



ADAPTATION FUND

AFB/PPRC.23/25
21 September 2018

Adaptation Fund Board
Project and Programme Review Committee
Twenty-Third Meeting
Bonn, Germany, 9-10 October 2018

Agenda Item 6 s)

PROPOSAL FOR UGANDA

Background

1. The Operational Policies and Guidelines (OPG) for Parties to Access Resources from the Adaptation Fund (the Fund), adopted by the Adaptation Fund Board (the Board), state in paragraph 45 that regular adaptation project and programme proposals, i.e. those that request funding exceeding US\$ 1 million, would undergo either a one-step, or a two-step approval process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Programme Review Committee (PPRC) and would have to receive the endorsement of the Board. In the second step, the fully-developed project/programme document would be reviewed by the PPRC, and would ultimately require the Board's approval.

2. The Templates approved by the Board (Annex 5 of the OPG, as amended in March 2016) do not include a separate template for project and programme concepts but provide that these are to be submitted using the project and programme proposal template. The section on Adaptation Fund Project Review Criteria states:

For regular projects using the two-step approval process, only the first four criteria will be applied when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.

3. The first four criteria mentioned above are:

- (i) Country Eligibility,
- (ii) Project Eligibility,
- (iii) Resource Availability, and
- (iv) Eligibility of NIE/MIE.

4. The fifth criterion, applied when reviewing a fully-developed project document, is:
(v) Implementation Arrangements.

5. It is worth noting that since the twenty-second Board meeting, the Environmental and Social (E&S) Policy of the Fund was approved and since the twenty-seventh Board meeting, the Gender Policy (GP) of the Fund was also approved. Consequently, compliance with both the ESP and the GP has been included in the review criteria both for concept documents and fully-developed project documents. The proposals template was revised as well, to include sections requesting demonstration of compliance of the project/programme with the ESP and the GP.

6. In its seventeenth meeting, the Board decided (Decision B.17/7) to approve "Instructions for preparing a request for project or programme funding from the Adaptation Fund", contained in the Annex to document AFB/PPRC.8/4, which further outlines applicable review criteria for both concepts and fully-developed proposals. The latest version of this document was launched in October 2016 following an update of the Operational Policies and Guidelines in March 2016.

7. Based on the Board Decision B.9/2, the first call for 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 April 8, 2010.

8. 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.

9. The following project concept document titled “Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities” was submitted for Uganda by the African Development Bank (AfDB), which is the Multilateral Implementing Entity of the Adaptation Fund.

10. This is the third submission of the proposal using the two-step submission process. It was first submitted in the thirty-first meeting and was not endorsed by the Board.

11. It was resubmitted in the intersessional period between the thirty-first and thirty-second meetings of the Board as a project concept, and the Board decided to:

- (a) *Not endorse the project concept, as supplemented by the clarification responses provided by the African Development Bank (AfDB) to the request made by the technical review;*
- (b) *Suggest that AfDB reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:*
 - (i) *The proposal should identify and provide a description of authorizations and/or licenses that would be required in addition to those required under the Environmental Impact Assessment (EIA) Regulation, and include a description of how the project will comply with them;*
 - (ii) *The proponent should undertake a risk screening for the Adaptation Fund environmental and social policy (ESP) principle on access and equity and provide an identification and screening of all risks using the Adaptation Fund ESP and gender policy (GP) as per the table and format provided in the Adaptation Fund project proposal template;*
 - (iii) *The proposal should include risk categorization using the Adaptation Fund ESP; and*
 - (iv) *The proposal should provide a justification of the findings for each risk and a substantiation of why the project will not have an impact on the protection of natural habitats nor the conservation of biological diversity when some project activities include introducing tree species and possible earth works to restore and rehabilitate river banks, wetlands, and degraded forest areas. In addition, the proposal should describe how the triggered risks will be addressed during the fully developed proposal stage.*
- (c) *Request AfDB to transmit the observations under item (b) to the Government of Uganda.*

Decision B.31-32/7

12. The current submission was received by the secretariat in time to be considered in the thirty-second Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number UGA/MIE/Water/2018/1, and completed a review sheet.

13. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with AfDB, and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.

14. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25.15, the proposal is submitted with changes between the initial submission and the revised version highlighted.

Project Summary

Uganda – Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities

Implementing Entity: AfDB

Project/Programme Execution Cost: USD 181,064

Total Project/Programme Cost: USD 2,086,996

Implementing Fee: USD 162,004

Financing Requested: USD 2,249,000

Project Background and Context:

Uganda is a landlocked country occupying 241,550.7 km² of land, of which 43,941km² is covered by open water and swamps; its largest water bodies are Lakes Victoria, Kyoga, and Albert. Precipitation varies from 750 mm/yr in the Karamoja pastoral dry areas in the northeast to 1,500 mm/yr in the high rainfall areas on the shores of Lake Victoria, around the highlands of Mount Elgon in the east, the Ruwenzori Mountains in the southwest, Masindi in the west and Gulu in the north. However, the seasonal and spatial variability of precipitation remains a challenge in the humid and semi-arid regions of the country. In recent times, Uganda has experienced heavy rainfalls that led to flash floods, which resulted in increased pollution of unsafe water sources and leading to the outbreak of waterborne diseases such as diarrhoea, typhoid and cholera in certain parts of the country. The proposed project's overall objective is increase the resilience of water sources to climate change effects by protecting the catchments for the water supply systems of Kyenjojo-Katoke, Bundibugyo and Kapchorwa. The project will support the integration of critical adaptation measures into the baseline project, which will ensure continued water supply, even during drought periods, while also protecting natural systems and assets from food and other related risks, through the implementation of three components:

Component 1: Establish climate resilient catchment management plans for Rivers Atari, Aswa and Tokwe. (USD 500,000)

This component will focus building resilience of water supply systems through catchment protection and rehabilitation to climate-proof water supply infrastructure and services against extreme weather events. Activities under this component include: Development of catchment-management plans for the three rivers (Atari, Tokwe and Aswa); Development of Strategic Social and Environmental Assessment (SSEA) to strengthen the integration of environmental and social as well as climate change aspects of water resources management; Establishment and support of Water & Environmental Management (WEM) Committees to undertake distinct catchment protection activities within the project areas; and undertaking an Environmental and Social Audit of the climate adaptation project in consideration of the project's ESMF and developed/implemented catchment plans.

Component 2: Supporting adaptation actions for increased community resilience and sustained livelihoods. (USD 1,105,932)

This component will focus on protecting the targeted rivers and their catchments to ensure long term sustainability of the quantity and quality of water. Proposed activities will include equipping the community with appropriate land use techniques to control erosion and siltation of rivers, the restoration of degraded sub catchments through tree planting in selected buffer zones, establishment of commercial tree nurseries, the restoration of degraded river banks and buffer

zones, and supporting communities to rehabilitate degraded wetlands located in delineated catchments and sub catchments of the targeted three rivers.

Component 3: Building capacity of catchment management structures (USD 300,000)

This component will support climate change education for a range of stakeholders from the local to national level to ensure better understanding of climate change impacts, their causes, and means of responses available. It will facilitate the mainstreaming of climate resilience in urban water and sanitation sector planning. This component will also include the documentation and dissemination of best practices and lessons learnt from the implemented climate adaptation activities and development of a communication strategy.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Regular-sized Project Concept

Country/Region: **Uganda**Project Title: **Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities**Thematic Focal Area: **Water**Implementing Entity: **African Development Bank (AfDB)**AF Project ID: **UGA/MIE/Water/2018/1**

IE Project ID:

Requested Financing from Adaptation Fund (US Dollars): **2,249,000**Reviewer and contact person: **Farayi Madziwa**Co-reviewer(s): **Saliha Dobardzic, Dirk Lamberts**IE Contact Person: **Ayanleh Daher Aden**

Review Criteria	Questions	Comments 24 August 2018
Country Eligibility	1. Is the country party to the Kyoto Protocol?	Yes
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes
	2. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?	Yes

	3. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	Yes
	4. Is the project / programme cost effective?	Yes, for the concept stage.
	5. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	Yes
	6. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund??	Yes
	7. Is there duplication of project / programme with other funding sources?	No.
	8. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	Yes.
	9. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	Yes.
	10. Is the requested financing justified on the basis of full cost of adaptation reasoning?	Yes.

