AFB/PPRC.21/30
26 September 2017

Adaptation Fund Board
Project and Programme Review Committee
Twenty-First Meeting

Bonn, Germany, 10-11 October 2017

Agenda Item 7 c)

PROPOSAL FOR DJIBOUTI, KENYA, SUDAN, UGANDA

Background

1. The strategic priorities, policies and guidelines of the Adaptation Fund (the Fund), as well as its operational policies and guidelines include provisions for funding projects and programmes at the regional, i.e. transnational level. However, the Fund has thus far not funded such projects and programmes.

2. The Adaptation Fund Board (the Board), as well as its Project and Programme Review Committee (PPRC) and Ethics and Finance Committee (EFC) considered issues related to regional projects and programmes on a number of occasions between the Board's fourteenth and twenty-first meetings but the Board did not make decisions for the purpose of inviting proposals for such projects. Indeed, in its fourteenth meeting, the Board decided to:

> *(c) Request the secretariat to send a letter to any accredited regional implementing entities informing them that they could present a country project/programme but not a regional project/programme until a decision had been taken by the Board, and that they would be provided with further information pursuant to that decision*
>
> *(Decision B.14/25 (c))*

3. In its eighth meeting in March 2012, the PPRC came up with recommendations on certain definitions related to regional projects and programmes. However, as the subsequent seventeenth Board meeting took a different strategic approach to the overall question of regional projects and programmes, these PPRC recommendations were not included in a Board decision.

4. In its twenty-fourth meeting, the Board heard a presentation from the coordinator of the working group set up by decision B.17/20 and tasked with following up on the issue of regional projects and programmes. She circulated a recommendation prepared by the working group, for the consideration by the Board, and the Board decided:

> *a. To initiate steps to launch a pilot programme on regional projects and programmes,not to exceed US$ 30 million;*
>
> *b. That the pilot programme on regional projects and programmes will be outside of the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) and the country cap;*
>
> *c. That regional implementing entities (RIEs) and MIEs that partner with national implementing entities (NIEs) or other national institutions would be eligible for this pilot programme, and*
>
> *d. To request the secretariat to prepare for the consideration of the Board, before the twenty-fifth meeting of the Board or intersessionally, under the guidance of the working group set up under decision B.17/20, a proposal for such a pilot programme based on consultations with contributors, MIEs, RIEs, the Adaptation*

Committee, the Climate Technology Centre and Network (CTCN), the Least Developed Countries Expert Group (LEG), and other relevant bodies, as appropriate, and in that proposal make a recommendation on possible options on approaches, procedures and priority areas for the implementation of the pilot programme.

(Decision B.24/30)

5. The proposal requested under (d) of the decision above was prepared by the secretariat and submitted to the Board in its twenty-fifth meeting, and the Board decided to:

a. *Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*

b. *Set a cap of US$ 30 million for the programme;*

c. *Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and*

d. *Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.*

(Decision B.25/28)

6. Based on the Board Decision B.25/28, the first call for regional project and programme proposals was issued and an invitation letter to eligible Parties to submit project and programme proposals to the Fund was sent out on 5 May 2015.

7. In its twenty-sixth meeting the Board decided *to request the secretariat to inform the Multilateral Implementing Entities and Regional Implementing Entities that the call for proposals under the Pilot Programme for Regional Projects and Programmes is still open and to encourage them to submit proposals to the Board at its 27th meeting, bearing in mind the cap established by Decision B.25/26.*

(Decision B.26/3)

8. In its twenty-seventh meeting the Board decided to:

a. *Continue consideration of regional project and programme proposals under the pilot programme, while reminding the implementing entities that the amount set aside for the pilot programme is US$ 30 million;*

b. *Request the secretariat to prepare for consideration by the Project and Programme Review Committee at its nineteenth meeting, a proposal for prioritization among regional*

project/programme proposals, including for awarding project formulation grants, and for establishment of a pipeline; and

c. Consider the matter of the pilot programme for regional projects and programmes at its twenty-eighth meeting.

(Decision B.27/5)

9. The proposal requested in (b) above was presented to the nineteenth meeting of the PPRC as document AFB/PPRC.19/5. The Board subsequently decided:

a) With regard to the pilot programme approved by decision B.25/28:

(i) To prioritize the four projects and 10 project formulation grants as follows:

1. If the proposals recommended to be funded in a given meeting of the PPRC do not exceed the available slots under the pilot programme, all those proposals would be submitted to the Board for funding;

2. If the proposals recommended to be funded in a given meeting of the PPRC do exceed the available slots under the pilot programme, the proposals to be funded under the pilot programme would be prioritized so that the total number of projects and project formulation grants (PFGs) under the programme maximizes the total diversity of projects/PFGs. This would be done using a three-tier prioritization system: so that the proposals in relatively less funded sectors would be prioritized as the first level of prioritization. If there are more than one proposal in the same sector: the proposals in relatively less funded regions are prioritized as the second level of prioritization. If there are more than one proposal in the same region, the proposals submitted by relatively less represented implementing entity would be prioritized as the third level of prioritization;

(ii) To request the secretariat to report on the progress and experiences of the pilot programme to the PPRC at its twenty-third meeting; and

b) With regard to financing regional proposals beyond the pilot programme referred to above:

(i) To continue considering regional proposals for funding, within the two categories originally described in document AFB/B.25/6/Rev.2: ones requesting up to US$ 14 million, and others requesting up to US$ 5 million, subject to review of the regional programme;

(ii) To establish two pipelines for technically cleared regional proposals: one for proposals up to US$ 14 million and the other for proposals up to US$ 5 million, and place any technically cleared regional proposals, in those pipelines, in the order described in decision B.17/19 (their date of recommendation by the PPRC, their submission date, their lower "net" cost); and

(iii) To fund projects from the two pipelines, using funds available for the respective types of implementing entities, so that the maximum number of or maximum total funding for projects and project formulation grants to be approved

each fiscal year will be outlined at the time of approving the annual work plan of the Board.

(Decision B.28/1)

10. According to the Board Decision B.12/10, a project or programme proposal needs to be received by the secretariat no less than nine weeks before a Board meeting, in order to be considered by the Board in that meeting.

11. The following project pre-concept document titled "*Strengthening drought resilience of small holder farmers and pastoralists in the IGAD region*" was submitted by *Sahara and Sahel Observatory (OSS)*, which is a Regional Implementing Entity of the Adaptation Fund.

