



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'environnement Programa de las Naciones Unidas para el Medio Ambiente
Программа Организации Объединенных Наций по окружающей среде برنامج الأمم المتحدة للبيئة

联合国环境规划署



29th February 2016

Adaptation Fund Secretariat
1818 H Street, NW
MSN P-4-400
Washington, DC 20433
USA

Dear Adaptation Fund Secretariat,

Implementation of concrete adaptation measures to reduce vulnerability of livelihoods and economy of coastal communities of Tanzania

As the Implementing Entity for the above project, UNEP would like to formally request an amendment to the budget of this project. In support of this request, we are submitting:

- Comparison sheet of originally approved budget and newly proposed budget at output level.
- Letter from AF DA in Tanzania, Ms Angelina Madete, endorsing the proposed budget change.

The background for the request is a change in the cost estimates for infrastructure work (sea walls in Ocean road and Kigamboni and drainage in Dar es Salaam). The project partnered with UNOPS in early 2015 to deliver these critical components of the project, drawing on their great technical expertise and ability to facilitate an efficient procurement process. As part of this partnership UNOPS undertook a detailed feasibility study that was completed in early 2016, including BoQ and revised cost estimates for all infrastructure elements.

This feasibility study and updated cost estimate revealed two things: 1. A potential cost saving of around \$700,000 on the sea wall components and 2. The restoration work (clearing/restoration) initially planned for drainage infrastructure was severely underestimated in the original budget. The project had initially intended to work in 5 specific sites (not defined in ProDoc). However, rather than the simple renovation initially anticipated the feasibility study revealed that significant structural work would be needed to effectively improve capacity of the drains in response to future climate change. The combined estimated costs of fully climate proofing the 5 drains were in excess of \$4,000,000. Following discussions with UNOPS two of the five sites have been identified that could achieve a meaningful intervention for around \$900,000 (i.e. the original \$200,000 + the \$700,000 liberated from the sea walls).



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The above, however, would imply a move of \$700,000 from output 1.1 to output 1.2.

The strategy proposed has been discussed and agreed among all key stakeholders (UNEP, Vice President's Office and UNOPS) and was endorsed by the Project Steering Committee during their meeting on March 11, 2016.

As reported in the PPR in January, the project has experienced a slow start, primarily due to the low procurement capacity of the executing entity, the Vice President's Office. This was confirmed as the lead cause of delays in the recently completed independent mid-term review. With the partnership with UNOPS we have now managed to move ahead. It is also the case that, after the long delays, the political pressure in Tanzania is considerable. In early February, the Minister gave a unilateral deadline of April to get 'shovels in the ground'. This has provided positive momentum for the project.

In this context, we would therefore kindly request that the Adaptation Fund Board to consider and approve these changes to the budget. This will enable us to avoid further delay to the construction work.

Best regards,

Barney Dickson
Head of Climate Change Adaptation Unit