	11. Is the project / program aligned with AF's results framework?	Yes.
	12. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	Yes.
	13. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	Yes. The project is categorized as a category B project. The proponent should be advised that a complaints and grievance handling mechanism is a mandatory aspect all implementing entities must have. In addition, at the full proposal stage, a detailed assessment of environmental and social risks and assessment of gender issues should be undertaken, including a full description of mitigation measures. A full description and plan for how environmental and social risks and gender issues will be assessed and managed for all unidentified sub-projects should be provided.
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	Yes
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	Yes, the fee is 7.76%.
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	Yes. The fee is 8.68%.
Eligibility of IE	4. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes. AfDB is an accredited multilateral implementing entity
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	n/a (Not required at Project Concept stage)
	2. Are there measures for financial and project/programme risk management?	n/a (Not required at Project Concept stage)

	3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	n/a (Not required at Project Concept stage)
	4. Is a budget on the Implementing Entity Management Fee use included?	n/a (Not required at Project Concept stage)
	5. Is an explanation and a breakdown of the execution costs included?	n/a (Not required at Project Concept stage)
	6. Is a detailed budget including budget notes included?	n/a (Not required at Project Concept stage)
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a (Not required at Project Concept stage)
	8. Does the M&E Framework include a breakdown of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a (Not required at Project Concept stage)
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	n/a (Not required at Project Concept stage)
	10. Is a disbursement schedule with time-bound milestones included?	n/a (Not required at Project Concept stage)

Technical Summary	The proposed project plans to increase the resilience of water sources and supply in Kyenjojo-Katoke, Bundibugyo and Kapchorwa to the negative impacts of climate change through protecting catchments and subcatchments of the Aswa, Atari and Tokwe rivers in Uganda. The project aims to: a) Strengthen community structures in environmental and water resources management in alignment with community adaptation to climate change; b) Increase the resilience of communities by supporting adaption actions for sustained ecosystems and livelihoods; and c) Build the capacity of selected stakeholders at different levels in catchment management.
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	<p>The project will support the integration of critical adaption measures into the baseline project, which will ensure continued water supply, even during drought periods, while also protecting natural systems and assets from food and other related risks, through the implementation of three components:</p> <ol style="list-style-type: none"> 1) Establish climate resilient catchment plans for Rivers Atari, Aswa and Tokwe; 2) Supporting adaptation actions for increased community resilience and sustained livelihoods 3) Building capacity of catchment management structures. <p>The initial technical review finds that there are no corrective action or clarification requests identified for the concept stage.</p> <p>However, at the full proposal stage, the proponent should consider the following:</p> <ol style="list-style-type: none"> a) Provide a detailed description of alternative options to the proposed measures to assess cost effectiveness. b) Provide a detailed assessment of environmental and social risks and assessment of gender issues, including a full description of mitigation measures. A full description and plan for how environmental and social risks and gender issues will be assessed and managed for all unidentified sub-projects should be provided.
Date:	24 August 2018

**RESPONSE SHEET PROVIDED BY BOAD TO ADDRESS THE OBSERVATIONS MADE BY THE BOARD
INTERSESSIONALLY BETWEEN ITS 31ST AND 32ND MEETINGS**



ADAPTATION FUND

**ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW
OF PROJECT/PROGRAMME PROPOSAL**

PROJECT/PROGRAMME CATEGORY: Regular-sized Project Concept

Country/Region: **Uganda**

Project Title: **Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities**

AF Project ID: **UGA/MIE/Water/2018/1**

IE Project ID:

Requested Financing from Adaptation Fund (US Dollars): **2 249 000**

Reviewer and contact person: **Farayi Madziwa**

Co-reviewer(s): **Katya Kuang-Idba, Dirk Lamberts**

IE Contact Person: **Andrew Mbiro**

Review Criteria	Questions	Comments 23 May 2018	Agency Response
Country Eligibility	3. Is the country party to the Kyoto Protocol?	Yes	
	4. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes	
Project Eligibility	14. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes	

	15. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?		
	16. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?		
	17. Is the project / programme cost effective?		

	18. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?		
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	<p>19. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund??</p>	<p>CR1: Not addressed. The additional information provided is limited to national EIA requirements. The proponent should explain whether any permits or licenses such as water abstraction permits land conversion and/or land rezoning permits would be required in addition to the Environmental Impact Assessment (EIA) Regulation and Environmental and Social Management Plan (ESMP). In addition, please consider that during full proposal preparation, all the relevant national technical standards for all the project activities (not just limited to those related to EIA) should be identified and a description provided on how the project will comply with these.</p>	<p>CR1, AfDB, 06/08/2018: Thank you for the comment. In addition to further detailing project components and activities in Part 2 section A, further description on how relevant activities will meet relevant national technical standards was provided. This includes compliance and/or guided implementation in alignment with the Uganda Catchment Management Planning Guidelines (MWE 2014, rev.2017), the National Environment Management Policy and National Environment Act, Cap 153, the National Wetland Conservation and Management Policy National Environment (Riverbanks, Lakeshores and Wetlands) regulations (2000) and the National Forestry and Tree Planting Act (2003).</p> <p>A full environmental and social impact assessment shall be conducted in compliance with the above national regulations and the Fund's ESP to assess the potential risks that may be associated with the proposed adaptation activities. This will be accompanied by an environmental and social management plan that will elaborate on the mitigation measures that will be taken to ensure the project meets the AF's ESP Principles and Ugandan laws and regulations.</p>
	<p>20. Is there duplication of project / programme with other funding sources?</p>	<p>No.</p>	

	21. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	Yes.	
	22. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?		
	23. Is the requested financing justified on the basis of full cost of adaptation reasoning?	Yes.	
	24. Is the project / program aligned with AF's results framework?	Yes.	
	25. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	Yes.	
	26. Does the project / programme provide an	CR2: Not addressed. Please provide an identification and screening of risks using the	CR2, AfDB, 06/08/2018: Thank you for the comment. As indicated in Part 2 section K,

	<p>overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>Adaptation Fund environmental and social policy (ESP) and gender policy (GP) as per the table and format provided in the Adaptation Fund project proposal template. The ESP principle on access and equity has not been included. Please include a risk screening for the Adaptation Fund ESP principle on access and equity.</p> <p>CR2.1: In addition to the above, please include risk categorization using the Adaptation Fund ESP.</p> <p>CR3: Not addressed. Please provide a justification of the findings for each risk. In addition, please provide substantiation of why the project will not have an impact on the protection of natural habitats nor the conservation of biological diversity when some project activities include introducing tree species and possible earth works to restore and rehabilitate river banks, wetlands, and degraded forest areas. Please describe how the triggered risks will be addressed during the fully developed proposal stage</p>	<p>a screening of risks using the Adaptation Fund environmental and social policy (ESP) and gender policy (GP) was undertaken. In addition, The ESP principle on access and equity has been included.</p> <p>CR2.1, AfDB, 06/08/2018: Thank you for the comment. Through the use of the Adaptation Fund ESP and following the identification and screening of the social and environmental risks against the Fund's 15 principles, the project is categorized as "Category B".</p> <p>CR3, AfDB, 06/08/2018: Thank you for the comment. Justification was provided in relation to the risks identified, including an explanation as to why the project will have a low negative impact on natural habitats and biological diversity. Additional detail as to how the triggered risks will be further addressed at fully developed proposal stage was included where relevant.</p>
Resource Availability	5. Is the requested project / programme funding within the cap of the country?	Yes	
	6. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	Yes, the fee is 7.76%.	

	7. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	Yes. The fee is 8.68%.	
Eligibility of IE	8. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes. AfDB is an accredited multilateral implementing entity	
Implementation Arrangements	11. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	n/a (Not required at Project Concept stage)	
	12. Are there measures for financial and project/programme risk management?	n/a (Not required at Project Concept stage)	
	13. Are there measures in place for the management of environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	n/a (Not required at Project Concept stage)	

	14. Is a budget on the Implementing Entity Management Fee use included?	n/a (Not required at Project Concept stage)	
	15. Is an explanation and a breakdown of the execution costs included?	n/a (Not required at Project Concept stage)	
	16. Is a detailed budget including budget notes included?	n/a (Not required at Project Concept stage)	
	17. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a (Not required at Project Concept stage)	
	18. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a (Not required at Project Concept stage)	

	<p>19. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?</p>	<p>n/a (Not required at Project Concept stage)</p>	
	<p>20. Is a disbursement schedule with time-bound milestones included?</p>	<p>n/a (Not required at Project Concept stage)</p>	

<p>Technical Summary</p>	<p>The proposed project plans to increase the resilience of water sources and supply in Kyenjojo-Katoke, Bundibugyo and Kapchorwa to the negative impacts of climate change through protecting catchments and subcatchments of the Aswa, Atari and Tokwe rivers in Uganda. The project aims to: a) Strengthen community structures in environmental and water resources management in alignment with community adaptation to climate change; b) Increase the resilience of communities by supporting adaption actions for sustained ecosystems and livelihoods; and c) Build the capacity of selected stakeholders at different levels in catchment management.</p> <p>The project will support the integration of critical adaption measures into the baseline project, which will ensure continued water supply, even during drought periods, while also protecting natural systems and assets from food and other related risks, through the implementation of three components:</p> <ol style="list-style-type: none"> 1) Establish climate resilient catchment management framework for catchments of Rivers Atari, Aswa and Tokwe; 2) Supporting adaptation actions for increased community resilience and sustained livelihoods 3) Building capacity of catchment management structures. <p>The initial technical review found that the project was unclear on whether there were national technical standards requiring authorization or licensing of project activities that would apply to the project in compliance with the Environmental and Social Policy (ESP) of the Fund. In addition, the project did not provide adequate reasoning and commensurate impacts assessment for why some of the risks were or were not triggered in line with the Fund's ESP and Gender Policy to allow for adequate risks identification.</p>
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The final review finds that the revised project document did not sufficiently address the clarification requests made and still needs to identify all relevant permits/licenses and authorizations etc, that the proposed project may need to comply with, as applicable, in order to meet the relevant national technical standards, and still needs to provide a risks identification and screening using the Adaptation Fund environmental and social policy (ESP) and gender policy (GP), including a justification of the findings for each risk and a risk categorization of the project in line with the Adaptation Fund's ESP.

The following observations remain, to be addressed by the proponent:

- a) Please identify and provide a description of authorizations and/or licenses that would be required in addition to those required under the Environmental Impact Assessment (EIA) Regulation, and include a description of how the project will comply with them.
- b) Please undertake a risk screening for the Adaptation Fund ESP principle on access and equity and provide an identification and screening of all risks using the Adaptation Fund environmental and social policy (ESP) and gender policy (GP) as per the table and format provided in the Adaptation Fund project proposal template.
- c) Please include risk categorization using the Adaptation Fund ESP.
- d) Please provide a justification of the findings for each risk and a substantiation of why the project will not have an impact on the protection of natural habitats nor the conservation of biological diversity when some project activities include introducing tree species and possible earth works to restore and rehabilitate river banks, wetlands, and degraded forest areas. In addition, please describe how the triggered risks will be addressed during the fully developed proposal stage

Date:



ADAPTATION FUND

**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

PROJECT/PROGRAMME PROPOSAL TO THE ADAPTATION FUND**PART I: PROJECT/PROGRAMME INFORMATION**

Project/Programme Category:	Regular Project
Country/ies:	Uganda
Title of Project/Programme:	Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities
Type of Implementing Entity:	Multilateral Implementing Entity (MIE)
Implementing Entity:	African Development Bank Group
Executing Entity/ies:	Ministry of Water and Environment
Amount of Financing Requested:	2,249,000 (in U.S Dollars Equivalent)

Project / Programme Background and Context:

Provide brief information on the problem the proposed project/programme is aiming to solve. Outline the economic social, development and environmental context in which the project would operate.