12. This is the first submission of the pre-concept project proposal, using the three-step approval process established for regional projects. The present submission was received by the secretariat in time to be considered in the thirtieth Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number AFR/RIE/ DRR/2017/1, and completed a review sheet.

13. The secretariat is submitting to the PPRC the summary the final technical review of the pre-concept for a regional project, both prepared by the secretariat, along with the final submission of the proposal in the following section. The proposal is also submitted with changes between the initial submission and the revised version highlighted.

Project Summary

Djibouti, Kenya, Sudan, Uganda:	Strengthening drought resilience of small holder farmers and pastoralists in the IGAD region
Implementing Entity:	Sahara and Sahel Observatory (OSS)
Project/Programme Execution Cost:	USD 990,000
Total Project/Programme Cost	USD 11,990,000
Project Management Fee	USD 1,000,000
Financing Requested	USD 12,990,000

Project Background and Context:

The four countries in the IGAD region which are a part of this proposal, are highly impacted by droughts across the countries or part of the countries, resulting in severe impacts to communities and the environment in the countries. The project seeks to increase the resilience of small holder farmers and pastoralists to climate change risks, mainly related to drought through the establishment of appropriate early warning systems and the implementation of drought adaptation actions.

Component 1: Promote investments in early warning systems and improve the existing ones (USD 1,500,000).

This component will ensure increased use of cost effective Early Warning Systems (EWS) by stakeholders. The project intends to conduct baseline studies, improve and develop efficient innovative EWS, create institutional linkages for sharing early warning information, develop social media tools, response and feedback mechanisms for EWS.

Component 2: Strengthening capacities of key stakeholders at regional, national and local levels (USD 1,750,000)

This component aims to strengthen linkages between national and regional stakeholders. The project will identify key capacity building tools at national and regional level, including innovative drought adaptation actions and strengthen capacities of key stakeholder sat regional, national and local levels. It seeks to support the integration of drought risk management interventions into development plans at all levels.

Component 3: Supporting innovative drought adaptation plans (USD 6,500,000).

Through this component, innovative adaptation actions will be identified, improved where necessary and supported for adoption. The innovative aspects will include modified rainwater harvesting structures and water storage systems; mini-irrigation systems to support crops during water stress; restoration of degraded water catchments, underground water sources; installation of solar pumps; alternative energy sources (solar, energy saving stoves, etc.), energy saving innovations; improved water and soil conservation techniques; pasture management, improved livestock breeds of animals (cattle and goats) and; drought resistant crops.

Additionally, the project aims to develop and replicate a “scale up strategy” to increase uptake and usage of concrete and innovative drought adaptation actions.

Component 4: Knowledge management and information sharing (USD 1,250,000).

This component aims generate knowledge on drought risk management and sharing it through electronic and print media. Through increased awareness on drought risks and adaptation action amongst stakeholders, the component seeks to ensure improved planning and responses to drought risks and disasters. Additionally, it aims to increase crop and livestock yields, thus ensuring food security and higher incomes.

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Pre-Concept for a Regional Project

Countries/Region: **Djibouti, Kenya, Uganda, Sudan**
Project Title: **Strengthening drought resilience of small holder farmers and pastoralists in the IGAD region**
Thematic focal area: **Disaster Risk Reduction and Early Warning Systems** Implementing Entity: **Sahara and Sahel Observatory (OSS)**
Executing Entities: Regional level: **Global Water Partnership Eastern Africa (GWPEA)** hosted by the **Nile Basin Initiative (NBI)** secretariat; National level: National Project Management Units (NPMUs): Djibouti: **Ministry of agriculture water fisheries and livestock**, Kenya **: Ministry of water resources and electricity,** Sudan : **Ministry of environment, natural resources & physical development,** Uganda : **Ministry of water and environment.**
AF Project ID: **AFR/RIE/DRR/2017/1**
IE Project ID: Requested Financing from Adaptation Fund (US Dollars): **12,990,000**
Reviewer and contact person: **Alyssa Gomes (AFSEC)** Co-reviewer(s): **Astrid Hillers** (**GEF SEC)** IE Contact Person(s): **Mr. Nabil Ben Khatra**

Review Criteria	Questions	Comments on 24th August 2017	Comments on 8th September 2017
Country Eligibility	1. Are all of the participating countries party to the Kyoto Protocol?	Yes	

	2. Are all of the participating countries developing countries particularly vulnerable to the adverse effects of climate change?	Yes. The four countries in the IGAD region which are a part of this proposal are highly impacted by droughts across the countries or part of the countries, resulting in severe impacts to communities and the environment in the countries.	
Project Eligibility	1. Have the designated government authorities for the Adaptation Fund from each of the participating countries endorsed the project/programme?	Yes, except for Sudan. Please provide letter of endorsement for Sudan. **CAR1**	**CAR1: Addressed** Letter of endorsement dated 6th July 2017 has been provided from the Designated Authority of Sudan.
	2. Has the pre-concept provided necessary information on the problem the proposed project/programme is aiming to solve, including both the regional and the country perspective?	Yes, the pre-concept does outline the problem. The logic of the regional approach and relevance to country needs is clearly articulated.	
	3. Have the project/programme objectives, components and financing been clearly explained?	Yes, the objective and component finance is sufficiently explained at pre-concept stage.	

