



**LOCALLY-LED ADAPTATION PROJECT/PROGRAMME  
PROPOSAL FOR SINGLE COUNTRY**

**PART I: PROJECT/PROGRAMME INFORMATION**

**Title of Project/Programme:** Building rural-urban climate change adaptation nexus for sustained local economies development in Tanzania.

**Country:** Tanzania

**Thematic Focal Area:** Agriculture, Water management, Forestry

**Type of Implementing Entity:** National Implementing Entity Choose an item.

**Implementing Entity:** National Environment Management Council of Tanzania (NEMC)

**Executing Entities:**

United Nations Capital Development Fund (UNCDF), President’s Office – Regional Administration and Local Government (PO-RALG), Target Districts and Municipal Councils

**Amount of Financing Requested:** 4,951,245<sup>1</sup> (in U.S Dollars Equivalent)

**Letter of Endorsement (LOE) signed:** Yes  No

*NOTE: The LOE should be signed by the Designated Authority (DA). The signatory DA must be on file with the Adaptation Fund. To find the DA currently on file check this page: <https://www.adaptation-fund.org/apply-funding/designated-authorities>*

**Stage of Submission:**

- This proposal has been submitted before including at a different stage (pre-concept, concept, fully- developed proposal)
- This is the first submission ever of the proposal at any stage

In case of a resubmission, please indicate the last submission date: January 2022 Click or tap to enter a date.

<sup>1</sup> Inclusive of administration fee.

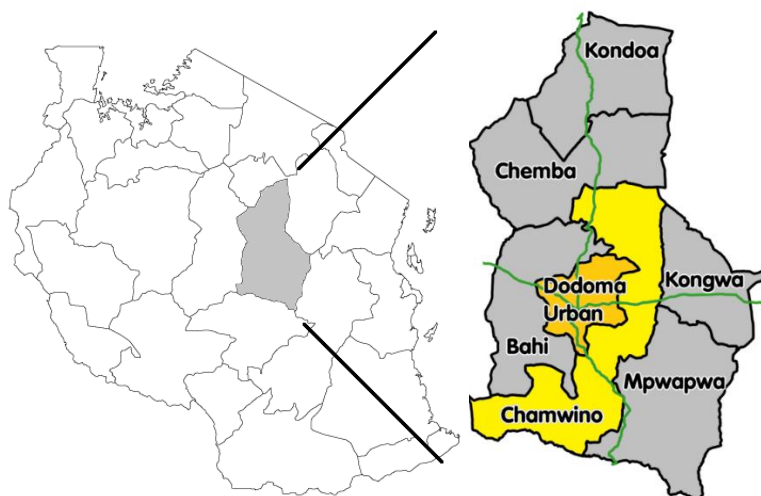
**Please note that fully-developed proposal documents should not exceed 100 pages for the main document, and 100 pages for the annexes.**

## **Project 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.*

### **The Problem**

This project will address the problem of climate and risks vulnerability in the vulnerable urban-rural continuum around target local governments in the United Republic of Tanzania, including Dodoma city. This semi-arid area, in particular, is more and highly vulnerable to climate change, which is already causing higher temperatures and



**Figure 1:** The Dodoma Region within the United Republic of Tanzania (left), and the target districts of Dodoma City and Chamwino District within the Dodoma Region (right)

more frequent/intense droughts, greater rainfall variability with occasional extreme floods, declining crop and livestock productivity, worsening water scarcity and rangeland degradation including the decline of woodland and forest tree species and rising food insecurity, displacement and conflict risks., which affects both urban and rural areas. Dodoma City recently became the capital city of the country, so the combination of a rapidly growing urban area development with predicted changes in climate which is real happening and creating several challenges to the people and communities at large, hydrology, and ecosystems of the area. While local government and communities are uniquely placed to identify, prioritise, and address these challenges, local adaptive capacity is constrained by limited technical capacity and financial resources. This project will apply principles of fiscal decentralisation and effective local planning and public financial management to climate change adaptation. It will build on the experience and innovation lessons learned of the Local Climate Adaptive Living (LoCAL) Facility, a LDC internationally recognized country-based mechanism that promotes access to climate finance by local government authorities (LGAs) for investments in locally led climate action, implemented in 28 countries, of which 22 LDCs, including Tanzania. It will combine performance-based climate resilience grants (PBCRGs), which ensure programming and verification of climate change expenditures at the local level, with technical and capacity-building support. Local Government Authorities will plan, execute and account for PBCRG funds in at least 6 districts across Tanzania, including the urban Dodoma City and the neighbouring rural and peri-urban Chamwino, Kondoa and Mpwapwa Districts. Another two urban/peri urban districts will be identified during the inception phase.

Each LGA will pilot concrete locally led adaptation measures in the sectors of water, agriculture, livestock forestry, Wildlife, disaster risks managements and other related rectors to increase local resilience.

Tanzania, classified by the World Bank as a lower middle-income country, relies heavily on agriculture for both its economy and the food and nutritional security of its approximately 60 million people. The sector employs over 65% of the population, predominantly through rain-fed smallholder farming, and is increasingly threatened by changing climate patterns especially rising temperatures, erratic rainfall, and more frequent extreme events. These changes are undermining agricultural productivity, with cascading impacts on livelihoods, food security, water resources, and economic growth. Limited preparedness, particularly in climate-resilient water resource management, further heightens vulnerability, making adaptation in agriculture, livestock, forestry, and disaster risk management critical for sustainable development.

Population growth in parallel with climate changes present a growing challenge in urban spaces<sup>2</sup>, which is the case with Dodoma City located in central Tanzania. Dodoma upgraded its status from municipality to city in 2019 following the government's implementation of its 1970s decision for Dodoma to become the official capital city of Tanzania. As a result, almost all government department headquarters moved from Dar es salaam to Dodoma in the past few years. Government staff and their families have led the way for a large-scale influx of people into Dodoma City within a very short period, putting an enormous amount of pressure on the environmental resources in Dodoma and the surrounding peri-urban and rural areas. These environmental resources are already vulnerable because of climate change. Authorities are faced with challenges brought by frequent extreme weather events, such as more frequent and intense short-term rainfall events resulting in increased urban flooding and water pollution,<sup>3 4</sup> such as the flooding in 2016, which affected 2,800 people and left 668 displaced and homeless<sup>5</sup>. Additionally, other problems are expected to deepen in urban spaces of Dodoma due to this population pressure coupled with climate change. This includes lack of quality and quantity of domestic and industrial waters, as well as extreme microclimates around homes, offices, city parks, schools, and public buildings. Dodoma City also faces higher food prices due to failure of supply to meet the increasing demand, leading to poor health and nutrition in the vulnerable section of the population<sup>6</sup>.

Even as an urban area, the majority of the workforce of Dodoma City is employed in the agricultural sector, which is characterised by low productivity and rates of poverty remain high<sup>7</sup>. The agriculture sector employs more than 70% of the population residing in the Dodoma City<sup>8</sup>. Most of Dodoma City's farmers rely on subsistence farming which results in small production and therefore low income. Major food crops in the district are maize, millet, and sorghum, and the main cash crops are sunflower, sesame, groundnuts, tomatoes, and vine grapes. Agricultural production is typically rain-fed, and irrigation schemes are very uncommon. In these areas, higher-earning crops such as green vegetables, tomatoes and eggplants are grown after the rainy season and watered by irrigation<sup>9</sup>. As a newly established urban centre, Dodoma City is becoming increasingly dependent upon its surrounding peri-urban and rural areas, including the adjacent Chamwino District, which is the second target area of the project. In Chamwino District, 90% of the community rely on agriculture<sup>10</sup>. This situation is similar in Mpwapwa and Kondoa districts. Like Dodoma City, productivity is low due to a dependence on rain-fed farming in a climate sensitive area, low use of technology, and limited farming skills. These challenges have meant that up to 70% of arable land in Chamwino District is left idle. An inability to utilise this arable land has contributed to a decline of the agricultural sector's contribution to the economy of Chamwino District and to the livelihood of its population in terms of income,

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<sup>2</sup> Kabisch, Nadja, et al. Nature-based solutions to climate change adaptation in urban areas: Linkages between science, policy and practice. Springer Nature, 2017.

<sup>3</sup> IPCC. 2012. Managing the risks of extreme events and disasters to advance climate change adaptation: special report of the intergovernmental panel on climate change.

<sup>4</sup> Jha, Abhas K., Robin Bloch, and Jessica Lamond. Cities and flooding: a guide to integrated urban flood risk management for the 21st century. World Bank Publications, 2012.

<sup>5</sup> Reliefweb. Tanzania: Floods – Jan 2016. <https://reliefweb.int/disaster/fl-2016-000011-tza>. Accessed 30/09/2019.

<sup>6</sup> EEA 2016

<sup>7</sup> Dodoma Municipal Council. 2017. Strategic Plan II for the Year 2017/18 – 2020/2021. PO-RALG.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Chamwino District Council. 2013. A Five-Year Strategic Plan 2013-2018.

employment and ensuring adequate food supplies, despite its proximity to the increasing demands and the ready market of Dodoma City.