Geographical and Socioeconomic Context

Uganda is a landlocked country occupying 241,550.7 km² of land, of which 43,941km² is covered by open water and swamps; its largest water bodies are Lakes Victoria, Kyoga, and Albert. Lake Victoria, the second largest freshwater lake in the world, accounts for about 80 percent of Uganda's water resource. Rainfall is the most important source of water resources in Uganda with mean annual rainfall estimated at 1,180 mm, however precipitation levels varies widely due to the country's topography. Precipitation varies from 750 mm/yr in the Karamoja pastoral dry areas in the northeast to 1,500 mm/yr in the high rainfall areas on the shores of Lake Victoria, around the highlands of Mount Elgon in the east, the Ruwenzori Mountains in the southwest, Masindi in the west and Gulu in the north.

The seasonal and spatial variability of precipitation remains a challenge in the humid and semi-arid regions of the country. Livelihoods of communities are inextricably linked to water resources; over 60 percent of the population is engaged in rain-fed subsistence agriculture dominated by crops and livestock farming, fisheries and forestry. Water scarcity engenders migration into neighboring districts, which can potentially spark ethnic conflicts and lead to the disruption of agricultural production and potentially affecting the development of these communities. Vulnerable groups including women are disproportionately impacted by deficiencies in water supply. Water collection remains the primary role of women and girls, who walk long distances to fetch water. According to the Uganda Water and Sanitation Sub-sector Gender Strategy, about 55% of women and girls' time is spent travelling to collect water daily¹.

Climate change is a potential threat to the country's freshwater resources and the socio-economic activities depending on these resources. Based on projected population growth, the

¹ Uganda Water and Sanitation Sub-sector Gender Strategy (WSGSIII), May 2017

total renewable water resources of the country per capita is expected to drop to 1072 m³/year by 2030, on the brink of a regime of water scarcity especially in arid and semi-arid regions². The population of Uganda has grown significantly over the past decade from 24.2 million in 2002 to about 45.2 million in 2016 and is projected to reach over 100 million by 2050.

Rapid population growth coupled with migration to urban centers, and increased economic activities will exert additional stress on already overstretched physical resources and facilities including water, land and waste management infrastructure and increase vulnerability to climate change effects.

Climate Vulnerability and Resilience

In recent times, Uganda has experienced heavy rainfalls that led to flash floods, which resulted in increased pollution of unsafe water sources and leading to the outbreak of waterborne diseases such as diarrhoea, typhoid and cholera in certain parts of the country. In addition, climate change will not only exacerbate water scarcity problems in semi-arid areas but also impair water quality. Prolonged droughts have also been recorded to affect groundwater levels leading to dry up of boreholes and reduced lake levels that caused serious challenges to water services provision in urban areas³. This causes severe water stress for communities particularly women and girls who are traditionally responsible for collecting water and managing the homes. Women and girls in Uganda bear the impact of inadequate, deficient or inappropriate water and sanitation services.

In addition to safe water access difficulties outlined in the paragraph above, a large proportion of small town communities do not have access to adequate sanitation facilities. The most common type of sanitary facility being used at household level is the ordinary pit latrine (77.8%) followed by Ventilated Improved Pit (VIP) latrines (20.8%)⁴. Hence, flood events could pose serious pollution problems to sources of drinking water, with the potential danger of outbreaks of water borne diseases. Water and sanitation related diseases are among the top ten killer diseases in Uganda.⁵ The poor are the most affected by these disease outbreaks.

In consideration of the water supply problems prevalent in the country, the Ministry of Water and Environment has prepared and is ready to implement the Strategic Towns Water Supply and Sanitation Project (STWSSP) with funding support from the African Development Bank. The identified towns to benefit from STWSSP include Kyenjojo-Katooke (Kyenjojo District), Nakasongola (Nakasongola District), Kayunga-Busana (Kayunga District), Kamuli (Kamuli District), Kapchorwa (Kapchorwa District), Dokolo (Dokolo District), Bundibugyo (Bundibugyo District) and Buikwe (Buikwe District). The STWSSP will utilise surface water sources (rivers and lakes) as shown in the table below:

² Lukas Ruettinger and Dennis Taenzler (2011) Water Crisis and Climate Change in Uganda, A Policy Brief. Initiative for Peace Building

³ Governemnt of Uganda (2017) Strategic Water Supply and Sanitation: Funding proposal to the AfDB.

⁴ WSDf-C Regional Sanitation and Socio-economic baseline survey report 2013.

⁵ "Intestinal worms, diarrhoea and asthma topped the list of the most prevalent diseases in Kampala city between 2006 and 2009. Kampala City Council's health division says these diseases jointly contribute to more than 80 per cent of the disease burden in the city" (By Lirri of the Monitor Publications, 6 April 2010", Contemporary Issues And Challenges Related To Water, Health And Environment In Uganda

Proposed Town WSS	Water Source
Kyenjojo-Katoke	R. Aswa
Nakasongola	L. Kyoga
Kayunga-Busana	R. Nile
Kamuli	R. Nile
Kapchorwa	R. Atari
Dokolo	L. Kyoga
Bundibugyo	R. Tokwe
Buikwe	L. Victoria

As seen from the table above, five (5) towns will abstract water from large water bodies (L. Victoria, L. Kyoga and R. Nile), while the remaining 3 will abstract from medium sized rivers namely Aswa, Atari and Tokwe. The Directorate of Water Resources Management (DWRM) of the MWE, through regional / decentralized Water Management Zones (WMZs), prioritizes catchment management interventions for major water basins/bodies in the country with less emphasis on small to medium sized water basins. As such, catchments for L. Victoria, L. Kyoga and R. Nile basins are being managed by the responsible area / regional WMZ. This proposal is aimed at implementing adaption actions for the catchments of rivers Aswa, Atari and Tokwe in order to ensure sustainability and reliability of water sources for Kyenjojo-Katoke, Bundibugyo & Kapchorwa piped water supply systems.

Overview of the project areas/catchments

River Atari is the water source for the proposed Kapchorwa water supply system and is one of the rivers that feed into Lake Kyoga. The Atari catchment is located in Kyoga basin in the eastern part of Uganda and originates from the ranges of Mt. Elgon. The most common uses of the river include provision of water for domestic purposes such as washing, cooking, bathing and watering animals. It is also used for economic activities such as brick making and irrigation of gardens in the immediate vicinity of the river.

The catchment population is rapidly growing and is projected to reach about 4 million people by 2035. The Atari catchment is characterized by rain-fed agriculture, livestock farming especially cattle-keeping, undulating mountain ranges besides lowland plains with wetlands, open shrubs with grassland and small herbaceous fields with sparse trees. As a result of the increasing population pressure and needs for improved livelihood, the catchment is being encroached upon for habitation, subsistence farming, livestock keeping and harvesting of eco-system goods such as fuel wood, timber, and reeds for art and crafts.

During the rainy seasons, the region receives heavy rainfall; this coupled with the hilly terrain has led to massive landslides and devastating floods in the low-lying areas of the catchment. The R. Atari bank catchments have been degraded culminating into river siltation and flooding. For the past years, as land use change around the River Atari catchment has progressed towards agriculture, there has been an increase in sediment levels in the river. The increase in sediment level has threatened the ecosystem biodiversity, stability and quality of water in R. Atari.

Tokwe River originates from Rwenzori mountain ranges in Bundibugyo district and is the main source of water for Bundibugyo town. The river is faced with challenges of siltation due to numerous landslides and erosion/collapsing river banks and flash floods. The melting of ice caps on Rwenzori Mountains has accelerated the erosive power of river Tokwe. Such erosive power and associated siltation downstream, compounded by the intensive cultivation along the river course, have enabled the river to factually block its original course at various points resulting into heavy and destructive floods.

The communities living by the river and its vicinity experience floods during both rainy and dry seasons. In rainy seasons, surface run-off and glacial melt from Rwenzori Mountains cause the river to overflow its banks with potential to sweep away bridges, crops and even settlements downstream. Usually the floods are so strong causing massive soil erosion and sand deposition on the banks. In dry seasons the flow in the river can be seen low during the mornings but often in the middle of some days the river swells and flows over the banks. Flooding of the river during dry seasons is attributed to the melting of glaciers from the Rwenzori Mountains (UNAPA, 2007). These floods have claimed lives and continue to affect livelihoods of the communities that depend on the river for domestic uses besides other income generating activities. The floods are also a threat to infrastructure such as the Fort Portal - Bundibugyo road, schools and human settlements in the Tokwe valley.

River Aswa is located in Kyenjojo district in southwestern Uganda and drains in Lake Albert. The related challenges for the sub catchment for this river include high rates of soil loss and loss of vegetation cover especially along the banks.