	4. Has the project/programme been justified in terms of how: - it supports concrete adaptation actions? - it builds added value through the regional approach? - it promotes new and innovative solutions to climate change adaptation? - it is cost-effective? - it is consistent with applicable strategies and plans? - it incorporates learning and knowledge management? - it will be developed through a consultative process with particular reference to vulnerable groups, including gender considerations, in	<u>Adaptation actions and innovation</u> The pre-concept provides an initial idea of the process to identify and mechanism to support innovative adaptation actions. **CR 1** - The pre-concept would benefit from specifying the concrete drought adaptation actions envisaged by the project proponent. Related to the point made above, the innovative aspect of the project could be further demonstrated. (Page 3). <u>Regional approach</u> Yes. The justification for a regional approach is based on IGAD's drought management framework and building economies of scale across countries is provided. <u>Learning and knowledge sharing</u> Specific resources are allocated for knowledge exchanges and infusing experiences. **CR 2** – Please provide details on the target stakeholders from resources allocated for knowledge exchange activities associated with supporting academic institutions generate knowledge on drought risk management (Page 6). For example: Would staff at regional and national level or extension staff at local level benefit from increased awareness and knowledge exchanges? <u>Consultative process</u>	**CR 1: Sufficiently Addressed** CR 1 – The revised pre-concept provides sufficient clarity on the innovative measures envisage by the project. These include i) Modified rainwater harvesting structures and water storage systems, ii) Restoration of degraded water catchments, underground water sources, iii) Energy saving innovations iv) Improved soil and water conservation techniques, v) Pasture management. Furthermore, the project will develop and replicate a "scale-up" strategy for innovative measures. (Pages 2 and 6) **CR 2: Sufficiently Addressed** The revised pre-concept provides detail on the inclusiveness of capacity development on application of drought risk management. It will employ the Training of Trainers (TOT) model and is expected to target key stakeholders at the Regional, National, and SubNational level. Furthermore, local communities in the project area will receive training on adaptive measures through the establishment of Farmer and Pastoral Field Schools (F&PFS). (Pages 2 and 5).

	compliance with the Environmental and Social Policy of the Adaptation Fund?	Yes. Details on the consultative process provided are sufficient at pre-concept stage.	

	- it will take into account sustainability?	<u>Compliance with Environmental and Social Policy</u> On page. 4, ESP compliance in general is limited to vulnerable groups and gender considerations. **CR 3**- Please provide further information an Environmental and Social Management Plan (ESMP) at the project level to ensure comprehensive compliance with the ESP. Please provide further information on specific management arrangements or proposals for ESP compliance. <u>Sustainability</u> Yes, sufficient thought is given to the sustainability of project outcomes at the pre-concept stage.	**CR 3: Sufficiently Addressed** The project demonstrates an intent to follow AF environmental, social and gender policies during implementation. The approach of environmental and social impact assessment of identified interventions will be in accordance with the rules and regulation of those countries. The baseline condition of the project interventions will be determined at project inception phase. (Page 6)

	5. Does the pre-concept briefly explain which organizations would be involved in the proposed regional project/programme at the regional and national/sub-national level, and how coordination would be arranged? Does it explain how national institutions, and when possible, national implementing entities (NIEs) would be involved as partners in the project?	Yes. The pre-concept provides sufficient detail on the alignment of interventions at the Global level (Sustainable Development Goals), the continental (Africa) level, Regional (IGAD) level and National level. It clearly mentions the entities involved.	
Resource Availability	6. Is the requested project / programme funding within the funding windows of the pilot programme for regional projects/programmes?	Yes. However, please revise the requested Project Formulation Grant amount, as it cannot exceed US$ 20,000 for pre-concepts. **CAR2**	**CAR2: Addressed** PFG request re-submission dated 04 September 2017 has been revised to not exceed the US$20,000 funding cap for pre-concepts.

	7. Are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 20 per cent of the total project/programme budget?	Yes, the administrative costs are estimated at 15.3 % of the total requested finance.	
Eligibility of IE	8. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes.	

Technical Summary	The project seeks to increase the resilience of small holder farmers and pastoralists to climate change risks, mainly related to drought through the establishment of appropriate early warning systems and the implementation of drought adaptation actions. The specific objectives of the project are to: • Promote investments in drought early warning systems and improve the existing ones. • Strengthen and improve the capacity of key stakeholders in drought risks management at regional, national and local level. • Support communities to undertake innovative adaptation actions that reinforce their resilience to drought. • Enhance knowledge management and information sharing on drought resilience at the considered levels. The initial technical review found that the project pre-concept was overall well-articulated, addresses critical needs in the four countries involved and builds on already identified initiatives at country and regional levels. The proposed activities were also relevant to the regional context. However, a few clarification requests (CRs) are requested:

	CR 1 - Specify the concrete and innovative drought adaptation actions envisaged by the project proponent. **CR 2** - Provide details on the target stakeholders from resources allocated for knowledge exchange activities associated with supporting academic institutions generate knowledge on drought risk management. **CR 3** - Provide further information an Environmental and Social Management Plan (ESMP) at the project level to ensure comprehensive compliance with the ESP and provide further information on specific management arrangements or proposals for ESP compliance. The final technical review found that the all three clarification requests (CRs) were sufficiently addressed at the pre-concept stage. The secretariat has made the following recommendations for the concept stage: (a) The project concept should be more specific on the sub-regions that are most drought prone that it will therefore be concentrated on. (b) At concept stage, it would be useful to narrow focus on the most drought prone regions in the four countries and to provide a list of the farmers and pastoralist organizations and mechanisms that the project will aim to involve and strengthen in the project. It would also be beneficial at that stage to be more specific on how the existing local governments and extension services in each country will be involved and strengthened. (c) It would be useful to provide additional detail on e.g. the aspects of the projects and resources devoted to address the pastoralists vs. farmers as well as resources specifically targeting vulnerable groups. Provide details on the number of vulnerable persons (women, children, disabled, IDPs, refugees) in the investment areas that will benefit from resources allocated for awareness raising and capacity building interventions (component 2). (d) The concept should demonstrate how local institutions and extension agents will be targeted and included in the implementation. (e) Please provide details of including gender considerations in staff capacity building activities to promote institutional sustainability. Furthermore, it would be useful to provide details on women farmers and pastoralists collectives that might be potential beneficiaries of the small competitive grants program. (f) Groundwater: The full concept should provide consideration on how availability of water resources and especially water points for livestock, which are mainly groundwater based, will be addressed in the project. (g) Stock route agreements: The full concept should address how agreements on stock routes can be modified or be made flexible in case of droughts and provisions be made to pastoralists to avoid conflicts with sedentary farmers and encroachment into protected areas.