Furthermore, worsening climate conditions resulting in a shortage of reliable water sources such as permanent rivers and springs, has negatively impacted access to safe and clean water supplies. Few communities have boreholes, shallow wells, rainwater harvesting structures and other water management technologies essential for agricultural production in a climate sensitive area. The lack of proper water management leaves the Dodoma Region particularly vulnerable to climate change.

Trees have the potential to mitigate some of the impacts of natural disasters such as floods. The presence of trees or corridors of trees have the potential to affect both the volume and timing of stream flows, reducing and smoothing flood peaks<sup>11</sup>. Tree scaping can also be used to maximise groundwater recharge by supporting greater rates of infiltration. However, the combination of population pressure and climate change are causing a decline in tree cover across Dodoma City. In fact, some climate projections predict the complete replacement of subtropical thorn woodland in the country, and the disappearance of more than 60% of subtropical dry and moist forests<sup>12</sup>. While trees can be used as a tool for climate change adaptation, they are themselves vulnerable to the effects of climate change in Tanzania.

From initial stakeholder consultations, water, climate-smart agriculture, and forestry have been highlighted as priority problems in the Dodoma Region in need of climate change adaptation. The project will seek further input from local stakeholders and target beneficiaries (communities) to determine the exact climate change adaptation project activities during participatory decision-making process at local level. A performance-based climate resilience grant (PBCRG) mechanism will be established for effective implementation of the project, which can then be scaled up to allow vulnerable communities in other districts of Tanzania to identify, prioritise, and oversee the implementation of project activities in their own districts for enhanced climate change adaptation.

The PBCRG mechanism facilitates the implementation of the Locally Led Adaptation (LLA) principles of devolving climate adaptation decision-making to the lowest effective level, empowering Local Government Authorities (LGAs) to identify, plan, budget for, and implement resilience-building interventions in close consultation with communities. Climate risk and Vulnerability Assessment (CRVA) at the district level is one of the PBCRG conditions to ensure the identified climate change adaptations priorities respond to the local climate risks and hazards to reduce the vulnerability. The PBCRG aligns with Tanzania's decentralization policy and strengthens local governance systems to respond to climate risks.

## The Context

### Environment, Climate, and Social Context

Tanzania is endowed with a significant variety of natural resources including land, rivers, lakes, ocean, forests, woodlands, wild animals, and wetlands. These resources constitute a major asset and opportunity for growth and economic development, as well as providing vital goods and ecosystem services. For example, forests in Tanzania — along with woodlands, wooded grasslands, and bushlands — provide a range of goods like timber, fuelwood, honey, medicine, fodder, and fruits, as well as ecosystem services like cleaning the air, filtering water supplies, and sustaining biodiversity and genetic resources. They can also help with controlling floods and dust-storms, which are both becoming increasing problems for Dodoma City. Unfortunately, trees are in decline in the country due to climate change, exploitation for wood fuel (An estimated 85 percent of Tanzania's energy needs are met through biomass use in the form of

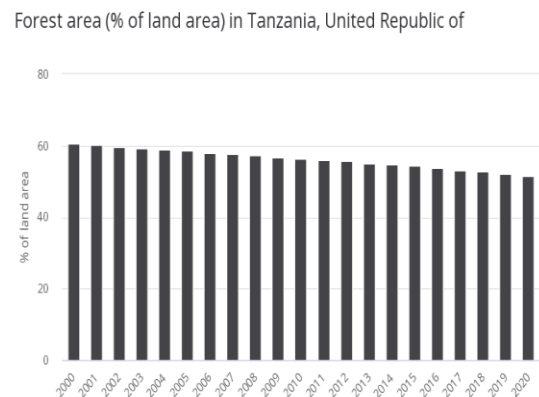


Figure 2: Forest area in Tanzania (Source: World Bank Group: Climate Change Knowledge Portal 2021)

<sup>11</sup> Nisbet & Broadmeadow. 2003. Opportunity mapping for trees and floods. *Forest Research, Farnham*.

<sup>12</sup> Vice President's Office. 2014. Second National Communication to UNFCCC of Tanzania.

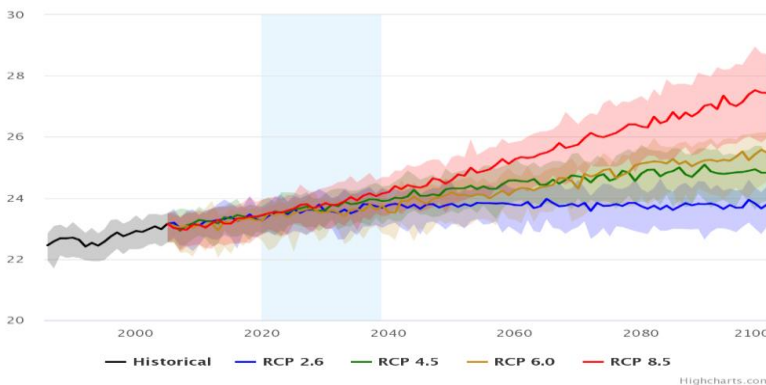
charcoal and firewood, mainly for cooking and heating<sup>13</sup>) and construction materials, and due to agricultural expansion, exacerbated by population growth and the lack of alternative income sources. In fact, Tanzania has one of the highest deforestation rates in the world, ranking among the top five countries with the highest annual forest net loss, losing an estimated forest area of 483,859 ha per year,<sup>14</sup> as shown in Figure 2. Climate projections predict the disappearance of species in certain areas and the complete replacement of subtropical thorn woodland in the country, plus the disappearance of more than 60% of subtropical dry and moist forests<sup>15</sup>. The combination of climate change and deforestation leaves the state of trees and forests in Tanzania extremely vulnerable and acts as an example of the state of the environment at large within the Dodoma Region.

Climate change is already being observed in Tanzania. Statistically significant increasing temperature trends have already been observed in both mean and annual maximum temperature, as well as a slight declining trend in rainfall<sup>16</sup>. The mean temperature has already risen more than half a degree from 22.45°C in 1986 to 23.03°C for the year 2020<sup>17</sup>. It is estimated that between 45% and 75% of the total land of Tanzania has been degraded as a result of unsustainable use coupled with the adverse effects of climate change. The consequences of climate change and unsustainable land use include land degradation, reduced productivity, food insecurity, and destruction of important ecosystems, biodiversity, and livelihoods. These consequences have resulted in increased risks to people and the ecosystems at large.

The magnitude, rates, and negative impacts of climate change on people's livelihood and environment vary across agro-ecological zones, but semi-arid areas such as the Dodoma Region are particularly at risk. The Dodoma Region is characterised with erratic rainfall and an average annual precipitation level of 570mm, where 85% of the rain falls between the months of December<sup>18</sup>.

Only a very small portion of land in Dodoma City and Chamwino District are set aside for conservation purposes. While some of the area earmarked for the Capital Development Area of Dodoma City is for afforestation and conservation areas, the largest protected areas of the proposed project areas are in the six forest reserves of Chamwino District, which cover a total area of 1077.2 km<sup>2</sup>, and animals such as elephant, greater kudu, gazelle, buffalo, warthog, zebra, lion, hyena, leopard and various bird species can all be found in the district.

**Figure 3: Historic and Projected Mean Temperature Changes for Tanzania (Source: World Bank Group: Climate Change Knowledge Portal 2021)**



Future climate projections show continuing trends in rising temperatures for Tanzania. For RCP 4.5, the mean temperature is predicted to rise from the current temperature of 23.03°C to 24.32°C by 2050 and 24.83°C by 2100. For RCP 6.0, the mean temperature is predicted to rise to 24.18°C by 2050 and 25.48°C by 2100: a rise in temperature of nearly 2.5°C<sup>19</sup>.

In terms of rainfall, a declining trend has been observed in the past few decades. Droughts have led to the drying out of some

<sup>13</sup> World Bank. 2019. Tanzania: Country Environmental Analysis – Environmental Trends and Threats, and Pathways to Improved Sustainability. 2019. Washington, DC: World Bank.

<sup>14</sup> URT (United Republic of Tanzania). 2017. Tanzania's Forest Reference Emission Level Submission to the UNFCCC.

<sup>15</sup> Vice President's Office. 2014. Second National Communication to UNFCCC of Tanzania.

<sup>16</sup> Vice President's Office. 2014. Second National Communication to UNFCCC of Tanzania.

<sup>17</sup> World Bank Group: Climate Change Knowledge Portal. 2021. United Republic of Tanzania.

<https://climateknowledgeportal.worldbank.org/country/tanzania-united-republic/climate-data-historical>, Accessed 17/09/2021

<sup>18</sup> Sakai, M. 2012. Famine and moral economy in pastoralist society; 60 years of rainfall data analysis. Rural development policy and agro-pastoralism in East Africa; In proceeding of 4th International Conference on Moral Economy of Africa. Fukui Prefectural University.

<sup>19</sup> World Bank Group: Climate Change Knowledge Portal. 2021. United Republic of Tanzania.