Problem Situation

The catchments for rivers Atari, Tokwe and Aswa are some of the areas in Uganda that have been most affected by the impacts of climate variability and change. Floods and landslides are consequences of natural climatic variations in these catchments aggravated by climate change. The three catchments are highly vulnerable to landslides in the mountainous / hilly sections of the rivers and floods in the low-lying areas. Land degradation and massive deforestation have also made the catchments predominantly vulnerable to flooding during rainy seasons. These drastic events of landslides and floods have over the years led to loss of human life, animals and crops, and destruction of homes and infrastructure such as roads and bridges. The three catchments are highly vulnerable to the impacts of climate change and variability mainly because of the factors described below:

Ecosystem degradation: Riverbanks, wetlands, forests and mountain ecosystems such as Elgon and Rwenzori in the catchments are degraded due to increasing human pressures such as encroachment and deforestation. The vegetation of ecosystems on riverbanks is very important to stabilize the shoreline and prevent flooding. Wetlands play a crucial role throughout the country in capturing sediments, maintaining water quality, and environmental flows to meet the minimum requirements of ecosystems. Wetlands and lake systems are also degraded due to encroachment for crop and livestock farming. Forests on the other hand are vital for maintenance of the hydrological cycle as well as stabilization of soils across different landscapes. Deforestation due to the high wood and non-wood demands of the increasing human population in the catchments is a major threat. Such pressures on wetlands and forests reduce the capacity of such ecosystems to maintain their ecological

integrity and provide ecosystem services. This renders the entire catchments more vulnerable to the impacts of climate change. The mountain ecosystems of Elgon and Rwenzori (sources for rivers Atari and Tokwe respectively) are also being highly encroached on by humans.

Degradation of farming land: The populations of the catchments are heavily dependent on natural resources for their livelihoods with agriculture being the primary source of food and income. The local communities are largely subsistence farmers. Their livelihoods depend on agriculture without alternative livelihood strategies to generate income from other sources and minimize their vulnerability to climate variability. Due to the growing human population, poor farming practices, such as uncontrolled use of land for farming, grazing and deforestation, the natural resources are increasingly degraded. The degradation of the natural resources renders agricultural landscapes in the catchments more vulnerable to risks of climate change such as floods and landslides.

Inadequate knowledge and skills on climate change and adaptation: Knowledge about water resources and impacts of climate change on these resources, particularly at the local level is not sufficient to support water resources planning and management and mandated institutions cannot effectively enforce compliance with existing laws and regulations.

The capacities to adapt and manage these challenges are weak particularly at the community level, where the urban poor have limited resources to cope with the vagaries of climate change. At the same time, institutional capacity, disaster-management capacities and financial resources at the national and local levels, are also limited.

Other specific areas where climate resilience is necessary include:

- (a) Restoration of water catchment ecosystems to ensure continued sustainable water flow at all times. The degradation of natural resources, exacerbated by livelihood strategies adopted out of poverty, often leads to adverse effects on water availability, access and quality;
- (b) Districts prone to drought and/or floods which, combined with the lack of adequate supply of safe water and sanitation, may result in water borne disease outbreaks such as cholera;
- (c) Some peri-urban areas lack adequate resources to provide climate-resilient water sources for human consumption and agricultural production, which limits traditional sources of water during extreme climate events.

It has become imperative that water sector interventions are designed to reduce vulnerability to avoid or cushion the impacts from climate change and enable people to respond to climate hazards, thereby enhancing economic, social and climate resilience. Integrated resource management planning to cope with climate change is therefore key to sustainable development.

Uganda has developed a National Adaptation Programme of Action (NAPA) based on lessons learnt to guide climate change adaptation activities. Top priority interventions identified in the NAPA include forestry and water resource management, promote and strengthen the

conservation and protection of watersheds, water catchment areas, riverbanks and water bodies, as well as contingency planning for extreme events such as floods and drought.

The proposed project will therefore execute interventions aimed at improving the resilience of communities, agricultural landscapes and ecosystems in the three catchments to the impacts of climate change by reducing the risk of floods, landslides and degraded riverbanks.

Project / Programme Objectives:

List the main objectives of the project/programme.

The project's overall objective is to increase the resilience of water sources to climate change effects by protecting the catchments for the water supply systems of Kyenjojo-Katoke, Bundibugyo and Kapchorwa. This will ensure sustainable water supply to the beneficiary towns/communities. Specifically, the project will:

- a) Strengthen community structures in environmental and water resources management in alignment with community adaptation to climate change.
- b) Increase the resilience of communities by supporting adaption actions for sustained ecosystems and livelihoods.
- c) Build the capacity of selected stakeholders at different levels in catchment management.

Project / Programme Components and Financing:

Fill in the table presenting the relationships among project components, activities, expected concrete outputs, and the corresponding budgets. If necessary, please refer to the attached instructions for a detailed description of each term.

For the case of a programme, individual components are likely to refer to specific sub-sets of stakeholders, regions and/or sectors that can be addressed through a set of well defined interventions / projects.

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
Component 1: Establish climate resilient catchment management plans for Rivers Atari, Aswa and Tokwe	<p>Catchment management plans developed for R. Atari, R. Tokwe and R. Aswa</p> <p>Strategic Environment and Social Assessment developed as part of the catchment management plans</p> <p>Water & Environmental Management (WEM) committees established and supported in line with protection of catchments and sub catchments</p>	Enhanced environmental integrity and social plight of beneficiary communities	500,000

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
Component 2: Supporting adaptation actions for increased community resilience and sustained livelihoods	<p>Community equipped with appropriate land use techniques to control erosion and siltation of rivers</p> <p>Degraded sub catchments are restored through tree planting in selected buffer zones</p> <p>Community supported to establish and sustain commercial tree nurseries</p> <p>Degraded river banks restored and buffer zones protected</p> <p>Community supported to rehabilitate degraded wetlands existent in sub catchments</p>	<p>Improved ecosystems in the three catchments.</p> <p>Ensure long term provision of adequate and unpolluted water from the three rivers</p> <p>Community livelihood enhanced through climate change resilient interventions</p>	1,105,932
Component 3: Building capacity of catchment management structures	<p>Training catchment management stakeholders (WSCs, district and local government extension workers, relevant NGOs/CBOs) in climate change adaptation activities</p> <p>Selected women and youth groups trained in establishment and management of tree nurseries</p> <p>Appropriate Information, Educational & Communication materials produced and disseminated in communities</p> <p>Best practices and lessons learned documented and disseminated</p>	<p>Improved awareness on climate resilience and suitable adaptation measures/practices</p> <p>Strengthened capacity of communities/stakeholders to climate change adaptation</p>	300,000
6. Project/Programme Execution cost			181,064
7. Total Project/Programme Cost			2,086,996
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			162,004
Amount of Financing Requested			2,249,000

Projected Calendar:

Indicate the dates of the following milestones for the proposed project/programme

Milestones	Expected Dates
Start of Project/Programme Implementation	October, 2019
Mid-term Review (if planned)	January 2021
Project/Programme Closing	August 31 st 2022
Terminal Evaluation	October 2022

PART II: PROJECT / PROGRAMME JUSTIFICATION

- A. Describe the project / programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.**

Inadequate access to water has profound effects on socio-economic and overall wellbeing of the populace in urban and peri-urban settlements of Uganda. In many small towns and peri-urban settlements specifically water stressed areas, people inhabit highly polluted, over-crowded and unhygienic environments where they are subject to outbreaks of waterborne diseases. Due to the exponential population growth in such towns and rural growth centres, the water and sanitation challenges have become acute and severe. Climate change effects (droughts and floods) will impact water quantity and quality in these towns.

The proposed project is expected to enhance the sustainability of the African Development Bank funded Strategic Water Supply and Sanitation project, which is being prepared to support the Government of Uganda's efforts to increase access to water and sanitation services in towns of strategic socio-economic importance to the district headquarters. These are areas of increasing population growth and industrial development. Specifically, the proposed adaptation project seeks to integrate critical adaption measures in the baseline project, which will ensure continued water supply to the communities at all times, during the drought period, while conserving/protecting water resources from the floods and related risks.

The proposed adaptation project will ensure all-year round access to water that would eliminate the water shortages, improve socio-economic and overall health conditions for the beneficiary population.

Target Towns:

(i) Kyenjojo - Katooke TWSS: The water supply area of the proposed water supply and sanitation scheme covers the Town councils of Katooke, Kyenjojo and Butunduzi in Kyenjojo District. The current population in the water supply area is 22,792 people. The proposed water supply area includes the entire Town councils of Katooke, Kyenjojo and Butunduzi, in addition, the water supply and sanitation scheme will serve other trading centres along the pipeline route that include Nyakiisi, Munjeru, Mwikoona, Nyamwandara, Kaiganga, Rwamukora (Along the Katooke-Kyenjojo route) and Kyanayiti, Kihuura and Matiri (Along the Kyenjojo-Butunduzi pipeline route). The proposed water supply system is designed to serve approximately 59,281 people by 2037. The system is based on abstraction of water from **R. Aswa** via a water treatment plant with a water production capacity of 2,360 m³/d. The total length of the transmission main is 79km and a total of 113km of distribution pipelines. The total water storage is 750m³.

(ii) Bundibugyo TWSS: Bundibugyo Town Council is located in Bundibugyo District approximately 356km west of Kampala City. It is approximately 35km west of Fort Portal town. The town had a population of approximately 30,000 people in 2015. The town has a piped water supply system that is not sufficient. The proposed water supply area includes the entire Bundibugyo Town Council and the surrounding villages. The proposed water supply system is designed to serve approximately 79,010 people in 2040. The system is based on gravity flow of water from **River Tokwe** with a production of approx. 2,500m³/d. The total length of the proposed transmission main is 10km and a total of 100km of distribution pipelines. The total proposed water storage is 450m³.