	(h) Provide detail on the gender dimensions and differentiated rights of sedentary versus pastoralist groups. Furthermore, provide details on how drought vulnerable, conflict affected areas and other vulnerable groups (climate change refugees/IDPs) in the participating countries may benefit from the project.
Date:	8th September 2017

Amended in November 2013

REQUEST FOR PROJECT/PROGRAMME FUNDING FROM THE ADAPTATION FUND

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to:

The Adaptation Fund Board Secretariat
1818 H Street NW MSN
P4-400
Washington, D.C., 20433
U.S.A
Fax: +1 (202) 522-3240/5
Email: afbsec@adaptation-fund.org

ADAPTATION FUND

PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:	STRENGTHENING DROUGHT RESILIENCE FOR SMALL HOLDER FARMERS AND PASTORALISTS IN THE IGAD REGION
Countries:	DJIBOUTI, KENYA, SUDAN AND UGANDA
Thematic Focal Area[1]:	DISASTER RISK REDUCTION AND EARLY WARNING SYSTEMS
Type of Implementing Entity:	REGIONAL IMPLEMENTING ENTITY
Implementing Entity:	SAHARA AND SAHEL OBSERVATORY (OSS)
Executing Entities:	**Regional level**: Global Water Partnership Eastern Africa (GWPEA) hosted by the Nile Basin Initiative (NBI) secretariat **National level:** National Project Management Units (NPMUs): ▪ **Djibouti** : Ministry of Agriculture Water Fisheries and Livestock, ▪ **Kenya** : Ministry of Environment and Water Resources, ▪ **Sudan** : Ministry of Water Resources and Electricity ▪ **Uganda**: Ministry of Water and Environment.

Amount of Financing Requested: 12,990,000 US DOLLARS

Project Background and Context

The IGAD member states face severe water constraints and prolonged droughts. Between 60- 70 percent of the land area in the IGAD region consists of Arid and Semi-Arid Lands that receive less than 600mm of rainfall annually (IGAD 2013)[2]. Moreover, the region faces illicit activities such as deforestation and poor agricultural practices that lead to reduced water retention capacities, surface runoffs and soil cover losses. The dominant livelihood of the people in the region is agriculture, mainly dominated by smallholder farmers and pastoralists or semi pastoralist production systems. The causes for vulnerability in the region include low adaptive capacity by communities to droughts, inadequate innovative adaptation actions to droughts, poor early warning systems and inadequate knowledge and skills in drought management. The impacts of droughts in the region have been manifested in the form of acute water constraints, significantly reduced precipitation levels and drying up of rivers. The effects of droughts have had destructive impacts on the region's economy, ecosystems and community livelihoods. Smallholder farmers and pastoralists in Djibouti, Kenya, Sudan and Uganda have been most affected due to their limited coping mechanisms. GWPEA is collaborating with IGAD and governments of these countries through the Integrated Drought Management Programme (IDMP) and the Water, Climate and Development Programme (WACDEP) to enhance drought resilience in the region. The proposed project will build on the existing initiatives and establish new mechanisms to address drought related challenges in the region through facilitating investments in early warning systems, building the capacity of targeted stakeholders, supporting innovative adaptation actions and enhancing knowledge management and skills.

Project Objectives

The overall objective of the project is to increase the resilience of smallholder farmers and pastoralists to climate change risks, mainly those related to drought, through the establishment of appropriate early warning systems and the implementation of drought adaptation actions. More specifically, this project is intended to:

- Promote investments in drought early warning systems (EWS) and improve the existing ones

[1] Thematic areas are: Food security; Disaster risk reduction and early warning systems; Transboundary water management; Innovation in adaptation finance.

[2] IGAD, 2013. IGAD Drought Disaster Resilience and Sustainability Initiative (IDDRSI) Strategy

- Strengthen and improve the capacity of key stakeholders in drought risks management at regional, national and local levels
- Support communities to undertake innovative adaptation actions that reinforce their resilience to drought
- Enhance knowledge management and information sharing on drought resilience at the considered levels

Project Components, Financing and Duration

Project/Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US$)
1. Promote investments in early warning systems and improve the existing ones	Increased use of cost effective Early warning systems by stakeholders	**Efficient and effective EWS** in place. **Institutional linkages will be established** to generate, share and disseminate as well as **develop feedback mechanism to early warning information.** In each member country, the project will **identify investment areas in EWS**, **review existing drought management plan** and **create awareness and capacity building**	Djibouti, Kenya, Sudan and Uganda	1,500,000
2. Strengthening capacities of key stakeholders at regional, national and local levels	Adaptive capacity of key stakeholders in drought resilience strengthened. Linkages between national and regional stakeholders will be strengthened	**Capacity building programmes** in drought risk management undertaken. **Capacity gaps and priorities** will be identified and supported. Also, the project will **identify key capacity building tools at national and regional level**, including innovative drought adaptation actions and **strengthen capacities of key stakeholders at regional, national and local levels**. Approaches to integrate **drought risk management interventions** into development plans at all levels will be supported The project will be inclusive in capacity development on application of drought risk management. The local communities of the project will receive training on adaptive measures.	Djibouti, Kenya, Sudan and Uganda	1,750,000
3. Supporting innovative drought adaptation actions	Increased uptake and usage of concrete and innovative drought	**Concrete and innovative drought adaptation actions supported and taken up** by stakeholders. The innovative adaptation actions will be **identified, improved where necessary and supported for adoption**. In addition, **scale up strategy** will be developed and replicated. The	Djibouti, Kenya, Sudan and Uganda	6,500,000

	adaptation actions. These will contribute to livelihood improvement and environment sustainability	innovative aspects will include modified rainwater harvesting structures and water storage systems e.g. simplified water jars, rock water harvesting techniques; construction of sunken sand dams, water ponds, Miniirrigation systems to support crops during water stress, Restoration of degraded water catchments, underground water sources e.g. construction of boreholes and water wells, road side water harvesting; installation of solar pumps, alternative energy sources (solar, energy saving stoves, etc.), energy saving innovations e.g. interlocking blocks and charcoal brickets manufactured from household waste, improved water and soil conservation techniques; Pasture management including growing fast growing pasture varieties and storage as silage or hay for longer term use by domestic animals, improved livestock breeds of animals (cattle and goats), drought resistant crops		
4. Knowledge management and information sharing	Increased awareness on drought risk management	Knowledge materials developed and disseminated. This will be achieved through **generating knowledge on drought risk management and sharing it through electronic and print media**. The project will document, compile and package good practices on all project interventions	Djibouti, Kenya, Sudan and Uganda	1,250,000
6. Project/Programme Execution cost				990,000
7. Total Project/Programme Cost				11,990,000
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)				1,000,000
Amount of Financing Requested				**12,990,000**

Project Duration: *(In years and months):* **4 YEARS (48 MONTHS)**

PART II: PROJECT / PROGRAMME JUSTIFICATION

Justification for Using the Regional Approach to implement the proposed project

The merits of implementing this project using the regional approach as opposed to country specific approach include:

(i) Cooperation/coordination: Drought is regional phenomena and as such, the data and information generated by each country will feed into the regional EWS and make it more efficient. In addition, the project will strengthen the regional capacity; build cohesion and provide platforms at regional level. *(ii) Knowledge, technology and expertise:* A wider platform at regional level to harness diversity of ideas, indigenous and modern knowledge, technologies and expertise in drought risk management will be established. This will facilitate exchange and experiential learning;

(iii) Duplication: The regional design will enable coordinated planning and implementation of interventions thereby minimizing duplication of efforts*;*

(iv) Contribution to regional frameworks: The project will contribute to the achievement of the IGAD Drought Disaster Resilience and Sustainability Initiative (IDDRSI).