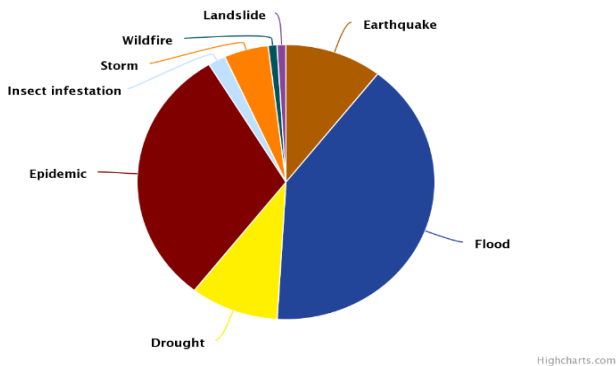
<https://climateknowledgeportal.worldbank.org/country/tanzania-united-republic/climate-data-historical>, Accessed 17/09/2021.

water bodies, with a consequent loss of biodiversity and grazing lands and a reduction in hydropower capacity<sup>20</sup>. Marked drying areas have been observed in many parts of Tanzania between 1981 and 2016, with devastating effects to agriculture, water resources and energy production<sup>21</sup>. Even though future projections predict higher rainfall for Tanzania as a whole, they still indicate water stress, with below 1,700 cubic metres of water available per person per year<sup>22</sup>. And unlike other areas of Tanzania, rainfall in the Dodoma Region is projected to decrease,<sup>23</sup> so it will be particularly vulnerable to water stress.

Climate change is having an impact on the frequency and severity of natural disasters in Tanzania. Droughts and floods constitute around half of all natural disasters over the past decade (see Figure 4), and they have the largest impacts in terms of the number of people they affect (see Figure 5). Droughts have been increasing in frequency in recent years: one analysis found that the extremely dry years from 1979 to 2009 were recorded to be 2000, 2001, 2003, 2005, 2007, and 2009<sup>24</sup>. The incidence of flash floods and dust-storms are becoming particularly costly for the capital city of Dodoma. One study found that over 40% of the Dodoma Region is under high to very high probability of flooding due to its elevation, slope, geology, drainage density, flow accumulation, land-use/cover, and soil,<sup>25</sup> so the combination of the region’s vulnerability to such disasters coupled with the projected increase in frequency of such disasters will have enormous impacts on the country if no action is taken.

**Figure 4: Average Annual Natural Disaster Occurrence for Tanzania (Source: World Bank Group: Climate Change knowledge Portal 2021)**

Average Annual Natural Hazard Occurrence for 1900–2018



Climate change is already causing detrimental effects to the environment, economy, and livelihoods of the people of Tanzania, particularly in the project area of Dodoma City and neighbouring Chamwino District, which are already vulnerable to climate change exacerbated by an increasing population and related pressure on natural resources in the area.

The project area is home to many climate-vulnerable farming communities, dependent on rain-fed agriculture, communal grazing and shared natural resources for their livelihoods. These intended beneficiaries are highly affected by climate change, particularly the increasing incidence and severity of drought. Chamwino district council like most other dry areas in central Tanzania experiences climate change impacts with the associated vulnerabilities for rainfall dependent livestock and farming communities. Over the years, poor and erratic rainfall has reduced crop production mainly sorghum, maize and increased livestock deaths. Chiboli, Fufu and Loje wards are among the areas that have been most hit by the impact of climate change, leading to food shortages. The situation necessitates reliance on food assistance to most stressed households. The Chiboli ward experiences low rainfalls resulting in livelihood vulnerability to community members.

<sup>20</sup> United Republic of Tanzania. 2014. Fifth National Report on the Implementation of the Convention on Biological Diversity.

<sup>21</sup> United Republic of Tanzania Vice President’s Office. 2021. Tanzania’s Nationally Determined Contribution.

<sup>22</sup> Vice President’s Office. 2014. Second National Communication to UNFCCC of Tanzania.

<sup>23</sup> NAPA 2007.

<sup>24</sup> Loisulie, S. 2010. *Vulnerability of the Tanzanian Hydropower Production to Extreme Weather Events*, Sokoine University of Agriculture Faculty of Science.

<sup>25</sup> Msabi, M. M., & Makonyo, M. (2021). Flood susceptibility mapping using GIS and multi-criteria decision analysis: a case of Dodoma region, central Tanzania. *Remote Sensing Applications: Society and Environment*, 21, 100445.

Deforestation, drought, and diseases are the main hazards affecting the livelihood resources in all surveyed villages. Other hazards include unreliable rainfall, strong winds, pests, soil erosion, overgrazing, poor education, seasonal floods and bush fire. The target beneficiaries pinpointed deforestation as a major hazard affecting all the livelihood resources. Cutting trees for charcoal, fuel wood and building materials for sale, as well as overgrazing, are the reported causes of deforestation by these communities. This deforestation has resulted in soil erosion, scarcity of firewood and building materials as well as drying up of water sources, and makes the local communities more vulnerable to climate impacts, both in terms of effects on the local economy as well as on the environment. The communities in the surveyed villages recognize a link between forests and rainfall and consider that severe deforestation has resulted in less rainfall. For them, deforestation has seriously affected their livelihood resources.

Drought is the second most important hazard that significantly affects livelihood resources in the surveyed villages. Drought has a significant effect on water availability, agriculture (crops and livestock) and the human population. Diseases (both humans and livestock diseases) are reported to have a moderate effect on the livelihood resources. They include nutritional diseases due to acute food shortage and occasional water borne diseases (e.g., diarrhoea and dysentery), and are therefore linked to the effects of the local climate.

The project will aim to reduce these vulnerabilities and increase the resilience of the people of the Dodoma Region to the predicted effects of climate change, particularly through water resource management.

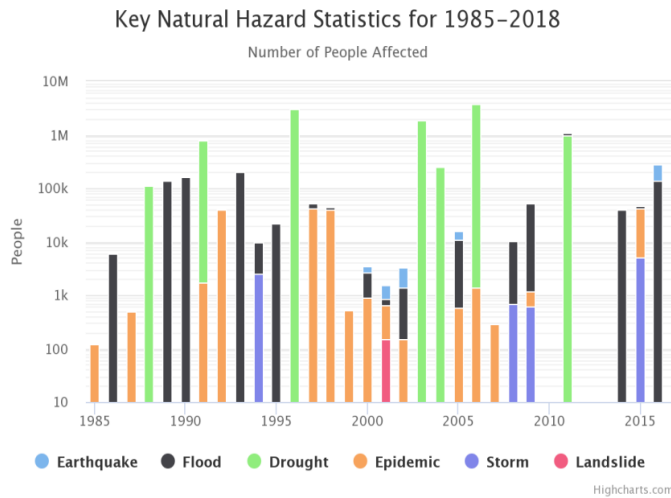


Figure 5 Key Natural Hazards for Tanzania for 1985-2018 (Source: World Bank Group: Climate Change Knowledge Portal 2021)

### Political Context

Newly elected President Samia Suluhu Hassan’s government has prioritised curbing corruption, enhancing public infrastructure, strengthening public administration, promoting transparency and accountability, and ensuring effective management of public resources to deliver better social outcomes and address key development priorities. She has explicitly emphasised for the need to concentrate efforts on water supply in semi-arid regions to be used for livelihood activities, with particular attention to reducing the burden on women for the procurement of family water sources. She has also emphasised the importance of climate adaptation and mitigation measures such as planting of trees as one of the mechanisms in the conservation of the environment and water resources. This aligns with the LLA principle of strengthening mechanisms for local accountability and oversight of adaptation actions.

Tanzania recognises that climate change effects are real and is a serious threat to the country’s development plan and its ambitious to the future of both its livelihoods and main economic sectors, particularly agriculture. In fact, the National Climate Change Response Strategy (NCCRS 2021-2026) states that “climatic factors such as incidences of sporadic extreme weather events and slow onset events are increasing in many parts of the country with severe consequences on food production, water access and energy generation”. The strategy mentions the recent food shortages which resulted in widespread hunger, water scarcity and acute power shortages as examples of what could be like as climate change impacts intensify in the future and in the absence of sound coping strategy. The government recognises the importance of climate change adaptation in many such strategies and priorities of the country, including the Nationally Determined Contribution Submission (2021), the National Climate Change Response Strategy 2021-2026, and the National Five-Year Development Plan III 2021/2-2026/7, and even subnational plans, like the strategic plans for Dodoma and Chamwino District Councils and in the Tanzania Vision 2050, the Government of Tanzania aims to address climate change impacts by enhancing climate-resilient agriculture, improving irrigation systems, and promoting sustainable food production to safeguard national food security. The vision also prioritises the sustainable use and conservation of natural resources through strengthened environmental governance, reforestation, and community-based resource management. However,

effective implementation of various strategies, programmes, and plans have been significantly affected by poor access to appropriate technologies, weak climate knowledge management, inadequate participation of key stakeholders, low public awareness, and weak institutional and financial states. These are the main capacity gaps this project aims to address. This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups.