(iii) Kapchorwa TWSS: Kapchorwa Municipality is located on the slopes of Mt Elgon in Kapchorwa District in Eastern Uganda approximately 310km northeast of Kampala City and 65km northeast of Mbale Municipality. The Municipality has a current approximate population of 52,397 people. Binyiny Town Council borders Kapchorwa District to the West and hosts the Kween District headquarters. The proposed water supply area includes the entire Kapchorwa Municipality and the trading centres of Kaserem, Chema and Tegeres in Kapchorwa District and Binyiny Town Council in Kween District. The proposed water supply system is designed to serve approximately 98,000 people in 2035. The improved system is based on an abstraction of water from **Atari River** via an expanded water intake and treatment plant of capacity 6,000m³/d. The total length of the transmission main is 10km and a total of 90km of distribution pipelines. The total designed water storage is 1,120m³.

Proposed activities:

Component 1: Establish climate resilient catchment management plans for Rivers Atari, Aswa and Tokwe

Building resilience of water supply systems is critical to address pressures related to urbanization, resource use and population growth; requires action such as catchment protection and rehabilitation to climate-proof water supply infrastructure and services against extreme weather events.

The forested mountainous areas of Elgon and Rwenzori are an asset to the country as they protect water catchments ensuring supplies of domestic water; maintaining downstream fisheries and hydro-electric power generation and also ameliorate local climatic conditions providing suitable conditions for agriculture. Floods wash away the top soils in these mountainous areas, thereby causing soil erosion and soil degradation, while during the dry seasons, the areas are not easily served by household water supplies. Communities therefore trek long hilly distances and terrains to get water in the slippery valleys.

Under this component, the following activities shall be implemented:

- i) Development of catchment management plans for the three rivers (Atari, Tokwe and Aswa)- A Consultant will be required to ease the process of developing climate-proofed catchment management plans for the three catchments. As part of the process the Consultant shall undertake Catchment Situation Assessments (CSAs) to delineate / define the catchments and ascertain baseline conditions
- ii) Development of Strategic Social and Environmental Assessment (SSEA) based on a participatory process that will aim to strength the integration of environmental and social as well as climate change aspects of water resources management. Consistent with the Catchment Management Guidelines for Uganda, the SSEA will identify the potential adverse consequences of development and the fragility of many economically and socially important natural assets. The major social and environmental issues are assessed for the catchment today and the potential issues in the future that the plan should foresee and attempt to mitigate, considering the resource base, development opportunities, and the goals and direction of relevant stakeholders. The SSEA will analyze all the social and environmental issues associated with climate change vulnerability in the selected catchments to inform the selection of environmental and social priorities and to assist in developing options and scenarios for the future in order to protect and conserve the water resources. The SSEA will identify the issues and provide recommendations for comprehensive planning that will help to avoid future problems and maximize opportunities for IWRM and sustainable development.
- iii) Establishment and support of Water & Environmental Management (WEM) Committees to undertake distinct catchment protection activities within the project areas. In this component, each of the three major catchments will be subdivided into micro-catchments covering the different zones (highlands, midlands and lowlands). A WEM committee will be established for each of the micro-catchments and such committees would be helpful in identifying key water resources and climate change issues to be addressed in the catchment management planning process as well as identifying specific locations where priority interventions ought to be implemented. The WEM committees will continue beyond the project period and be sustained by government using

innovative funding sources such as water abstraction permit fees and funds for water source/catchment protection that would be paid by investments that are based on each of the rivers.

- iv) Environmental and Social Audit of the climate adaptation project in consideration of the project's ESMF and developed / implemented catchment plans. With assistance of a consultant, an environmental and social audit will be conducted at mid-term and project closure in line with the provisions of the Adaptation Fund's Environmental and Social Policy, AfDB's Environmental and Social Safeguards Policy and National Environment (Audit) Regulations, 2006.

Component 2: Supporting adaptation actions for increased community resilience and sustained livelihoods

As a measure to ensure long term sustainability of the quantity and quality of water provided by the rivers, there will be need to protect both the rivers and their catchments. Once rivers are polluted it can be very costly to treat the water and make it potable for drinking and other domestic purposes; and besides, degradation of drinking water catchments can lead to a reduction in quantity of water available for abstraction and supply to beneficiary communities. Activities under this component will include:

- i) Community equipped with appropriate land use techniques to control erosion and siltation of rivers. The detailed activities will include:
- Identification and mapping of degraded agricultural landscapes that call for corrective action
 - Community training on modern methods/best practices of farming to counteract the effects/impacts of climate change on land
 - Provide demonstrational rainwater harvesting systems for household and institutional levels
 - Construction of suitable small-scale flood management structures e.g. embankments, ponds, valley dams and stormwater diversion channels.
- ii) Restoration of degraded sub-catchments through tree planting in selected buffer zones. Suitable tree species will be selected as per community needs acceptability or importance, soil stabilisation and control of run off/erosion will be planted to trim down the rain drop effect thereby lowering the frequency and magnitude of flood episode and or landslides. Specific activities will include:
- Identification and demarcation of suitable areas to act as buffer zones
 - Planting of appropriate tree species as per Uganda forestry and tree planting Act in the different marked mapped zones.

iii) Communities will be supported to establish and sustain commercial tree nurseries

- Set up groups within micro-catchments/zones to establish tree nurseries
- Offer hands-on training on setting up nursery beds, caring after them and marketing of the resulting tree seedlings including basic book keeping skills
- Established demonstrational nursery beds in the micro-catchments/zones.

iv) Degraded river banks will be restored and buffer zones protected

Due to poor management practices, banks of rivers originating from mountainous/hilly areas are facing a higher risk of erosion and siltation. The proposed project will support the protection and restoration of degraded river banks and buffer zones in the catchments through:

- Development of river-specific banks restoration plans.
- Demarcation of degraded river banks in the 3 catchments. The project will aim at restoring degraded buffer zones and riverbanks in accordance with developed action plans.
- Training communities on protection of river banks.
- Equip beneficiary communities with appropriate tools to implement river-specific bank restoration plans

v) Communities will be supported to rehabilitate degraded wetlands located in delineated catchments and sub catchments of the three rivers. The project will aim at rehabilitating degraded wetlands existent in the delineated catchments and sub-catchments in order to enhance their water retention capacity and ultimately control flood events.

- Definition of wetland boundaries in a participatory manner to avoid community conflicts
- The community members of which 50% are women will be trained in wetland rehabilitation/restoration techniques
- The wetlands in the targeted catchments and sub-catchments will be marked and communities equipped to undertake wetland- specific restoration plans.
- Development of site-specific plans for wetland restoration within the defined catchments
- Equip beneficiary communities with appropriate tools to implement wetland-specific restoration plans

Component 3: Building capacity of catchment management structures; Knowledge management and dissemination

This component will support climate change education for a range of stakeholders from the local to national level to ensure better understanding of climate change impacts, their causes, and means of responses available. It will facilitate the mainstreaming of climate resilience in urban water and sanitation sector planning. Specific activities will include:

- Conduct a capacity needs assessment to determine capacity gaps among the different stakeholders in order to inform the training content

- A detailed training programme will be developed to guide the trainings
- Training catchment management stakeholders (WEMs, district and local government extension workers, relevant NGOs/CBOs) in climate change adaptation activities such as damming of streams to collect and store seasonal overflows, rainwater harvesting to supplement water supply
- Develop and disseminate Information Education and Communication (IEC) Materials for advocacy and visibility among various stakeholders
- Documentation and dissemination of best practices and lessons learnt from the implemented climate adaptation activities including development of a communication strategy.

B. Describe how the project / programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project / programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund.

Climate variability and change is expected to have an impact on Uganda's performance in the agricultural sector, the mainstay of the economy. Some of the effects include high food prices, lower domestic revenues and an increase in the current budget deficit due to low export earnings. The UN's Food and Agricultural Organization found that the drop in the growth of the Ugandan economy from 6.6% in 2004-2005 to 5.3% in 2005-2006 was largely due to the variability of the weather, specifically its impact on agriculture.

The proposed project will enhance the resilience of communities and ecosystems to the impacts of climate change by ensuring safe and reliable freshwater supply to a vast majority of the vulnerable population (women and children) in selected strategic small towns of Uganda.

Economic benefits

The proposed interventions will stimulate productivity and wealth creation as time saved from water collection can be re-allocated to diversify beneficiaries' revenue streams by building new businesses and expanding gardens and agricultural crops.

In addition, sustained water access in towns will trigger economic growth through stimulation of commercial activities such as hotels, and support to end-user social services including health centres, educational institutions, and agro-based industries all of which are essential ingredients for development. These will directly benefit the approximately 5000 women and youth who will benefit from increased opportunities for employment and trade.

Specifically, the proposed adaptation project will focus on employment creation for women and youth; these beneficiary groups will be engaged in activities that support the project such as production of tree seedlings from established tree nurseries. The groups will be given hands-on training on setting up nurseries and marketing the resulting tree seedlings. Demonstration nursery beds will be established by the project for the rest of the community to learn, share and replicate. As part of project activities, appropriate tree species (an assessment will be carried out to establish market trends/pricing, marketable and environment friendly species), will be planted in selected buffer zones, degraded wetlands and along river banks in restoration of the degraded catchments.

Private tree farmers (both small and large scale tree planters) in the project areas will be identified and encouraged to source seedlings from the project tree nurseries. Sales from tree seedlings will provide the required financial resources to sustain the tree nurseries. Part of the revenues/income gained (in profits) is expected to be reinvested in the business to offer sustainable services.

Social benefits

The project will aim to directly improve adaptation capacity of approximately 10,000 people from approximately 1,500 households (3,500 people, 500 households targeted in each of the three catchments). Generally, 50 percent of the target beneficiary population (5,000) will be women and youth. Of the 5,000, different categories of vulnerable and or marginalized beneficiaries (people with disabilities, female headed and child headed households) will be targeted. The socio-economic profile of the beneficiary groups will be further analyzed and disaggregated by gender during the development of the full proposal.