Overall, regionally led implementation is less expensive and faster. It helps build a pool of regional and national experts. The innovations generated are adopted more easily by the member countries and moreover it promotes sustainability. It provides platform and means for the countries to share experiences, practices, lessons, knowledge, and resources.

Promoting new and innovative solutions

The project will employ a regional Participatory Learning and Action approach. New and already existing innovative solutions to drought risk management will be identified through participatory processes. Small competitive grants will be provided to organized farmers' groups with innovative ideas. Monitoring and evaluation will be used to track and update the innovations.

Cost-effectiveness of the proposed project

The project will cover a wider area in a short time (4 countries, 4 years) hence, contributing to rapid diffusion of the innovative drought adaptation actions. In fact, the project will ensure the development

of a certain level of generic scope tools and processes for future application beyond the target sites and countries. For instance, integrated early warning tools adapted to local specificities will be adopted to inform populations on potential risks.

Alignment of interventions to the Global, Continental, Regional and National Frameworks The proposed project will contribute to the achievement of some of the SDGs of the targeted countries. Specifically, SDG1- End poverty in all its forms everywhere; SDG6- Ensure availability and sustainable management of water and sanitation for all; SDG13- Take urgent action to combat climate change and its impacts; SDG17- Strengthen the means of implementation and revitalize the global partnership for sustainable development among others. ***At continental (Africa) level***, the project will contribute to the Windhoek Declaration aiming to Enhancing Resilience to Drought in Africa (ADC, 2016). From the ***regional*** (IGAD) perspective, the project will contribute to the achievement of the
IDDRSI framework that aims at addressing the effects of drought and related shocks; specifically, the Regional Programming Paper (RPP) and Country Programming Papers (CPPs) of the targeted countries. These documents contain priorities on drought resilience in the region and countries. While at ***national level,*** the proposed project will contribute to: **Djibouti's** Public Investment Plan and the National Plan for Climate Change Adaptation; **Kenya**'s National Disaster Management Policy and National Climate Change Response Strategy; **Sudan's** regulatory/policy frameworks related to drought and **Uganda**'s National Policy for Disaster Preparedness and Management, focusing on saving lives, livelihoods and the country's resources. These country initiatives will be linked to regional existing programmes, for example the IGAD Climate Prediction and Application Centre.

Knowledge management and dissemination approach

The information, lessons learnt, best practices and innovative technologies will be documented and shared for the use by various stakeholders.

Consultation process and compliance with the Environmental and Social Policies

Consultations will be conducted at local, national and regional levels. A checklist to guide the consultation process will be developed using Key Informant Interviews, Focused Group Discussions and field reconnaissance. The proposed sites will be determined by country level stakeholders during the stakeholder consultation process at full proposal development stage. Compliance with environmental and social policies will be respected at all levels of implementation and execution of the project at all scales (regional, national and local). In addition, taking into account all beneficiaries and target groups is a structuring element of the project in assessing the risks faced by all the people who will be concerned by the project. In addition to all identified beneficiaries and targeted population at local and national level, vulnerable groups and gender considerations will be taken care of in compliance with the Environmental and Social Policy of the Adaptation Fund.

Sustainability of project outcomes

Socio-economic sustainability: This will be promoted through supporting existing and or new community groups with small competitive grants that enable them to scale up the innovative drought adaptation actions that generate additional incomes. Also, the communities will be supported in the identification of priority actions and their implementation.

Environmental sustainability: The project will ensure environmental sustainability through undertaking Social and Environmental Impact Assessments and supporting sustainable environmental interventions. Periodic monitoring and evaluation to track any changes that could have adversely impacts environment and their timely mitigation measures will be considered.

Technological sustainability: the project will encourage, scale up innovative adaptation actions with high acceptability among the target communities, and utilize locally available materials, human and logistical resources. The project will popularize the available tools aimed at enhancing sustainability of appropriate technologies in the long-term.

Financial sustainability: The project will collaborate with various partners in the region to mobilize resources, streamline project interventions into national and sub-national workplans and lobby the government (national and local) to allocate financial resources towards drought risk management. Enterprise development and in-kind contributions will be supported.

Institutional sustainability: This will be promoted through capacity building of staff at all levels. This will contribute to better ownership of the project interventions.

Project benefits for the vulnerable and Compliance with Environment and Social Policies. The project will undertake consultations to identify vulnerable groups including women-headed households, children, disabled persons and the elderly and deliberate efforts will be taken to ensure that these groups benefit from project interventions.

Economic benefits: Early warning systems will enable smallholder farmers and pastoralists access information on drought risks to better plan their agricultural activities to minimise economic losses. Emphasis will be directed towards vulnerable groups to ensure that they easily access information by using easily accessible media channels. In addition, deliberate efforts will be made to allocate at least 20% of the competitive grants for innovative adaptation actions to the vulnerable groups to enable them increase their economic benefits.

Social Benefits: The project will enhance cohesion among communities through working together to implement different project components and reducing socio-conflicts amongst communities. Specifically, the project will support the vulnerable groups to form organised groups hence, increasing the cohesion amongst these groups.

Environmental Benefits: The project will support environmentally friendly interventions aimed at enhancing ecosystem services. Specifically, the vulnerable groups will be prioritized during the selection of beneficiaries for interventions to reduce their susceptibility to droughts' effects.

Gender considerations: The project will support the development of equity. IGAD and GWP have gender strategies, which will be key in supporting gender activities.

