

Response to AF queries regarding request for budget revision

Implementation of Concrete Adaptation Measures to Reduce Vulnerability of Livelihoods and Economy of Coastal Communities of Tanzania

Comment 1: According to the explanation in your letter, the main proposed change, shift of funds within the project budget from Output 1.1 (sea wall) to Output 1.2 (drainage infrastructure) is proposed based on a detailed feasibility study that has been carried out by UNOPS and completed in early 2016. As the shift in budget is significant, we would request you to kindly share the feasibility study (including BoQ and revised cost estimates for all infrastructure elements) with us, in order to help us better understand the proposed changes. **Response: All documents can be downloaded from this link: https://www.dropbox.com/sh/kzxny6udmd98sdn/AACYTyYgygbYoP-jA_rkxR9Wa?dl=0. Folder names should be self-explanatory. For a simple overview of final cost estimates kindly refer to the document 'Project Cost Estimate - Summary AF & LCDF.pdf' in the folder 'final cost estimates'.**

2. The Excel file referred to above (“Copy of Output-based budget Comparison_Tanzania_FINAL,rev.2.xls”) compares the proposed revised budget to what is called “Budget in project document 2012”. The budget figures contained in that 2012 budget appear not to have been shared with us previously, and therefore do not constitute a valid point of comparison for the currently proposed changes. The current proposed changes should be presented in comparison to the budget that was approved by the Adaptation Fund Board in December 2011 and contained in the project agreement between the Board and UNEP. **Response: This has been corrected. It was a mistake. See the revised file namely “Copy of Output-based budget Comparison_Tanzania_FINAL (As of 31 March 2016).**

3. According to the aforementioned Excel budget comparison, the execution costs of the project based on “Budget in project document 2012” would have been US\$ 514,688, and that now those would be proposed to be increased to US\$ 529,680. Kindly note that the Adaptation Fund Board had, in its thirteenth meeting in March 2011 (Decision B.13/17), set a cap for execution costs at 9.5 per cent of the project budget (before the Implementing Entity Fee), of which UNEP was aware during the time of proposal development. The execution costs contained in the approved project document (including both items 5a and 5b in Section 3 “Project/Programme Components and Financing”) were, at US\$ 374,688, already at that maximum level. Therefore, an increase above the level of execution costs included in the project agreement is not possible in line with Board decision B.13/17. **Response: There was an error that caused a confusion of the figures. This has been corrected (see the**

revised file). In our estimation execution costs are 6.5% of the project budget before MIE fee. The original execution costs are now correctly noted at \$270,000, which is the figure found throughout the ProDoc (table page 19, table page 59 and annex 1: budget). We did not find any reference in the ProDoc to the \$374,688 mentioned.

4. In addition to the main budget change referred to in 1 above, some of the changes in the results framework would need to be explained in further detail than was the case in the documentation submitted:

a. Output 2.1: Please clarify what the substantial change in the output has been between the originally approved and the suggested revised version.

Response: *No substantial change, just a specification of sites for intervention to increase 'specificity' of indicator (S in the SMART criteria). Still a total area of 40ha of mangrove will be rehabilitated. See the Revised Results Framework. For alternative energy, not less than 1,500 households will be provided with cookstoves as indicated in ProDoc (pages 25 and 63). There was a confusion in page 19 of the ProDoc.*

b. Output 2.2b: It seems there is a plan to revise the target for coral reef rehabilitation and protection but this has not been done yet. If the revised targets are available, they should be provided. If they are not, the changes cannot be approved at this point (without full information). **Response:** *The target is 2,000m² (0.2ha) as it was in the project document. See the attached Revised Results Framework. The target may need to be revised later in response to reef expert input, but no major changes to scale of works are expected at this point. If needed, we will seek the approval from AFB of any changes to the target.*

c. Output 2.3: The revised target for shoreline rehabilitation now omits original reference to “indigenous resilient trees and grasses”, and instead includes a reference to “fast-growing plant species”. Kindly clarify whether the “fast-growing plant species” would include exotic species and if yes, whether there are invasiveness risks involved and if yes, how those risks would be managed. **Response:** *This was an oversight. It has been corrected in the Revised Results Framework.*

d. Output 3.5: The original target was to develop the plan for the coastal region, becoming a “supplementary tool for the Tanzania Coastal Zone Management Policy”, which was understood to be a plan at a higher geographic level than just Dar es Salaam. Please clarify why the plan has been downscaled to focus on the Dar es Salaam region only. **Response:** *It was wrongly presented and was also inconsistent with the baseline study recommendation. A plan for coastal region as indicated in ProDoc*

will be approved at the end of the project. It has been corrected in the Revised Results Framework.