Tanzania has an interesting history of decentralisation policy. Local government authorities were abolished in 1972, and over the next decade, Tanzania experienced a new system of local government called 'decentralisation' marked by a strong emphasis on economic planning and party domination. The overall aim of the reform was to consolidate central power and party politics at the lowest levels. Local government authorities were reintroduced in 1982 after the country experienced severe social and economic crises. In 1997 the Local Government Reform Program (LGRP) was introduced to improve the access and quality of services provided by Local Government Authorities (LGAs) and was aimed to promote democratic, accountable and autonomous LGAs, with wide discretionary powers and a strong financial base. The LGRP has been the main vehicle for operationalising the Government's decentralisation policy. The Government of Tanzania (GoT) implemented a second phase of the LGRP through decentralisation by devolution from 2008 to 2013. Unlike the first phase which was administered through a semi-autonomous organisation, the second phase was integrated into the structure of the President's Office - Regional Administration and Local Government (PO-RALG). The process of local government reform is still on-going and fraught with major challenges, particularly related to the lack of sound funding streams to LGAs.

Most of LGAs' budgets in Tanzania are derived from transfers from the central government, while the balance comes from local revenue sources that include fees (taxi registration, bus stands, forestry products); licenses (road and liquor); property taxes and rents. Government transfers and donor basket funds have been the most significant income sources for local authorities. Local Government Development Grants (LGDG) were particularly important for local governments as development grants linked to sector ministries responsible for education, health, water, roads, and extension services that could add up to USD 70 million per year for all of Tanzania<sup>26</sup>. However, LGDGs were discontinued in 2019, leaving LGAs more beholden to the central government.

Whereas most of the current climate change and risk-reduction activity support to Tanzania is targeting large-scale interventions at the national level—and often through use of a project-based approach—this project is addressing the climate change challenges at the subnational level in partnership with Local Government Authorities (LGAs) and their existing governance systems. This will thereby increase institutional capacity and financial resources for adaptation at the local level. Through the use of an LLA grant, capacity gaps at the local level for both LGAs and the communities can be targeted through improved stakeholder participation, climate knowledge management, public awareness, access to appropriate technologies, and institutional and financial states. This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups.

### **Socio-economic Context**

The United Republic of Tanzania is designated by the United Nations as one of forty-six Least Developed Countries<sup>27</sup>. It is particularly economically vulnerable due to the effects of Covid-19 and the ongoing threats of climate change and its variability. Economic growth has slowed significantly from 5.8% in 2019 to an estimated 2.0% in 2020, and per capita growth turned negative for the first time in over 25 years<sup>28</sup>. The economy depends on climate sensitive sectors that have significant impacts on employment and GDP, particularly agriculture, which is the main source of employment for the people of Tanzania. The agricultural sector, which accounts for 26.7% of the Tanzanian economy and provides employment for the majority of the country's population<sup>29</sup>, has large potential for growth; however, this potential remains untapped as climate change adaptation strategies and interventions are planned and realised.

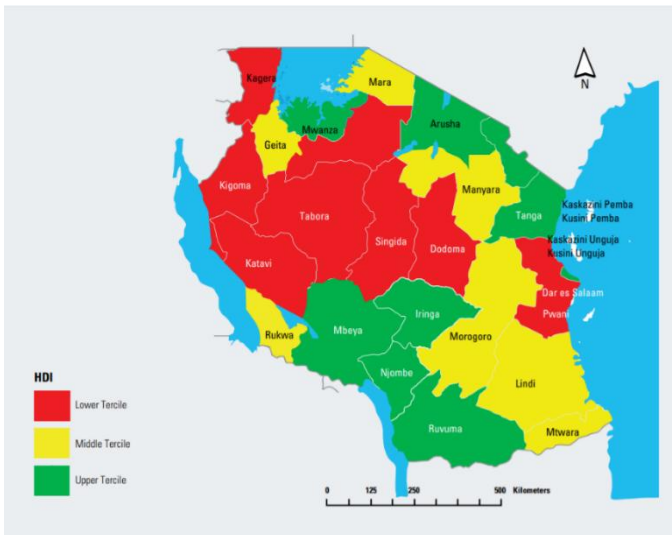
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<sup>26</sup> World Bank. Tanzania Urban Local Government Strengthening Program - Technical Analysis <https://documents1.worldbank.org/curated/en/675101468309237314/text/NonAsciiFileName0.txt>, Accessed 18/10/2021.

<sup>27</sup> United Nations. 2021. The Least Developed Countries Report 2021.

<sup>28</sup> World Bank. 2021. Tanzania Overview. <https://www.worldbank.org/en/country/tanzania/overview#1>, Accessed 01/10/2021.

<sup>29</sup> FAO. 2021. Tanzania at a glance. <http://www.fao.org/tanzania/fao-in-tanzania/tanzania-at-a-glance/en/>, Accessed 04/10/2021.



**Figure 6:** Status of poverty in regions of Tanzania, by category of localised HDI scores, 2015 (Source: UNDP Tanzania Human Development Report 2017)

The economy of the Dodoma Region, including Dodoma City, Chamwino, Mpwapwa and Kondoa Districts, are highly dependent on agriculture. Since the agricultural sector is particularly vulnerable to projected climate change impacts on temperature and rainfall, the economy of the Dodoma Region is also vulnerable to climate change. Climate sensitive interventions are required to lift Dodoma City, Mpwapwa, Kondoa and Chamwino communities – the target beneficiaries – out of poverty and provide well being linked to improved livelihoods and ecosystem health. The Dodoma Region is one of the poorest regions of Tanzania, as seen in Figure 6, where 27.1% of the population is living below the basic needs' poverty line and over 60% of the population is living in multidimensional poverty<sup>30</sup>. The pandemic-induced economic slowdown has also caused the country's poverty rate to increase by over one percentage point from 2019 to 2020<sup>31</sup>.

Food and nutritional security of the people of the Dodoma Region is also largely dependent on smallholder rain-fed agriculture, and therefore vulnerable to climate change. Many people in the country are already food insecure, and estimates show that there has been a recent spike in chronically hungry people in Tanzania.<sup>32</sup> While there have been some improvements to some nutrition indicators since 1991-1992 when half of all children under five years old in Tanzania were stunted or too short for their age, the latest data from 2015-2016 show that there is still room for improvement as one in three children under the age of five are stunted, as well as 14% being underweight or too thin for their age, and 5% being wasted or too thin for their height.<sup>33</sup> While the percentage of underweight children has steadily declined over the last two decades, the pervasiveness of wasting which is a sign of acute malnutrition has stayed at nearly the same level between 1999 and 2016<sup>34</sup>. Under-nutrition has a huge impact on human, economic and social development, with serious ramifications on child and maternal mortality, educational performance, and economic productivity, and it is a driver for intergenerational poverty and inequality<sup>35</sup>.

Climate change further acts as a threat multiplier, deepening existing socio-economic imbalances. Although the Constitution of the United Republic of Tanzania upholds gender equality and promotes the inclusion of both women and men in social, economic, and political spheres, women continue to face discrimination rooted in entrenched patriarchal systems, customs, and cultural norms that systematically reinforce gender disparities. National statistics highlight these gaps clearly. In mainland Tanzania, only 7.4% of women have completed at least secondary school, compared with 12.3% of men. Labour force participation follows a similar pattern: 69.2% of women are active in the labour market, compared with 81.4% of men<sup>36</sup>. The 2020/21 Labour Force Survey further shows a 10.5-percentage-point difference between women and men with secondary education in waged and salaried employment, underscoring persistent barriers to women's economic inclusion<sup>37</sup>.

Approximately 65% of Tanzania's labour force is engaged in agriculture, with women representing a substantial share, often through informal work that receives minimal or no compensation. A large share of women working in

<sup>30</sup> UNDP Tanzania Human Development Report. 2017.

<sup>31</sup> World Bank. 2021. Tanzania Overview. <https://www.worldbank.org/en/country/tanzania/overview#1>, Accessed 01/10/2021.

<sup>32</sup> UNCTAD. 2020. The Least Developed Countries Report 2020. Page 68

<sup>33</sup> MoHCDGEC (Ministry of Health, Community Development, Gender, Elderly and Children) [Tanzania Mainland], Ministry of Health (MoH) [Zanzibar], National Bureau of Statistics (NBS), Office of the Chief Government Statistician (OCGS) and ICF. 2016. "Tanzania Demographic and Health Survey and Malaria Indicator Survey (TDHSMIS) 2015–16." Dar es Salaam, Tanzania, and Rockville, Maryland, USA: MoHCDGEC, MoH, NBS, OCGS and ICF.

<sup>34</sup> Ibid.

<sup>35</sup> UNDP. 2017. Tanzania Human Development Report 2017. Page 18-19.