Sustained and increased availability of water is key to social development. Improved access to clean water will alleviate adverse health effects and allow for the reallocation of time dedicated to fetching water towards engaging in other activities including education. The reduction in time spent collecting water can improve the participation of youths (especially girls) in school, thus improving the level of education in the target communities.

In addition, a community based participatory approach to planning and implementation will be developed and this will lead to developing socially accepted project interventions by the beneficiary/catchment communities. The proposed project will yield social benefits to the community. These include:

- a) Formation of Water and Environmental Management Committees in which women will be encouraged to participate. There will be affirmative action taken in supporting women to take up leadership positions and as such, one third of the membership will be women in accordance with the Gender Policy of the MWE.
- b) Conflict management; this aspect will be integrated in all project implementation activities at different levels. Appropriate skills and knowledge on community conflict management and leadership will be imparted to various stakeholders.
- c) Active participation by all stakeholders in all project activities will be encouraged and this will be achieved through conducting meetings, trainings, at an agreed time and venue to encourage participation by all concerned. This will again contribute to managing conflicts between communities related to access to and use of natural resources.
- d) Enhanced social cohesion; establishment of commercial tree nurseries will contribute to social cohesion and stabilization of beneficiary communities since rural-urban migration in search of income generating opportunities, especially by the youth, is expected to tone down.

Environmental Benefits

The project areas face rampant ecosystem and environmental degradation, soil loss, siltation of rivers, erosion of riverbanks and reduction in biodiversity, which contribute to low resilience to climate change. The proposed project is expected to have positive environmental impacts as it supports catchment and water resource protection practices, including catchment planning and soil conservation measures (e.g. reforestation). All these factors are essential to enhance the resilience of ecosystems and ensure long-term and sustainable water availability and security.

The proposed environmental protection and conservation activities will also help to improve the natural-resource base of the communities living in the three catchments. The wetland ecological systems of Atari, Tokwe and Aswa catchments will be improved and protected through various interventions as will be outlined in the developed wetland-specific restoration plans. Degraded and deforested areas within the three catchments including affected buffer zones and degraded riverbanks shall be reforested/restored. Floods and landslides across landscapes will be controlled through community training on appropriate / modern farming practices besides implementation of corrective bio-physical measures thereby strengthening resilience of agricultural landscapes.

Establishment of tree nurseries will improve the natural vegetation cover of the catchment areas thereby contributing to proper management of the flood hazards to communities in the catchments.

Generally, the project adaptation activities will support the sustainability of critical catchments and sub catchments for the three rivers (R. Atari, R. Aswa and R.Tokwe).

C. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme.

The proposed project aims to enhance the resilience of communities in selected catchments through establishing climate-resilient management framework for the catchments of Rivers Atari, Aswa and Tokwe (\$ 500,000), supporting adaptation actions for increased community resilience and sustained livelihoods (\$1,105,932) and building capacity of catchment governance structures (\$ 300,000).

The interventions retained to foster climate change adaptation are based on existing options for improving climate resilience of water sources in Uganda as articulated in the national strategies and policies including the NAPA, Water Resources Policy, etc. Overall, these interventions will improve efficiency, increase water availability and reduce losses from extreme weather events (floods).

The cost-effectiveness of the project's adaptation interventions will be greatly enhanced by the catchment management approach. Catchment management has been recognized to offer a viable and cost effective alternative to conventional capital-intensive water resources management solutions / hard infrastructure. Catchment activities contribute towards land management that delivers flood control and efficient resource use outcomes, hence help reduce flood damage and the need to invest in flood mitigation works. The Uganda National Climate Change-Costed Implementation Strategy (MWE, 2012) costed the proposed actions of its integrated water resources management program as documented in the Government of Uganda's Climate Change Adaptation Strategy and compared them to potential benefits in terms of reducing unmet water demand or in reducing losses from floods. The model calculates the minimum reduction in damages required for the project to generate a 10% rate of return. The results indicate that with minimum investment the programme would already generate this rate of return. Activities to enhance integrated catchment management, restoration of wetlands and riverbanks yield significant benefits, based on estimates of economic value of ecosystem services provided by the catchments; and justify the cost of investments in climate change adaptation.

The project is considered cost-effective for the following primary reasons:

- a) Project support to catchment management (including sustainable land and water management practices) and governance at the community scale is expected to improve source protection and secure access to water supply for domestic and agriculture purposes. It is anticipated that the modest investment of AF resources will result in (i) significant improvements in water supply in the target towns; (ii) enhance community livelihoods; (iii) foster community participation in the management of natural resources, (iv) improve wetland and forestry restoration; amongst others. This will yield significant benefits. For instance, the 2016 Industrial Economics analysis prepared for the MWE on the Contribution of Water Resources Development and Environmental Management to Uganda's Economy showed that activities to improve wetlands management could yield benefits of between US\$ 230 - US\$ 400 per hectare/year based on estimates of economic value of goods and services provided by wetlands. The report also showed that total cumulative health care cost savings from water resources development across a 25-year period; under both moderate and high investment scenarios are \$870 million and \$1.0 billion over a business as usual scenario.
- b) The project investments in the development of the climate resilient catchment management framework will support situation analysis including vulnerability assessments that will be key to determining appropriate and suitable adaptation actions for each catchment. The project will support the detailed assessments on the funding mechanisms, governance and institutional capacity that will contribute to the long-term sustainability of water resources and resilience of communities and ecosystems to climate variability and change.

D. Describe how the project / programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

The policy framework for the management and development of water resources in Uganda is based on the National Water Policy (1999). The National Water Policy promotes an integrated approach to the management of the water resources in ways that are sustainable and most beneficial to the country. In addition, the NWP recognizes the economic value of water, promotes the participation of all stakeholders, including women and the poor, in all stages of water supply and sanitation, and confirms the right of all Ugandans to safe water.

Other policy documents which complement the policy and relevant to this project include: National Environment Management Policy (1994); the Wetlands Policy (1995), the upcoming Land Use Policy; National Health Policy and Health Sector Strategic Plan (1999); National Environmental Health Policy (2005); the School Health Policy (2006); and the National Gender Policy (1997).

Water supply and sanitation is recognized as key issue under the National Development Plan (NDP) covering the period 2010/11 to 2014/15, 2015-2016-2019/20. The NDP is the key government document for fighting poverty through rapid economic development and social transformation replacing the second Poverty Eradication Action Plan (PEAP) of 2004. Water resources development is also enshrined as key undertaking within the National Vision 2040, which seeks to transform the socio-economic livelihood of Ugandans.

The catchment management approach being promoted through this project aligns with the MWE's

Catchment-based Water Resources Management (CbWRM) strategy, which is aimed at developing and implementing Catchment Management Plans through a stakeholders driven process. Catchment Management Planning (CMP) Guidelines (MWE 2014, rev in 2017) have been developed to guide the process of preparation of CMPs in Uganda and the de-concentration of water resources management to WMZs. .

The National Climate Change Policy (NCCP) is Uganda's integrated response to climate change that clearly defines a pathway for dealing with the challenges of climate change within the socio-economic context. The goal of Uganda's National Climate Change Policy is to ensure a harmonized and coordinated approach towards a climate resilient and sustainable low-carbon development path for Uganda. The overall policy objective is to ensure that all stakeholders address climate change impacts and their causes through appropriate measures, while promoting sustainable development. The policy calls for the integration of climate change concerns into national efforts for sustainable and long-term conservation, access and effective utilization and management of water resources.

The Uganda's Nationally Determined Contributions (NDC) for the water sector prioritizes the management of water resource systems, including wetlands, particularly in cities, in such a way that floods are prevented and existing resources conserved through the establishment of an IWRM system.

Uganda's National Communication on climate change to UNFCCC also emphasizes access to information on additional measures and policies required to adapt to climate change, as well as information on gaps and constraints (besides lack of financial resources and technical constraints), and the weak capacity of lower level decision-makers to manage natural resources due to inadequate information / knowledge.

In addition, the proposed project is in line with the adaptation priorities identified under the National Adaptation Programme of Action (NAPA) for Uganda; the project will contribute towards implementing NAPA priority interventions in Uganda such as communal tree planting, management of land degradation through modern and climate-proofed farming methods, and sustainable provision of water for production and domestic use.

E. Describe how the project / programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.

The project is relevant to the climate adaption objectives for the water sector as articulated in the Uganda NAPA and NDC. The proposed climate resilient catchment management planning activities have also be informed by the Uganda Catchment Management Planning Guidelines (MWE 2014, rev.2017). The Directorate of Water Resource Management (DWRM) under the MWE leads the Catchment based water resources management program for Uganda and is responsible for the development and enforcement of national water laws, policies and regulations including managing, regulating and monitoring national water resources through issuance of water use permits, abstraction and wastewater discharge permits.

Other relevant regulations include the (i) **National Environment Management Policy and National Environment Act, Cap 153**, which requires projects or policies likely to have significant adverse ecological or social impacts to undertake an Environment and Social Impact Assessment before implementation. The Act imposes a mandatory duty on a project developer to have an Environmental Impact Assessment conducted before embarking on a project. The National Environment Management Agency (NEMA) was established under the Act to oversee, coordinate and supervise environmental management in Uganda, including the review of EIAs and issue permits before project implementation, (ii) **National Wetland Conservation and Management Policy** requires the preparation of Environmental Impact Assessment and Audit procedures for all activities to be carried out that will have an impact on a wetland (s). Furthermore, the policy aims at maintaining an optimum diversity of uses and users and consideration for other stakeholders when using a wetland, (iii) **National Environment (Riverbanks, Lakeshores and Wetlands) regulations, 2000** provides a list of regulated activities whose implementation in wetlands is subject to issuance of a permit granted by NEMA in consultation with the Lead Agencies. These include, among others, cultivation, drainage, commercial exploitation, sewerage filtration, fish farming and aquaculture. Environmental Impact Assessment is mandatory- under the statue-for all activities in the wetlands, riverbanks and lakeshores and special measures are essential for protection of these ecosystems, (iv) **National Forestry and Tree Planting Act (2003)** makes provision for conservation of Uganda forests and guides tree planting activities in the Uganda.