Compliance of project interventions with the National technical standards, Environmental, and Social Policy of the Adaptation Fund

Project activities will undergo an Environmental Impact Assessment (EIA) or Review in accordance with EIA procedures and guideline of respective countries. Mitigation measures will then be proposed. The key Environmental standards and regulations of the countries are: Djibouti's environment and social action plan; ***Kenya,*** *and* ***Sudan's environment*** *policies****,*** *and* ***Uganda***-National Environmental Impact Assessment Procedures and Guidelines.

Duplication of project with other funding sources

The project will not duplicate but will instead complement existing projects in increasing resilience of communities to drought. The project will complement the already existing initiatives at regional level which include: The Integrated Drought Management Programme in the Horn of Africa, Disaster Risk Management Programme supported by EU. While, at country level, some of the ongoing initiatives are tabulated below:

Country	Programs relevant to drought resilience	Area(s) of focus
Djibouti	Program for Strengthening Resilience to Drought and Sustainable Development	Enhancement of farm incomes by increasing resilience of vulnerable groups to drought
Kenya	Building Drought Resilience in Kenya and Uganda through Sound Land and Water Management	Improving resilience of dryland communities to the impacts of drought
Sudan	Kordufan regional government/community projects	Development of pilot projects for increasing community and ecosystem resilience
	Water Harvesting, small dams construction, area development schemes	Enhancement of agricultural activity
Uganda	Karamoja Livelihoods Programme (KALIP)- Phase 2	Restoration of the productive capacity of farmers, and strengthening the linkages to agricultural service provision
	Building Drought Resilience in Kenya and Uganda through Sound Land and Water Management	Improving resilience of dryland communities to the impacts of drought

Justification for funding requested, focusing on the full cost of adaptation reasoning

Outcome 1 **(USD 1,500,000)*:*** *Increased use of cost effective EWS by stakeholders*. Smallholder farmers and pastoralists face challenges of accessing timely and accurate climate information for planning and responding to drought risks. Their EWS are inadequate resulting into crop failure, death of livestock, conflicts and food insecurity. That is why the project will conduct baseline studies, improve

and develop efficient innovative EWS, create institutional linkages for sharing early warning information, develop social media tools, response and feedback mechanisms for EWS.

Outcome 2 **(USD 1,750,000)** ***:*** *Adaptive capacity of key stakeholders in drought resilience strengthened*. There is inadequate capacity to integrate drought risk management interventions into development plans; implement drought adaptation actions and responses at community level with limited budget allocation for drought risk management at national level. Communities' drought coping mechanism is weak. The activities are: conducting capacity needs assessment, developing a capacity-building plan, organizing capacity-building programs, training of trainers and building capacity of smallholder farmers and pastoralists in drought risk management.

The project will be inclusive in capacity development on application of drought risk management. Generated knowledge on Drought risk Management from academic institutions will be consolidated and customized for use by final users. The project will train various stakeholders. In this respect, the Training of Trainer (TOT) model will be applied. This will cause a multiplier effect of the project interventions. The key stakeholders to be trained include: Regional Staff i.e. those involved in capacity building at regional level, gender and youth focal points and staff involved in development projects; National staff of the targeted countries- in the responsible ministries; Sub-national (local government staff and staff from selected civil society organizations working on similar interventions in the project areas of the countries.

To further increase uptake of project interventions, the project will support establishment of Farmer and Pastoral Field Schools (F&PFS). These will be structures at local level and a vehicle for inclusive participation of communities. The FFS and PFS are aimed at creating a cohesive structure at local levels so they can share and learn from each other. This cross-learning will promote sustainability of project interventions.

Outcome 3 **(USD 6,500,000)*:*** *Increased uptake and application or usage of drought adaptation actions*. Inappropriate and limited drought adaptation technologies are causing low crop and livestock food production levels leading to food insecurity and low incomes. These will be addressed through: baseline studies, improving, developing and introducing innovative adaptation actions for soil and water conservation, water harvesting and storage structures e.g. simplified water jars, rock water harvesting, construction of sunken sand dams, and water storage systems, construction of sunken sand dams, water ponds with underground water proof material, mini-irrigation systems to support crops during water stress, restoration of degraded water catchments, underground water sources e.g. construction of boreholes and water wells, road side water harvesting; installation of solar water pumps, drought resistant pastures and crops and establishing an innovative competitive grant scheme targeting household value addition to food crops; innovative interventions on alternatives energy sources (solar, improved energy stoves, etc.), energy saving innovations e.g. interlocking blocks and charcoal brickets manufactured from household waste. Pasture management- including growing fast growing pasture varieties and storage as silage or hay for longer term use by domestic animals, improved livestock breeds of animals (cattle and goats), drought resistant crops

Outcome 4 **(USD 1,250,000)*:*** *Increased awareness on drought risk management*. There is limited awareness on drought risks and adaptation actions amongst stakeholders leading to poor planning and responses to drought risks and disasters with low crop and livestock yields hence food insecurity and low incomes. The activities are supporting academic institutions to generate knowledge on drought risk management, undertaking study tours and exchange visits, documenting lessons learnt or best practices, facilitating knowledge exchange.

Relevance of identified Environmental and Social Impacts and risks to the project

During consultations, potential environmental and social impacts (ESIs) of specific activities will be screened. Further detailed analysis will be undertaken and mitigation measures proposed for activities with significant negative impacts, during country specific EIAs at full proposal development stage.

Some of the probable areas for ESIs and risk assessments are: Introduction of new crop and pastures

varieties, construction of water harvesting and storage facilities and installation of weather stations among others.

During implementation, the project will be in compliance with AF environmental, social and gender policies. The approach of environmental and social impact assessment of identified interventions will be in accordance with the rules and regulation of the beneficiary countries. Each of the targeted countries have lead institutions in undertaking Environmental Impacts Assessments. These include Djibouti- The Department of Land Management and Environment; Kenya- National Environmental Management Authority of Kenya; Sudan- Higher Council for Environment and Natural Resources and Uganda- National Environment Management Authority of Uganda. The baseline condition of the project interventions will be determined at project inception phase. The management arrangement for ESP is almost the same for the targeted countries. First, depending on the size/expected impact of project e.g. Mini irrigation, they undergo an Environment Impact Assessment (EIA). The EIA is done by the project following a schedule prepared by the lead Environment Agency (mentioned above for each of the countries). Secondly, the developer does scoping, and prepares Terms of Reference for review by the lead agency in the country. These are either approved as is or with additional comments. Among other items, the TORs should be clear and address the Environment and social aspects. During and after undertaking the environment and social studies/ assessments, there is active stakeholder involvement. The environmental and social risks are mapped out and their corresponding mitigation measures listed. The team (developer-the project in this case, stakeholders and the lead agency) will put together a clear plan in a participatory manner of addressing these environmental and social risks-incorporating gender equity and equality aspects. The satisfaction of the environmental and social management plan to the lead agency and stakeholders prompts approval of the project to proceed. This is the scenario to be undertaken for similar interventions in this project.