<sup>36</sup> UNWomen. 2023. ABRIDGED MULTISECTORAL COUNTRY GENDER PROFILE TANZANIA MAINLAND

<sup>37</sup> National Bureau of Statistics (NBS). (2022). Integrated Labour Force Survey 2020/21

the sector are paid for their labour. Gender disparities in access to land, inputs, credit, and extension services further limit women's productivity. While men cultivate an average of one hectare or more, women cultivate about 0.6 hectares<sup>38</sup>. Time-use statistics reinforce this inequality: women spend 13.6% of their daily time on unpaid care and domestic work, compared to 3.6% for men. This "time poverty" restricts their ability to engage in income-generating activities and reduces their overall adaptive capacity.

Because women in rural Tanzania shoulder a disproportionate share of both agricultural labour and unpaid domestic responsibilities, they experience climate shocks more intensely. As water sources dry up and forest cover declines, women are forced to travel longer distances to collect water, fodder, and firewood, increasing their physical workload and exposing them to greater protection-related risks. These pressures compound existing gender gaps in land ownership, access to credit and inputs, and participation in community decision-making bodies, leading to reduced adaptive capacity and heightened livelihood insecurity. Evidence from a study conducted by CIFOR-ICRAF (2025) in semi-arid districts of Dodoma found that households headed by women, or those with female primary farmers, adopt climate-smart agriculture practices at significantly lower rates: 51% of female-headed non-adopters compared with 38% among male-headed households<sup>39</sup>.

As already highlighted above, in the agricultural sector, recurrent extremes in Dodoma significantly reduce yields for staple crops such as maize, millet, and sorghum. Since women tend to cultivate smaller plots, often on more degraded land and with fewer agricultural inputs, their productivity losses under climate stress tend to be more severe. Assessments undertaken by UN Women and the World Bank on gender and climate vulnerability note that these intersecting disadvantages reinforce a cycle in which climate-induced declines in harvests reduce women's income-earning capacity, narrow their livelihood options, and increase household food insecurity.

Forestry and land degradation trends in central Tanzania also carry gender-differentiated implications. Dodoma is among the regions most affected by deforestation and high demand for fuelwood. As women and girls are primarily responsible for collecting firewood, the depletion of nearby forest resources translates into significantly longer collection times. These increases can worsen women's time poverty, reducing their ability to pursue education, participate in community processes, or undertake income-generating activities. From a resilience perspective, the reduction of forest cover also diminishes access to wild foods and non-timber forest products, which traditionally serve as important fallback resources for rural women during drought years, thereby further constraining their coping strategies.

At the household and community level, the combined effect of these factors is a deepening feminization of poverty under climate variability. In relatively disadvantaged regions such as Dodoma, where Gender Development Index (GDI) is 0.829 - below the national average of the Tanzania mainland, climate pressures exacerbate existing inequality, contributing to persistent food insecurity, declining household income, and the long-term entrenchment of poverty among female-headed and agriculture-dependent households.

The Tanzanian administration and the parliamentary women's caucus have actively promoted a gender-climate policy in addition to Gender Mainstreaming Planning and Budgeting guidelines and gender focal points in government ministries. Together with government, Tanzanian women rights organisations are promoting women's representation in decision-making in multiple sectors, especially water, forestry and agriculture. Yet, gender-sensitive adaptation and mitigation measures, as reported by UN Women and UNDP, continue to be inadequately implemented.

Despite these challenges, climate change creates important opportunities to strengthen women's agency and leadership in building community-level resilience. Because women play key roles in managing household food security, water, fuelwood, and small-scale farming, they possess detailed knowledge of local ecosystems, seasonal patterns, and traditional coping mechanisms. As widely documented by literature, women are often highly responsive to adopting new adaptive practices when food security risks rise, even though structural constraints limit their ability to do so. Expanding equitable land access, increasing tailored training, improving extension services (including through female extension officers), and providing labour-saving and climate-resilient technologies such as water-harvesting systems, small-scale irrigation, agroforestry, and drought-tolerant seeds

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<sup>38</sup> UN Women, UNDP, UNEP & WB. 2018/2019. *The Cost of the Gender Gap in Agricultural Productivity in Malawi, Tanzania, and Uganda*

<sup>39</sup> Awoke MD, Löhr K, Kimaro AA, Lana M, Soh Wenda BD, Buabeng K, Hafner JM and Sieber S (2025) Exploring gender dynamics in climate-smart agriculture adoption: a study in semi-arid Dodoma, Tanzania. *Front. Sustain. Food Syst.* 8:1507540. doi: 10.3389/fsufs.2024.1507540

can significantly enhance women’s productive capacity and their resilience to climate shocks. Similarly, expanding women’s roles in local decision-making and climate action can also help address structural gender barriers. By embedding gender-responsive planning, targeted capacity development, and equitable access to adaptation benefits, women and girls can turn from groups disproportionately affected by climate risks into key agents of resilience.

In contributing to the above drivers of change (as further detailed in the next sections), this project will be guided by the Adaptation Fund Gender Policy, as well as Tanzania’s Women and Gender Development Policy (2000) and National Strategy for Gender Development (2005) and the Tanzania’s Vision 2050. The project aims to utilise the Gender Responsive Budget Manual, introduced by the Budget Act No.11 of 2015, to identify the gender-related interventions and priorities of government institutions.

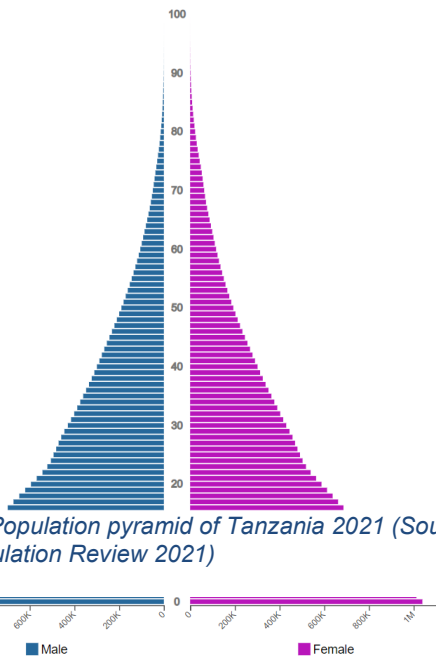


Figure 7 : Population pyramid of Tanzania 2021 (Source: World Population Review 2021)

The United Republic of Tanzania has also one of the youngest populations in the world (see Figure 7). The median age of the Tanzanian population is only 17.7 years of age, with more than 44.8% of the population under 15, 52% between 15 and 64 and just 3.1% over the age of 64<sup>40</sup>. This demographic structure places young people at the centre of the country’s long-term climate resilience. The majority of rural youth in Tanzania are engaged in single-occupation farming, and youth are generally more likely to enter farming than move to any other sector (combined). As a result, rural youth are acutely exposed to climate risks but are also a key driving force of overall community resilience.

Enabling the introduction and improvement of high-value agricultural crops using climate smart irrigation practices with strengthened market linkages can, for instance, substantially improve livelihoods and local economies as well as living standards and decent employment opportunities, including for young people. Improving livestock husbandry for semi-arid pastoralists can reduce pressure on the fragile ecosystems while improving cash income and nutrition outcomes for rural communities.

Engagement in afforestation of rural and urban landscapes can restore habitats for improved supply of ecosystem services (trees can clean the air, filter water supplies, control floods and erosion, sustain biodiversity and genetic resources, and provide opportunities for recreation, education, and cultural enrichment) and goods (like fruits, fuelwood, and shade), while building environmental awareness. Improving access to water close to homes can save a significant amount of energy and time spent largely by women and youth to fetch and carry water from distant sources. These types of climate adaptation interventions, prioritized through climate risk and vulnerability assessment (CRVA) can contribute to reduce immediate vulnerabilities to climate change for women, youth and other affected groups, while sustainability supporting local livelihoods and dynamizing local economies, that will ultimately contribute to wellbeing and accrued community resilience.

### Development Context

Climate change impacts have negative effects on national development efforts and priorities of Tanzania and was identified as one of the five main challenges to the implementation of the latest National Five-Year Development Plan (2021/2-2026/7) and contributing to the Tanzania Vision 2050. The country’s Nationally Determined Contributions (NDCs) estimate that the net economic costs of addressing climate change impacts could be equivalent to a 1 to 2% of GDP per year by 2030. An initial estimate of immediate and start-up financing needs for enhancing adaptive capacity is about USD 150 million. In addition, about USD 500 million per year is needed to address climate change adaptation and build resilience up to 2020, increasing up to USD 1 billion per year by

<sup>40</sup> World Population Review. 2021. Tanzania – General Info. <https://worldpopulationreview.com/countries/tanzania-population>, Accessed 14/10/2021.

2030. These costs are likely to increase further depending on global mitigation efforts. Climate change is a serious threat to the country's development plan and to the future of both its livelihoods and main economic sectors.

According to the United Nations Office for Disaster Risk Reduction (UNISDR) Index for Risk Management (INFORM) statistics for 2021, Tanzania is classified as high-risk to the impacts of climate change<sup>41</sup>. Out of 191 countries, Tanzania ranks as the 34th most at risk country, the 60th in terms of hazard and exposure, the 37th in terms of vulnerability and the 38th in terms of lack of coping capacity (see Figure 8 for more information). These risks bear a toll on national development goals because the effects of climate change seriously impede household productivity and its eventual contribution to local and national development.



