primary objective** and **specific objectives** of the proposed project
- iii. **Rationale** (justification) for the project- Historical and current information needs to be collected and collated to have a complete picture of the present situation of Meteorological parameters, Demographic condition, Forest and Bio-diversity, Agriculture, Industry and Socio-economic scenario in the region.
- iv. **Indicators** of output/performance/impact liable for measurement, report and verification.
- v. **Relationship** of the project with the ongoing pilots/demonstration project in States through other funding resources.
- vi. **Activities-** Taking into account the 8 National Missions and 24 Initiatives, relevant actions and activities need to be identified while designing a project to meet the requirement of the State that need immediate attention to reduce the impacts of climate change such as;
 - prevention of flood, drought and famine,
 - protection of soil erosion and degradation,
 - Deforestation and Afforestation,
 - Water conservation,
 - Energy conservation,
 - Transport,
 - Urbanization,
 - Health,
 - Protection of coastal erosion,
 - Degradation of mountain system,
 - Technology development,
 - Education,
 - Outreach Programmes,
 - Employment,
 - Poverty alleviation,
 - Human resources etc.
- vii. **Expected Results-** The specific results that the project will produce. The expected results are the measurable changes which will have occurred by the end of the project as a result of the planned intervention.
- viii. **Dedicated Institutions:** There would be dedicated implementing agencies with multi-disciplinary professional teams at the national, state and district level for managing the project under SAPCC.
- ix. **Target Group:** The target group of the project would be local vulnerable communities, urban local bodies, environmental and industrial agencies, which deal with climate-policy related issues.

- x. **Capacity Building:** Capacity Building and training of all stakeholders involved in the project implementation needs to be carried out with definite action plan and requisite competence.
- xi. **Implementation Plan and Time Frame-** This section may be presented in graphical (table) form to indicate the sequence of all major activities and implementation milestones, including targeted beginning and ending dates for each step. The Implementation Plan should show a logical flow of steps, indicating the current to the end of project situation.
- xii. **Budget-**The development and management of a realistic budget is an important part of developing and implementing a successful project. Moreover, private sectors shall be involved in form of PPPs as important implementation partners, which will in the long run be able to benefit from improved competitiveness. Careful attention to issues of financial management and integrity would enhance the effectiveness and impact of the project; therefore the project document should:
 - include only costs which directly relate to efficiently carrying out the activities and producing the objectives which are set forth in the proposal. Other associated costs should be funded from other sources.
 - indicate the cost of planned activities, on realistic basis.
 - include all costs associated with managing and administering the project, in particular, the cost of monitoring and evaluation.

Budget Summary

Funding Source	Funding Plan [in Rs.]			Total
	Year 1/details of activities	Year 2/details of activities	Rest	
a. Assistance from CCAP				
b. Contribution by other Organizations/sources				
c. Own Contribution				
d. Other co-financiers (PPPs)				
Total Project Cost				

Indicative Framework for Monitoring and Evaluation

Systemic or Transformational Impact:

1. Does the proposal have elements of sustainable eco-system based adaptation and or sustainable systems re-engineering which would lead to improved systems, adaptive capacity, efficient business processes or delivery mechanisms?
2. Does the proposal involve capacity building / institution building that can foster better outcomes or a long term sustainable basis?
3. Does the proposal have any quantifiable environmental benefits including energy savings, energy efficiency, resource conservation, and other environmental benefits that can be measures and verified in the short term or medium term?
4. Does the proposal lead to the environmental benefits without making the project / outcomes expensive?
5. Does the proposal have focus on service delivery / improvement in a sustainable manner – which otherwise has not been the norm in the projects implemented in the sector – e.g. focus on levels of reduction of water loss, focus on number of hours power / water is available per day, reduction in waterborne disease?
6. Does the proposal bring together otherwise disparate attempts / schemes to one synergetic platform which has not been possible hitherto (e.g. natural resource conservation, climate change, nutrition, gender issues, livelihoods)?
7. Does the proposal seek to create additional choice for the citizens to access required service / entitlements?
8. Are knowledge transfer, technology transfer and best practices transfer from international experience envisaged with adequate long term engagement for ensuring sustainability in Indian context?
9. Does the proposal for action include development of sectoral policies, development of institutional structures, setting up of regulatory framework / regulators?
10. Does the proposal have elements that (are transformational in nature which) if implemented could transform the way systems function or the way delivery of services are done?

Innovation and Piloting of new Approaches:

1. Does the proposal have innovative elements and new approaches that have not been tried in the sector and have reasonable chance of changing for the better the way things are done in the sector and have some change of scalable replication?
2. Does the proposal look at financial sustainability and other sustainability issues for long term impacts and monitoring.

Innovations in financing and Leveraging :

1. Does the proposal use different / innovative financial products / modalities?
2. Does the proposal involve co-financing from other financing agencies?
3. Does the proposal catalyse private sector financing and create leverage?
4. Does the proposal involve CDM and accrual of carbon credits as natural by-product of core development projects which can be a way of financing the project?