Consistent with the above national regulations and the Fund's ESP, an environmental and social impact assessment shall be conducted to assess the potential risks that may be associated with the proposed adaptation project's interventions. This will be accompanied by an environmental and social management plan that would elaborate the mitigation measures that will be taken to ensure consistency with the ESP Principles and Uganda laws and regulations. NEMA shall approve the EIA/ESMP and issue the required license and permit prior to the implementation of the associated tree planting, riverbank and wetland rehabilitation activities in accordance with Ugandan environmental laws.

F. Describe if there is duplication of project / programme with other funding sources, if any.

This is the first integrated project that is designed to supplement the AfDB-funded *Strategic Towns Water Supply and Sanitation Project* with the aim of scaling up climate resilience in three water stressed, environmentally degraded, and vulnerable towns in western and eastern regions of Uganda (Bundibugyo, Kyenjojo-Katoke and Kapchorwa). As a result, there is no duplication of this project with other funding sources.

The STWSSP is more focused on water and sanitation infrastructure development for the 10 towns identified, including Bundibugyo, Kyenjojo-Katoke and Kapchorwa. The proposed climate adaption project will implement catchment protection measures that will mitigate the climate change impacts on the water resources of the identified towns. Communities are currently using the water resources, however, when the new infrastructure is built, there will be increased abstraction that could exuberate the situation if these adaptation measures are not undertaken.

G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

Knowledge management of lessons learned on climate resilience through reducing pressure on water resources, encouraging environmentally and sustainable land use practices and sustainable climate resilient measures in small towns against drought effects will contribute to the knowledge and facilitate information sharing, knowledge exchange visits and documentation of success stories (newsletters and other knowledge dissemination materials and WASH learning forums). The lessons learned will be synthesized to include knowledge based on implementation processes, impacts of the project activities and best practices.

Concretely, in order to enhance learning and knowledge management, the project will prepare a strategy for the dissemination and communication of lessons learned from the project implementation and impacts. The communication strategy will be developed in the full proposal. The strategy will ensure that lessons learned reach the target audience in the appropriate format. The target audience will include policy makers; WASH advocates, key development partners and different communities across the county that value and understand the threat of climate change and committed to building climate change resilience.

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund.

The consultative process for the Concept Note development mirrored the existing stakeholder's structures and networks established under the NAPA and NEMA, specifically looking at "strengthening adaptive capacity and resilience to climate change in the project target areas/ communities.

The formulation of this Concept Note has aligned with the development of the baseline project, which has involved consultation with a range of stakeholders during the Preparation (21st August - 1st September 2017) and Appraisal (2nd – 10th November 2017) missions. The consultation process included meetings, and working sessions that encompassed various stakeholders including technical staff and beneficiaries.

- i. **Technical Working Sessions:** Technical staffs at the national and town levels were involved in the planning and provision of data on the existing water and sanitation systems and the investment plans for relevant towns, which helped identified the needs, selection of towns and guided the design of the proposed project. The technical working session closely adopted the “gender mainstreaming guidelines” developed for the water and environment sector, to ensure that the proposed project interventions are gender responsive.
- ii. **Field visits and Meetings:** These were conducted at proposed project sites to engage with local governments and beneficiaries’ to establish their level of involvement in the planning process and to better understand the environmental and climate change issues at the proposed intakes and water sources. The project focal team held preliminary discussions with local authorities, existing water management committees (responsible for water supply, sanitation and hygiene and environmental conservation), community groups (including women), household heads on the proposed project activities and objectives, beneficiary needs with respect to water resources and climate risk management. During the meetings to Bundibugyo and Kyenjojo district local governments, communities expressed demand for the proposed interventions services and indicated an overwhelming interest in the proposed project, which was deemed critical to address water scarcity and poor sanitation concerns particularly amongst women who spend time collecting water and caring for their families. District gender officers who are responsible for ensuring gender responsive initiatives were consulted as well.

Consultation processes with particular emphasis on focus group discussions and interviews with marginalized and vulnerable groups will continue and shall remain at the core of the development of the full project proposal.

I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

Scaling-up of safe water supply and sanitation using appropriate technologies for vulnerable communities has been identified as one of the Uganda National Adaptation Programmes of Action. This is also echoed in various national and sector policy directions including National Development Plan (NDP), Water Supply and Sanitation Sector Programme Support (WSSPS) and the Medium Term Expenditure Framework (MTEF).

High population growth in these small towns (population is expected to bump up by over 100% by 2040) has led to overwhelming demand for safe water supply services thus straining the existing water resources. Climate change related effects such as floods and droughts have compounded the situation, with the need for re-thinking development approaches aligned to IWRM with due consideration for possible climate change effects. This approach has not received prominent implementation in the development of water and sanitation infrastructure in small towns, which has been the reason behind the failure of existing water supply systems during extreme climatic events. Hence the project is designed to build the resilience of water supply systems through protection of catchments and encouraging other sustainable climate resilient measures in project areas.

The provision of safe water will increase water access and reduce the burden of work on women and children who walk long distances to fetch water, the storage techniques will allow women to save time that can be used instead to engage in other productive activities. The proposed STWSSP will lead to minimization of incidences of water borne diseases (especially for children) and foster development by increased productivity of the population especially the women. The provision of sustainable piped water supply systems in the target towns will trigger economic growth through stimulation of commercial activities such as hotels, and support to end-user social services like health centres, educational institutions, and agro-based industries all of which are essential ingredients for development.

Specifically, this project will complement the STWSSP by focusing on the climate change and adaptation measures in the catchments of R. Aswa, R. Tokwe and R. Atari, which are considered most vulnerable to the effects of climate change. These measures will ensure that the benefits of STWSSP infrastructure continue to serve sustainably. The project activities would still benefit the community in the absence of STWSSP intervention, albeit to limited capacity utilization. The activities identified under climate change resilience in R. Aswa, R. Tokwe, and R. Atari will be exclusively implemented under this project. These will build capacity of the sector to implement similar activities in other project catchments. The project design has indeed benefited from lessons learnt by Uganda in implementation of similar projects; including AF funded “Enhancing Resilience of Communities to Climate Change through Catchment Based Integrated Management of Water and Related Resources in Uganda”. The GEF also provided additional funds toward implementation of the ADF funded “Water Supply and Sanitation Program”, which focused on water and sanitation infrastructure, while the GEF additional funds supported measures targeted to improving climate change resilience of the beneficiary communities.

J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project / programme.

Financial sustainability: There is high political will and demand for water supply services in small towns in Uganda, due to the high populations and importance to socio-economic development of the Country. However, the budget allocation by Government towards activities aimed at increasing resilience of communities to climate change effects in relation to sustained access to safe water supplies is insufficient. This funding request under preparation is expected to help foster interventions geared at protecting selected water sources and their catchments and strengthening community adaptation measures. Continuous catchment protection interventions (during operation of constructed water supply systems) will be financed from generated revenue from monthly water sales.

Institutional sustainability and strengthening of capacities: The MWE established the Water and Sanitation Development Facilities (WSDF) regional offices in order to implement different programs targeted to the specific region, as opposed to stand-alone projects, which have limitations on institutional sustainability. Also at the regional level are the Umbrella Organizations (UO), who are permanently present in the regions to ensure continuity of all projects benefits. The regional Water Management Zones (WMZ) are also established at the regional level throughout the country to ensure continuity of catchment protection measures. Institutional sustainability is also enhanced through the various implementation manuals, policies and databases developed within the project, which will always be available for future generations. Through this proposed project, capacity will be built in feasibility studies, detailed designs, tender documentation, contract management and supervision. The MWE and Local Government professional staff will benefit directly from exposure and will utilize gained experience in other similar sector work/assignments. Also, capacity will be received by contractors and consultants who will participate in the studies and works and this capacity will be used by the public sector which is regularly employed by the MWE. As a policy of MWE, the constructed water supply facilities are transferred to the local governments, and managed by outsourced qualified water operators, procured through competitive means to offer management services. Through this management arrangement, the water supply systems are managed competently to generate revenue which is used for day to day management.

Ownership: The high response to call for applications for water supply and sanitation infrastructure in the country demonstrates the need for the services. From implementation realised in previous MWE projects especially under the WSDFs, communities avail land and actively participate in the implementation and monitoring of the projects, demonstrating high commitment to ownership of the same. Once completed, the infrastructure will be handed over to the local governments, which will also be gazetted as water authorities to take charge of ownership of all assets and take up management of the service. The monitoring of proper functionality of the system will be the responsibility of the Regulation Unit of the MWE who together with the UO will also monitor the quality of the water on a regular basis. The MWE through UO will finance downstream activities especially expanding the network and increasing connections in order to increase the business volume and make the system economically viable and sustainable

K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project / programme.

The proposed project seeks to fully align with the Adaptation Fund's Environmental and Social Policy (ESP) and Uganda safeguard laws. Based on available information and evaluation of the proposed activities against the AF environmental and social principles (see E&S risks matrix), the project interventions can be classified category B in accordance with the Adaptation Fund ESP, this is also consistent with the Uganda EIA categorization for projects of this nature.