Figure 8 2022 Risk Profile for Tanzania, with indices from 0 (very low) to 10 (very high) (Source: Disaster Risk Management Knowledge Centre. 2021)

Tanzania's development is closely tied to the growth of its capital, Dodoma, which in turn is interconnected with the progress of surrounding peri-urban and rural districts such as Chamwino, Kondoa, and Mpwapwa. With Dodoma's recent elevation to city status, there is a valuable opportunity to promote sustainable development along this rural-urban gradient, fully integrating environmental protection and ecosystem conservation, but there are also risks given the rapid rate of urbanisation and the pressures on natural resources that will have, particularly in the face of climate change. The population density of Dodoma increased from 117 people per km<sup>2</sup> in 2002 to 148 people per km<sup>2</sup> in 2012, however it had a similar increase in population over the course of one year rather than one decade, when it increased from 166 people per km<sup>2</sup> in 2017 to 187 people per km<sup>2</sup> in 2018<sup>42</sup>. Low responsive and resilient the urban food supply systems are in the face of continuing urban growth, changing consumption patterns, weak rural-urban food supply linkages, and production constraints in the smallholder farming sector.<sup>43</sup>

Critical investment in instilling climate resilient knowledge in the community, water harvesting innovations and reforestation of the degraded landscapes are required to enhance ecosystem resilience as well as water and food security. In this proposed project, activities chosen by local communities and government authorities such as water-harvesting and irrigation technologies will lead to increased water availability and food security for a climate-vulnerable yet rapidly urbanising region of the country.

## Project / Programme Objectives:

The Programme aims to enhance the climate resilience of communities and economies in target districts, including Dodoma Municipality, Chamwino, Mpwapwa, and Kondoa, through climate change adaptation activities funded through the Performance-Based Climate Resilience Grants (PBCRG) and capacity development (CD)

<sup>41</sup> Disaster Risk Management Knowledge Centre. 2021. <https://drmkc.jrc.ec.europa.eu/inform-index/INFORM-Risk/Country-Profile>, Accessed 05/10/2021.

<sup>42</sup> Msuya et al. 2020. Dodoma: building a sustainable city to meet neighbourhood needs. SHLC Research Summary 12.

<sup>43</sup> Wenban-Smith, H., Fasse, A., & Grote, U. 2016. Food security in Tanzania: The challenge of rapid urbanisation. *Food security*, 8(5), 973-984.

support, specifically on mainstreaming gender-responsive climate change adaptation into LGAs plans and budgets, and climate risk vulnerability assessments (CRVA),

With technical support from UNCDF-LoCAL, climate change adaptation proposals developed at the LGAs for the PBCRG support will be based on the district CRVA report to ensure climate-risk informed plans, and the infused climate change and gender-responsive O &OD process to ensure inclusive and participatory community engagement as one of the LLA principles.

Upon approval of the LGAs proposals by the Technical Committee, NEMC will transfer the PBCRG funds to UNCDF who will use the existing government fiscal transfer systems to disburse the funds to the LAGs & Dodoma municipal, rather than parallel or ad hoc structures.

In the short term, LoCAL Tanzania seeks to improve adaptation investments managed by Local Government Authorities in Dodoma Municipal and Mpwapwa, Kondoa, and Chamwino LGAs by building the capacities of vulnerable communities to identify, prioritise, and oversee the implementation of climate change adaptation projects in the water, agriculture, and forestry sectors. An additional two target districts will be selected during the inception phase.

In the medium to long term, LoCAL Tanzania aims to facilitate increased transfers of climate finance to local governments via national institutions and systems, building verifiable climate change adaptation and resilience. The Programme also seeks to establish a standardised, recognised, country-based mechanism to support direct access to international climate finance. To ensure the sustainability of the intervention, the PBCRG approach delivers patient and predictable funding through a nationally owned system, enabling LGAs to effectively plan, budget, implement, and report on adaptation measures with multi-year certainty by using government platforms such as the PlanRep and MUSE. The stable financing mechanism strengthens long-term climate resilience at the local level, aligning with the Local Climate Adaptive Living (LLA) principle of funding predictability and sustainability of the effort made.

The project will be accomplished through four integrated components for concrete climate change adaptation strategies, namely:

1. Awareness and capacity-building to respond to climate change adaptation (CCA) in at least four targeted local government authorities (LGAs) and communities in the target districts in Tanzania, including women, men, and youth.
2. Integration of climate considerations into LGA planning, budgeting, and decision-making systems.
3. Pilot concrete adaptation measures in three sectors to increase resilience
4. Institutionalisation of the Performance-Based Climate Resilience Grants (PBCRG) Mechanism in Tanzania

## Project / Programme Components and Financing:

Project Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
1. Awareness and capacity-building to respond to climate change adaptation (CCA) in at least two targeted local government authorities (LGAs) and communities in target districts in Tanzania, including women, men, and youth	Output 1.1: LGA capacities are enhanced for CCA and risk-informed planning and to access CCA resources internally and externally Output 1.2: Knowledge management system is developed and operationalised, including Climate Risk Assessments (CRAs) for subnational adaptation and a Local Information System for Adaptation (LISA) Output 1.3: Communities are sensitised to and improved in their capacities to respond to CCA	Improved capacity of local government and communities on planning, designing, managing, and reporting climate change adaptation LGAs and their respective communities have strengthened capacity to sustain project activities and outcomes after phase-out Knowledge generated during project implementation is documented, archived, and disseminated widely Local climate data and information is collected and accessible	531,818.91
2. Integration of climate considerations into LGA planning, budgeting, and decision-making systems	Output 2.1: Climate change is mainstreamed into the existing Opportunities and Obstacles to Development (O&OD) planning and budgeting process Output 2.2: Participation of local women, men, and youth is strengthened in the prioritisation and planning of investments in public goods that build local adaptive	LGA climate adaptation planning and budget systems are strengthened Climate resilient investments are increased at the local level to improve peri-urban and urban synergies	588,851.53

	capacity	Ecosystem goods and services connecting urban and rural landscapes is enhanced Improved local economies, and income generation of local communities Improved health, food and water security of women and men living in the target districts	
3. Pilot concrete adaptation measures in three sectors to increase resilience	Output 3.1: Integrated water resources management and investment in adaptive climate change approaches such as rainwater harvesting technologies Output 3.2: Appropriate, water efficient storage and irrigation technology introduced into target districts Output 3.3: Re-forestation / tree planting programme for urban resilience building against heat and air pollution, and ecosystems restoration	Ecosystem goods and services connecting urban and rural landscapes is enhanced Improved local economies, and income generation of local communities Improved food, nutritional and water security of the local population including vulnerable groups living in the target districts	<b>2,881,671.74</b>
4. Institutionalisation of a Performance-Based Climate Resilience Grants (PBCRG) mechanism in Tanzania	Output 4.1: System of annual Performance Assessments (PAs) is established and linked to fund disbursement based on Minimum Conditions (MCs) and Performance Measures (PMs) Output 4.2: M&E and reporting in the form of the "Assessing Climate Change Adaptation Framework" is linked and complementary to the national M&E frameworks and deployed for quality assurance Output 4.3: Additional concept notes and project proposals are developed with the Government of Tanzania to access additional finance for scaling up the PBCRGs to the remaining districts in the country	LGAs have sufficient capacity to plan, execute and account for PBCRG funds in at least two districts in the Dodoma Region LGA investments contribute to climate resilient development and economic growth Compliance, performance, and allocation of funds are effectively linked Emergence of a monitoring system at the local level and a culture of planning, accountability and participatory planning and budgeting Additional finance secured for up-scaling LoCAL across all districts of Tanzania Scaling up and sustainability of other LoCAL projects in Tanzania and globally are informed by experience and lessons learned from the pilot	<b>936,710.83</b>
5. Project/Programme Execution cost			<b>432,451</b>
<b>6. Total Project/Programme Cost</b>			<b>4,552,123</b>
7. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			<b>386,930</b>
<b>Amount of Financing Requested</b>			<b>4,939,053</b>

## Projected Calendar:

Milestones	Expected Dates
Start of Project/Programme Implementation	October 2026
Mid-term Review (if planned)	October 2028
Project/Programme Closing	September 2030
Terminal Evaluation	October 2030

## 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. Specify how the project/programme enables devolving decision making to the lowest appropriate level and gives local institutions and communities more direct access to finance and decision-making power over how adaptation actions are defined, prioritized, designed, implemented; how progress is monitored and how success is evaluated.*

The project builds on the "Local Climate Adaptive Living Facility (LoCAL)", recently deployed to Tanzania under the Local Climate Finance Initiative (LCFI), to provide performance-based climate resilience grants (PBCRGs) to local government authorities (LGAs) for evidenced-based climate resilient investments. Community participation with local authorities will be enabled through gender-sensitive awareness-raising on climate vulnerabilities and identification of local priorities for climate adaptation measures. The aim of this project is to strengthen the climate resilience of communities and the local economies in Tanzania through climate change investments combined with technical and capacity-building support at the policy, institutional and individual levels. This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and

marginalized groups.