PART III: IMPLEMENTATION ARRANGEMENTS

Project Implementation arrangements

The project will be implemented by OSS who will serve as Regional Implementing Entity (RIE) and will be in charge of all financial, monitoring and reporting aspects to the Adaptation Fund. OSS will also provide administrative and management support to the executing entities. The project will be executed at regional level by GWPEA hosted by the NBI Secretariat in Uganda. At country level, the project will be executed by Djibouti, Kenya, Sudan and Uganda. Other partners such as IGAD Secretariat/ICPAC will be involved to provide political support and technical backstopping respectively. *The organogram for the project implementation arrangement is shown in Annex 1*.

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government[3]

The record of endorsement letters signed on behalf of the government are shown in Annex 2.

Djibouti Dini Abdallah Omar General Secretary, Ministry of Habitat and Environment	July 27, 2017

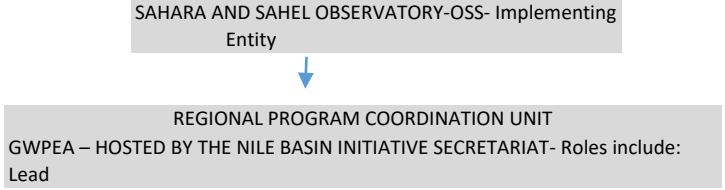
Kenya Charles T. Sunkuli CBS Principal Secretary, Ministry of Environment and Natural Resources	July 5, 2017
Sudan Noureldin Ahmed Abdalla Secretary General, Higher Council for Environment and Natural Resources (HCENR)	July 6, 2017
Uganda Mr. Keith Muhakanizi Permanent Secretary/Secretary to the Treasury, Ministry of Finance, Planning and Economic Development	January 02, 2017

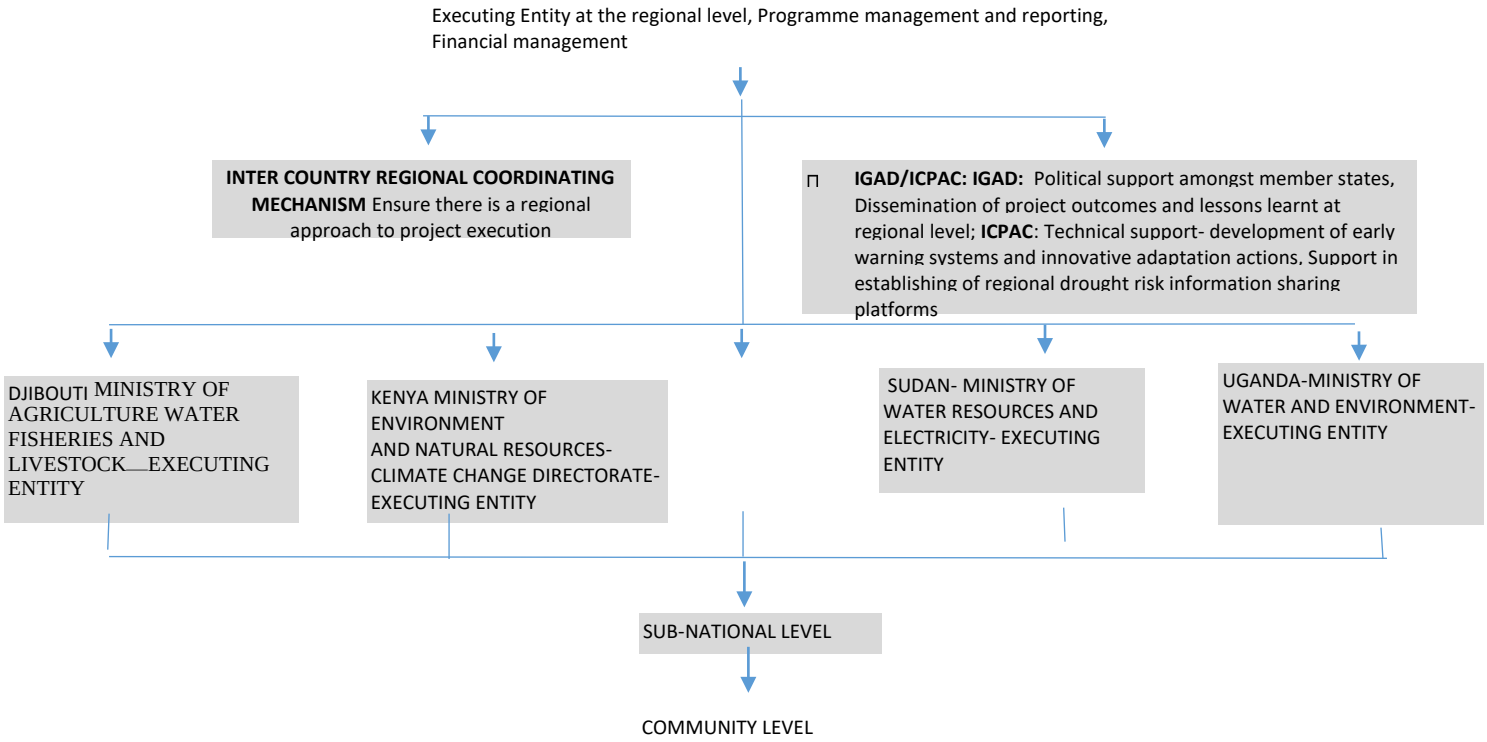
Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

B. Implementing Entity certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (*Country Programming Papers (CPPs), **Djibouti's** Public Investment Plan and the National Plan for Climate Change Adaptation; **Kenya**'s National Disaster Management Policy and National Climate Change Response Strategy, **Sudan's** regulatory/ policy frameworks related to drought and **Uganda** 's National Policy for Disaster Preparedness and Management*) and subject to the approval by the Adaptation Fund Board, commit to implementing the project in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project.	
Implementing Entity Coordinator: **Mr. Khatim Kherraz** – Executive Secretary of the Sahara and Sahel Observatory (OSS) *Signature:*	
Date: **August 4th, 2017**	Tel. and email: **(+216) 71 206 633** boc@oss.org.tn
Project Contact Person: **Mr. Nabil Ben Khatra**	
Tel. And Email: **(+216) 71 206 633,** nabil.benkhatra@oss.org.tn	