Overall, the project will have significant positive environmental and social impacts through improving the ecosystems and promoting sustainable water and land management practices within the catchments of the selected rivers. Proposed activities under Component 2 (including tree planting, construction of small-scale flood management structures and other riverbed and wetland protection/rehabilitation activities) may portend some negative risks; however, these will be largely small-scale and localized risks that can be readily managed with the application of mitigation measures. An environment and social impact assessment and management plan will be completed in line with the safeguard policies of the Government of Uganda (EIA regulations for small-scale activities) and the ESP.

During preparation of the full project proposal, detailed assessment will be undertaken to elaborate the scale, scope and location of these activities, identify pertinent E&S while considering the Adaptation Fund principles that may be associated with the proposed project interventions as introduced in the table below. In addition, the fully-developed project document will examine the necessity for a grievance mechanism, which could be used by target beneficiaries. The mechanism will be designed to receive and facilitate grievances in a transparent manner to allow for adequate monitoring, evaluation and response to address complaints in a timely fashion.

Environmental and Social Risks Matrix

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks-further assessment and management required for compliance
<i>Compliance with the Law</i>	The project will comply with all regulation as mandated by the Uganda national laws and the ESP. During the preparation of the full proposal and ESIA/ESMP, all stakeholders (including NEMA, Directorate of Water Resources, district leaders and community members) will be consulted to ensure all legal requirements are met. This includes compliance and/or guided implementation in alignment with the Uganda Catchment Management Planning Guidelines (MWE 2014, rev.2017), the National Environment Management Policy and National Environment Act, Cap 153, the National Wetland Conservation and Management Policy National Environment (Riverbanks, Lakeshores and Wetlands) regulations (2000) and the National Forestry and Tree Planting Act (2003).	None
<i>Access and Equity</i>	The project hinges on a participatory stakeholder engagement process as articulated in the Uganda Catchment Planning Guidelines. To ensure full	None

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks- further assessment and management required for compliance
	<p>implementation and adherence to this principle, the proposed project's activities are designed to provide equal and fair access to benefits by communities in highly vulnerable areas. In addition, the project will be designed and implemented in a way that it will not impede access of any group to essential services and rights. For instance, the establishment of the Water and Environmental Committees under component 1 will ensure mobilization of all stakeholders at each micro-catchment level comprising women, men, youth, and all vulnerable groups. These committees will facilitate the selection of project sites and activities as per adaptation needs of the intervention area.</p>	
<i>Marginalized and Vulnerable Groups</i>		<p>Low risk - The project will target the participation of women and youth to enhance their opportunities for improved livelihoods. The socio-profile and needs of all beneficiary groups will be further assessed during the development of the full proposal. The project will ensure these aspects are fully integrated through focus group discussions and interviews with beneficiary populations including ensuring all groups are well represented in the proposed water and environment committees that will be established for each target catchment area.</p>
<i>Human Rights</i>	The project has no potential human rights risks	None
<i>Gender Equity and Women's Empowerment</i>	<p>Women issues are compromised by cultural hindrances and limited low economic status. The project will address gender issues and ensure the project design is inclusive and in compliance with the Ugandan and Adaptation Fund's Gender Policies. The project will particularly facilitate gender equity and women's involvement all project activities. At least 50% of target beneficiaries are women. Component 2 activities will include employment creation for women and youth; women will be engaged in activities</p>	None

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks- further assessment and management required for compliance
	that support the project such as production of tree seedlings from established tree nurseries. Women groups will be given hands-on training on setting up nurseries and marketing the resulting tree seedlings	
<i>Core Labour Rights</i>	The project will be managed in accordance with the Ugandan Labor Law, which prohibits forced labor, child labor, and discrimination and allows freedom of association. Component 2 (riverbank and wetland restoration activities) will require recruitment of labor force to complement community effort and undertake the required restoration works. Payments to labour under the project will be made as per Government approved norms duly following minimum wage rate and hence ensuring core labour rights. Civil works related to restoration of riverbanks and wetlands might expose individuals involved to occupational safety risk and infections. This occupational safety risk will be mitigated through the selection and effective use of appropriate mechanical equipment and personal protective gear. Work procedures, training, and awareness creation/sensitization will also be done for everyone involved in the project. These issues will be further elaborated in the ESIA/ESMP	None to low risk
<i>Indigenous Peoples</i>	The project will not create any negative impact on the indigenous people. No indigenous people in the target towns.	None
<i>Involuntary Resettlement</i>	The project does not include voluntary or involuntary resettlement. Project sites for the adaptation activities under component 2 will be selected on the condition that there will be no land acquisition, resettlement or disruption of stakeholder's access to land.	None
<i>Protection of Natural Habitats</i>	The project will facilitate protection of natural habitats including the critical watersheds of rivers Atari, Aswa and Tokwe in line with Uganda National Environment regulations on wetlands, riverbanks and lakes. The project activities will enhance recharge and restoration of water systems including groundwater. There is low risk that the proposed community-based adaptation interventions (including riverbed and wetland restoration) could result in destruction of	Low risk

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks- further assessment and management required for compliance
	small areas of natural habitat.	
<i>Conservation of Biological Diversity</i>		Low risk - Overall, the planned interventions (catchment and flood protection) will complement biodiversity conservation and ecosystem restoration efforts in the communities. Consultations and environmental assessment as part of the development of the full proposal will further highlight the ecosystem of biodiversity services available for beneficiary populations in the project area.
<i>Climate Change</i>	The proposed project is designed to integrate climate resilience into the project activities to climate proof investments and ensure long-term sustainability of infrastructures. The project is aligned with the climate change adaptation plans at the national and community levels. None of the interventions are likely to result in an increase in greenhouse gas emissions. On the contrary, the afforestation activities of the proposed project will have positive climate change mitigation benefits.	None
<i>Pollution Prevention and Resource Efficiency</i>	The proposed project will not require (during or after implementation) significant amounts of water, energy, materials or other natural resources. It is also highly unlikely that activities in the proposed project will result in the production of significant quantities of wastes, especially of hazardous or toxic wastes. The project will not produce significant volumes of effluents or air pollutants, including greenhouse gases. All applicable international standards will be met for maximizing material resource use and minimising the production of wastes and the release of pollutants. The project ESMP will elaborate measures to mitigate potential localized risks that may be associated with construction activities such as noise and	None

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks- further assessment and management required for compliance
	dust pollution.	
<i>Public Health</i>	The project's core objective of improving access to safe drinking water will reduce waterborne diseases and improve hygiene. Water quality will be improved as a result of environmental / catchment protection.	None
<i>Physical and Cultural Heritage</i>	The project activities will not be implemented in an area known for having cultural sites and sites with unique natural values. Site selection process will ensure there are no interference on areas of physical and cultural heritage. If cultural resources are discovered, the relevant technical ministry will be notified.	None
<i>Lands and Soil Conservation</i>	The project interventions will support sustainable soil and land management practices. Project activities will promote practices that will reverse land and degradation in the selected catchments. The tree planting activities will improve vegetation cover, enhance soil stability and reduce runoff, thereby promoting soil fertility. The project will also facilitate the adoption of good land-use practices to support land health and conservation.	Low to none

Following the preliminary environmental and social risks identified and screened in the Environmental and Social Risks Matrix table here above, a detailed environmental and social screening is also proposed to take place during the implementation stage. In view of this through the use of the Adaptation Fund ESP, the project is categorized as “**Category B**”.

PART III: IMPLEMENTATION ARRANGEMENTS

- A. Describe the arrangements for project / programme implementation.

- B. Describe the measures for environmental and social risk management, in line with the Environmental and Social Policy of the Adaptation Fund.**

- C. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.**
- D.** Include a results framework for the project proposal, including milestones, targets and indicators.
- E.** Demonstrate how the project / programme aligns with the Results Framework of the Adaptation Fund
- F.** Include a detailed budget with budget notes, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.
- G.** Include a disbursement schedule with time-bound milestones.

To be provided at the next stage of the proposal

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

- A. Record of endorsement on behalf of the government⁶** *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

⁶. 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.

<p>Mr. Keith Muhakanizi <i>Permanent Secretary / Secretary to the Treasury Ministry of Finance, Planning and Economic Development</i></p>	<p>Date: (Month, day, year)</p>
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B. Implementing Entity certification *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

<p>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 and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p>	
<p>Ayanleh Daher Aden</p>  <p>Implementing Entity Coordinator</p>	
<p>Date: <i>January 15th, 2018</i></p>	<p>Tel. and email:(+225) 20 26 43 47; a.daheraden@afdb.org</p>
<p>Project Contact Person: Andrew MBIRO</p>	
<p>Tel. And Email: +256772403854; A.MBIRO@AFDB.ORG</p>	

ANNEX 1
Consultation Proceedings: List of Participants

Ministry Of Finance Officials

	Name	Designation	Email/ Contact
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Ministry Of Water Officials

	Name	Designation	Email/ Contact
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		Sanitation Officer – WSDF-C	
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Bundibujjo and Kyenjojo District Local Governments

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10	Mwesige Hillary	PO	0777740310
11	Muhindo B Robert	D/eng	0772359893
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In any correspondence on
this subject please quote No. ALD 140/211/06

THE REPUBLIC OF UGANDA

May 7, 2018

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

Subject: Endorsement for: "Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities"

Reference is made to our earlier letter of even reference dated January 15, 2018 and your letter dated April 9, 2018 on the above subject.

In my capacity as Designated Authority for the Adaptation Fund in Uganda, I confirm that I have revised the earlier submitted national project proposal in line with the observations that were communicated to us.

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 African Development Bank and executed by Ministry of Water and Environment.


Keith Muhakanizi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Copy to: The Country Manager, African Development Bank, Uganda
Country Office.

The Permanent Secretary, Ministry of Water and Environment

Mission

"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"