The LoCAL Facility designed and hosted by the UN Capital Development Fund (UNCDF) with the aim to promote green and climate-resilient communities and local economies by establishing a standard, internationally recognized country-based mechanism to channel climate finance to local authorities in developing countries, particularly in the Least Developed Countries (LDC), Small Island Developing States and African nations, for its effective use. LoCAL combines performance-based climate resilience grants (PBCRGs) – in the form of financial top ups to cover the additional costs of climate change adaptation – which ensure programming and verification of climate change expenditures at the local level while offering strong incentives for performance improvements in enhanced resilience – with technical and capacity-building support.

The PBCRG can be seen as an earmarked cross-sectoral grant with conditions attached to the use of its funding for climate change adaptation beyond business as usual. Combined with regular grant allocations, PBCRGs enable 100 per-cent of the investments in climate-sensitive sectors to become climate resilient over time. They include a set of minimum conditions, performance measures and a menu of eligible investments. Recognizing that solutions must be tailored to the districts' environmental and social context, and therefore the investment menu (further outlined under component 3) is aligned with national priorities. .

In this instance, the LLA funding will be transferred to target LGAs using existing intergovernmental fiscal transfer systems (on-granting) and in the form of performance-based climate resilience grants (PBCRG) The PBCRGs will flow from a Special Account held for LoCAL at Central Bank, managed by Ministry of Finance, with oversight from PO-RALG and UNCDF to the pilot LGAs in accordance with their approved annual allocations, determined through the process of annual performance assessment (APA) of LGAs. Since the performance metrics include the active participation of vulnerable groups (including at least 50% women) in the decision-making process of determining sub-projects, financial flows will be leading to impacts for the most vulnerable communities at the local level. Performance along such indicators will impact subsequent PBCRG allocations as part of the APA, with best performers receiving higher allocations. This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups.

LoCAL responds to the Paris Agreement, advances NAP implementation and contributes to achieving climate-related Sustainable Development Goals (SDGs)– with concrete action at the subnational level, where it is most needed. As of today, the 30 countries are engaged in LoCAL, of whom 25 are LDCs, 6 are SIDS and 20 from Africa. Global programme results can be found in the 2020 Annual Report [here](#).

LoCAL typically operates through three phases based on the country context.

- Phase I – Piloting consists of initial scoping, followed by testing in two to four local governments. Phase I countries are Lao PDR, Lesotho, Nepal and Tuvalu. Mali and Niger are preparing to enter Phase II.
- Phase II – Learning takes place in 5–10 local governments in a country. It involves collecting lessons and demonstrating the LoCAL mechanism's effectiveness at a larger scale. Tanzania, The Gambia, Ghana, Bangladesh, Benin, and Mozambique are currently in Phase II.
- Phase III – Scaling-up is full national roll-out of LoCAL based on the results of the previous phases and lessons learned (Cambodia, for example, is currently transitioning from the second to the third phase as is Bhutan). During this phase, LoCAL is gradually extended to all local governments, with domestic or international climate finance, and becomes the national system for channelling adaptation finance to the local level.

This project will be covering the implementation of Phase II in Tanzania. LoCAL Tanzania will promote climate change resilient communities and economies by increasing financing for and investments in climate change adaptation at the local level in target districts, contributing to the achievement of goals under national priorities as outlined in the Tanzania's Third Five Years Development Plan 2021/26, Vision 2025, as well as international priorities outlined in the Sustainable Development Goals (SDGs), particularly the goal of climate action (SDG13). More immediately, LoCAL Phase II seeks to continue building capacities of the LGAs and communities on climate change adaptation planning and budgeting through district based CRVAs. Based on lessons learned in the Pilot Phase, LoCAL also aims at mobilizing more resources for climate change adaptation to LGAs in Tanzania, and the responsiveness of their plans to increase resilience, as expressed by the local population.

Based on initial stakeholder consultations, including members of the accredited AF National Implementing Entity

of this project NEMC, the project will focus on the areas of Dodoma City and Mpwapwa, Kondoa and Chamwino Districts. As discussed in Part I of this CN, these areas were prioritised due to the rapid urbanisation of the new capital Dodoma City and its dependency on surrounding peri-urban and rural areas like neighbouring Chamwino, Mpwapwa and Kondoa Districts for development and food, nutritional, and water security. The people and resources of these three districts along this urban-rural gradient are interdependent, and this project is taking advantage of the opportunity to enhance the link between these districts through improvements to the climate risk management and adaptive capacity of key sectors of water, agriculture, and forestry. In addition, Chamwino, together with Kondoa and Mpwapwa, all located in Dodoma Region, are already LoCAL supported LGAs and the inclusion of Dodoma City would allow for peer learning and sharing of experiences between the two localities. Another 2 districts will be identified during the inception phase and will allow for comparison of performance of urban PBCRGs. Future phases of the project will scale up the PBCRG mechanism to a national level to support small-scale local-level grants for the implementation of climate change investments throughout all districts of Tanzania, thereby addressing current and future climate risks.

Through PO-RALG, the LGAs are key LoCAL partners at the district level where actual implementation takes place. The Local Governments Authorities (LGAs) in Tanzania have the mandate and the responsibility of providing a range of climate change relevant investments such as coastal protection, drainage, irrigation, smaller road networks and the maintenance of paths, bridges, and other public utilities. The LGAs are responsible for planning and budgeting at the district level. They are also responsible for local service delivery and implementation of development interventions at the district level. LoCAL implementation is integrated into the LGAs' systems, including decision-making process and LGAs' planning and budgeting process. In addition, through the Councils, at the LGAs level, community members are involved in the local decision-making process. Councils formulate local legislation (bylaws) and provide checks and balances through political oversight on the LGAs' operations, as representatives of the people.

The Civil society organisations (CSOs), specifically local NGOs, will be the other partners involved in the proposed programme. Most local NGOs in Tanzania focuses on service delivery and citizens' economic and social empowerment, and only more recently have been engaging in policy advocacy work or holding Government accountable on a number of issues with support by the donors. Overall, CSOs are generally close to the beneficiaries, have diversity of skills and competencies and are highly committed.

Whilst efforts are being made to encourage broader public private partnerships in service delivery, the private sector at present mainly interacts with LGs as contractors for the construction of infrastructure projects. Under LoCAL, the private sector will be engaged via procurement processes by LGs for the delivery of specific/activities (based on the climate change adaptation strategies). For private sector engagement, it should be ensured that the private sector has the capacity and accountability to adhere to the technical standards to be put in place to make infrastructure more climate resilient.

The participation of all partners in the decision-making process will be through the existing government's system and procedures, at both national and local levels, to ensure sustainability of climate change adaptation capacities in the planning, budgeting, and reporting. LoCAL Technical Committee which includes government, LGAs, Regional Secretariat, and NGOs provides a platform for inclusive decision-making process.

The intended beneficiaries are the pilot districts of Chamwino, Mpwapwa, Kondoa, and Dodoma City and their communities of women, men and children. This includes for example: the public sector (government leaders, officers, and administrators), private sectors (MSMEs+), civil society organisations, and other community stakeholders. The LLA funding window and the PBCRGs it will fund will allow for stronger stakeholder engagement in decision-making on proposed resilience initiatives and their financing at sub-national / local levels, to reduce their vulnerabilities, particularly in terms of finance and capacity for LGAs water, agriculture, and forestry for the communities they serve. Local beneficiaries – particularly groups led by women and working in the sectors of agriculture, water, and forestry – will be involved in proposal development, review, and decision-making for PBCRGs in partnership with the LGAs of their respective districts. In addition, districts will work closely with local SMEs via procurement processes to deliver on the identified adaptation investments and/or may engage community members via cash-for-work activities.