Annex 1: Organogram




Executing Entity at the regional level, Programme management and reporting, Financial management
INTER COUNTRY REGIONAL COORDINATING MECHANISM Ensure there is a regional approach to project execution
IGAD/ICPAC: IGAD: Political support amongst member states, Dissemination of project outcomes and lessons learnt at regional level; ICPAC: Technical support- development of early warning systems and innovative adaptation actions, Support in establishing of regional drought risk information sharing platforms
DJIBOUTI MINISTRY OF AGRICULTURE WATER FISHERIES AND LIVESTOCK—EXECUTING ENTITY
KENYA MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES- CLIMATE CHANGE DIRECTORATE- EXECUTING ENTITY
SUDAN- MINISTRY OF WATER RESOURCES AND ELECTRICITY- EXECUTING ENTITY
UGANDA-MINISTRY OF WATER AND ENVIRONMENT- EXECUTING ENTITY
SUB-NATIONAL LEVEL
COMMUNITY LEVEL

Telephone: 256 41 4707 000
: 256 41 4232 095
Fax : 256 41 4230 163
: 256 41 4343 023
: 256 41 4341 286
Email : finance@finance.go.ug
Website : www.finance.go.ug

In any correspondence on
this subject please quote No. EDP79/251/02

THE REPUBLIC OF UGANDA

Ministry of Finance, Planning &
Economic Development
Plot 2-12, Apollo Kaggwa Road
P.O. Box 8147
Kampala
Uganda

August 15, 2017

The Adaptation Fund Board
C/O Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for a project "Strengthening Drought Resilience for Small-Holder Farmers and Pastoralists in the IGAD Region"

I the undersigned, in my capacity as the Designated Authority for the Adaptation Fund in the Republic of Uganda, confirm that the above regional project proposal is in accordance with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Uganda and the IGAD region.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Sahara and Sahel Observatory (OSS) and executed by the Ministry of Water and Environment, Uganda in partnership with the Global Water Partnership Eastern Africa (GWP-EA).

Keith Muhakanizi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Copy to: The Permanent Secretary, Ministry of Water & Environment, KAMPALA

Republic of Sudan
Ministry of Environment, Natural Resources & Physical Development
Higher Council for Environment & Natural Resources
General Secretariat

HCENR

جمهورية السودان
وزارة البيئة والموارد الطبيعية والتنمية العمرانية
المجلس الأعلى للبيئة والموارد الطبيعية
الأمانة العامة

ADAPTATION FUND

Letter of Endorsement by Government

6 July 2017

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for a project "*Strengthening Drought Resilience for Small-Holder Farmers and Pastoralists in the IGAD Region*"

In my capacity, as designated authority for the Adaptation Fund in Republic of Sudan, I confirm that the above regional project proposal is in accordance with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Sudan and the IGAD region.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Sahara and Sahel Observatory (OSS) and executed by Ministry of Water Resources and Electricity of Sudan in partnership with the Global Water Partnership Eastern Africa (GWP-EA).

Sincerely,

Dr. Noureldin Ahmed Abdalla
Secretary General (HCENR)
National Designated Authorityy

هاتف: ٢٤٩ ١٨٣ ٧٨٤٢٧٩ - ٢٤٩ ١٨٣ ٧٨٧٦١٧ - فاكس - ص.ب: ١٠٤٨٨ الخرطوم
Tel: +249 183 784279 Fax: +249 183 787617 P.O. Box: 10488 Khartoum
Web: www.hcenr.net E-mail: hcenr2005@yahoo.com

MINISTRY OF ENVIRONMENT AND NATURAL RESOURCES

State Department of Environment

Office of the Principal Secretary

Telegrams: "NATURE", Nairobi
Telephone: 0254-20-2730808/9
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Email : psoffice@environment.go.ke
Website : www.environment.go.ke

N.H.I.F. BUILDING
RAGATI ROAD
P.O. BOX 30126
NAIROBI

Ref. No. DENR/EMC/6 Vol. III

Date: 5TH JULY 2017

The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

RE: ENDORSEMENT FOR A PROJECT "*STRENGTHENING DROUGHT RESILIENCE FOR SMALL-HOLDER FARMERS AND PASTORALISTS IN THE IGAD REGION*"

In my capacity, as designated authority for the Adaptation Fund in Republic of Kenya, I confirm that the above regional project proposal is in accordance with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Kenya and the IGAD region.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Sahara and Sahel Observatory (OSS) and executed by the Climate Change Directorate, Ministry of Environment and Natural Resources of Kenya in partnership with the Global Water Partnership Eastern Africa (GWP-EA).

Yours Sincerely

Charles T. Sunkuli, CBS
PRINCIPAL SECRETARY

REPUBLIQUE DE DJIBOUTI
UNITE – ÉGALITE – PAIX

MINISTERE DE L'HABITAT, DE L'URBANISME, DE L'ENVIRONNEMENT

LE MINISTRE

N° 285/SG/17
Djibouti, le 27 JUIL 2017

MHUE

جمهورية جيبوتي
الوحدة - المساواة - السلام

وزارة الإسكان والتعمير والبيئة

الوزير

رقم
جيبوتي في

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for a project ***"Strengthening Drought Resilience for small holder farmers and pastoralists in the IGAD region"***

In my capacity, as designated authority for the Adaptation Fund in Republic of Djibouti, I confirm that the above regional project proposal is in accordance with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Djibouti and the IGAD region.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Sahara and Sahel Observatory (OSS) and executed by Ministry of Agriculture, Water, Fisheries, Livestock and Halieutic Resources (MAEPE-RH) of Djibouti in partnership with the Global Water Partnership Eastern Africa (GWP-EA).

Sincerely,

M. Dini Abdallah Omar
Designated Authority for Adaptation Fund/
Secretary General of the Ministry of Habitat and Environment

+253 35-00-06 +253 35-16-18 mhuecabinet@gmail.com BP 11 هاتف-350006- فكس351618- ص.ب11