The programme activities are strategically aimed at identifying and resolving specific vulnerabilities and gaps in the localities where the programme will intervene, with the ultimate goal of enabling local governments and

communities to effectively design and implement locally led adaptation investments via the deployment of the performance-based climate resilient financing mechanism (PBCRG). This includes tackling structural barriers and differential vulnerabilities faced by the most at-risk population groups, particularly women and girls. The following gender-mainstreaming principles are informing all stages of LoCAL deployment:

1. Understanding differential climate and non-climate vulnerabilities faced by women and girls. CRVA will integrate a dedicated gender lens to analyse how existing socio-economic inequalities, care burdens, access to natural resources, and discriminatory norms shape women's and girls' exposure, sensitivity, and adaptive capacity. The CRVA will therefore assess gender-differentiated impacts and the underlying drivers of vulnerability to ensure that adaptation priorities reflect the needs, roles, and capacities of diverse women and men.
2. Promoting gender-sensitive communication, awareness raising, and inclusive decision-making. The programme will deploy gender-responsive communication and climate-change awareness strategies that reflect differentiated vulnerabilities and adaptive capacities. Consultation processes will be designed to be inclusive, safe, and accessible for women and other vulnerable groups, ensuring their meaningful participation in the definition of adaptation priorities. Targeted capacity-building for local authorities, community committees and women's groups will strengthen processes for gender-sensitive planning, budgeting, and governance within local adaptation processes.
3. Deploying a gender-sensitive investments within the PBCRG system. The programme will prioritize adaptation interventions in sectors where women are strongly involved and where gender-differentiated climate risks are highest (see above analysis, including water catchment and management, climate-resilient agriculture, food security, income and livelihoods diversification, and forestry/natural resource management). The prioritization and design of investments will take into account gender disparities in access to land, inputs, technologies, and climate-information services.
4. Incentivizing community participation, with a focus on women. The PBCRG mechanism encourage by design participatory planning, implementation, and management of local adaptation investments, leveraging community-based structures that ensure women's and vulnerable groups' representation and leadership. Via performance incentives, the PBCRG system includes assessment criteria for local governments to strengthen gender sensitive planning, participation of women and vulnerable groups in the investment processes, and equitable share of benefits, with a focus on most at risk groups.
5. Establishing a gender-sensitive monitoring, reporting, and evaluation framework. LoCAL M&E framework includes a clear adaptation rationale for all PBCRG-financed investments supported by sex-disaggregated data. Monitoring will capture both climate-resilience outcomes, with an explicit effort in understanding differential vulnerabilities and how prioritized investments aim to tackle those. This feeds into adaptive learning, accountability, and continuous improvement of local adaptation planning processes.

**Component 1. Awareness and capacity-building to respond to climate change adaptation (CCA) in at least four targeted local government authorities (LGAs) and communities in target districts in Tanzania, including women, men, and youth**

Following an assessment of their capacity needs, the target LGAs of the project will receive capacity building support on context specific climate change adaptation topics. Training materials will be developed and disseminated for capacity building for LGAs, particularly for those working in planning, statistics and monitoring; water; agriculture, irrigation and cooperative services; livestock and fisheries; land and natural resources; and community development and social welfare. The project will further conduct awareness-raising and capacity-building sessions for communities to impart knowledge on climate change and its impacts and adaptation solutions. That includes activities according to needs and capacity gaps identified e.g., on-the-job learning; training; technical assistance; coaching.

Training and awareness raising activities on using the PBCRG mechanism will be undertaken. At the LGA and central government level, awareness-raising activities will be conducted on the new system, grant guidelines, eligible investments, M&E system, performance measures on climate change, etc. This will include training to LGA staff on identification, prioritisation, planning, procurement and management of the climate change resilient investments.

Knowledge is shared within the country as well as with other countries. The experience acquired informs both the efforts of Tanzania to directly access international climate finance and the overall LoCAL programme. A midterm review will be carried out and will lead to a proposal for a phase II, with an up-scaling. Further, it will inspect the progress in terms of decentralisation and public finance management to propose further integrating of LoCAL into country systems.

The LoCAL programme results in improved awareness among communities and target government authorities of the relevance of addressing climate change impacts at local levels, as well as among the LGAs and local communities of the impact of climate change-related impacts and risks and the relevance of and need for localised adaptation measures. This will result in improved technical and institutional capacities of local authorities for better local governance of climate change adaptation and improved access to weather and climate information. Local climate risks assessments (CRA) are undertaken to inform risk-informed planning and budgeting processes. Using the CRA findings, the project will support the LGAs to organise and analyse findings and ensure integration of adaptation priorities in line with localized climate vulnerability contexts and profiles. An inclusive stakeholder validation process will be organized to ensure broad community consensus, awareness, and ownership over results, with a focus on ensuring active participation and inclusion of most vulnerable groups, especially women. CRA inform awareness raising activities (including via the deployment of Local Information System for Adaptation (LISA)) and the subsequent integration in local plans and budgets. The development of these tools will strengthen local understanding of climate risks and future scenarios, aligned with the LLA principle of improving access to and use of climate data at the local level to inform adaptation decisions. The participation of local communities and vulnerable groups, specifically women and minorities in decision making, implementation and the management of the interventions (e.g. through user groups) foster ownership and future sustainability of the specific interventions and investments

Component 1, which is particularly aligned with Outcomes 2 and 3 of AF's Strategic Results Framework, will be delivered through three distinct outputs:

1.1: LGA capacities are enhanced for CCA and risk-informed planning and to access CCA resources internally and externally.

1.2: Knowledge management system is developed and operationalised, including Climate Risk Assessments (CRAs) for subnational adaptation and a Local Information System for Adaptation (LISA).

1.3: Communities are sensitised to and improved in their capacities to respond to CCA.

## **Component 2. Integration of climate considerations into LGA planning, budgeting, and decision-making systems**

This component is to strengthen LGA planning and budget systems, based on the Opportunities and Obstacles to Development (O&OD), so they identify and fund investments for climate resilient development. The work focuses on two critical areas: (i) mainstreaming climate change into the existing O&OD development planning and budgeting process; and (ii) strengthening the involvement of men and women in the prioritisation of investments in public goods that build local adaptive capacity.

LoCAL PBCRGs seek to make sure that adaptation works to build resilience of the communities. It is therefore key that the local population and particularly vulnerable groups, especially women, be engaged and not just informed in the needs analysis and the planning of the adaptation activities. LoCAL PBCRGs reward this through the Performance Measures (PMs) and the subsequent year's allocation. It inherently builds in a competition between the selected Councils, which will start with at least two for this project, scaling up to more Councils in further phases. The District Councils will be required to inform the population, convene meetings in wards and villages and choose how to ensure effective and inclusive planning. This will be done with the support of the LoCAL Committee, the President's Office – Regional Administration and Local Government (PO-RALG), Regional Secretariats and UNCDF, which will provide technical support to the target District Councils.

The objectives of the support will be to:

- Ensure that adaptation plans are updated (from year 2) and take climate change risk analysis and baseline information into consideration;
- Support dialogue with the population and prioritisation of the activities, with a specific focus on including vulnerable groups, especially women, in the decision making process;

- Help translate the plans into annual activity programs, ensuring adherence to the LoCAL menu, budgeted within the financial year;
- Provide support during the execution and for preparing the annual assessments;
- Train the councils, village elders and population willing to engage on climate change impact, risks and adaptation and the links to rangeland management, livestock and agriculture production;
- Help in tracking investment realizations (PBCRG grant implementation) and subsequent adaptation benefits.

The first annual work programme for the LoCAL Committee will include guidance on the technical support and shall serve as basis to plan these activities and report on them. Similarly, the support to planning and costing of investments will build on the LGDG experience and on the activities carried out by other programmes addressing climate change adaptation locally.

Component 2, which is particularly aligned with Outcome 4 of AF’s Strategic Results Framework, will be delivered through two distinct outputs:

2.1: Climate change is mainstreamed into the existing Opportunities and Obstacles to Development (O&OD) planning and budgeting process.

2.2: Participation of local women, men, and youth is strengthened in the prioritisation of investments in public goods that build local adaptive capacity.

This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups.

### **Component 3. Pilot concrete adaptation measures in three sectors to increase resilience**

This component puts into action the locally determined investments of the PBCRG system. Based on initial stakeholder consultations and input from the Implementing Entity NEMC, three focal areas were chosen from the LoCAL Tanzania investment menu to begin with: water, agriculture, and forestry, for which the investment menu options are shown in Table 1. The full list of investment menu options for LoCAL Tanzania is shown in Annex 1. The investment menu provides a list of possible investments that can be funded under LoCAL Tanzania, which includes both climate-proofing of existing investments and new adaptation subprojects. Existing natural water sources can be climate-proofed in project implementation through nature-based solutions and small-scale technology, and agricultural facilities such as irrigation schemes and storage and market centres can be climate-proofed through small-scale, appropriate, efficient technologies that address climate trends. The investment menu was developed based on the climate adaptation needs of the country and alignment with national priorities (such as NDCs) as well as the categorisation of ESS such that each investment option is low risk. Local communities and LGAs can collectively decide what to invest in using the performance-based climate resilience grants. The nature of having more local engagement and input into the decision-making process of project formulation means that there are Unidentified Sub-Projects (USPs) (more information on the risks of these activities is detailed in Part II Section K) in that the particular investments/sub-projects have yet to be decided and identified by local communities and LGAs. However, since the investment menu has already been developed for the country, the list of possible sub-projects for the communities and LGAs to choose have already been identified.

This flexibility in investment selection supports adaptive management and allows the project to respond to evolving climate risks (based on the results of CRVA) and community needs. This is in alignment with the LLA principle of enabling flexible, learning-driven approaches that foster locally appropriate solutions.

*Table 1 Investment Menu for LoCAL Tanzania of prioritised focus areas for Chamwino District and Dodoma City*

Focus Area	Investment Menu
Water	Climate proofing of existing natural water sources and catchments through nature-based solutions and small-scale technology (e.g. reducing evapotranspiration, increasing infiltration to ground water sources etc)
	Capacity building and support functioning of water resources management and investment in adaptive climate change approaches such as small-scale water resources harvesting
	Researching long-term water supply risks and availability
Agriculture	Introduction of climate smart adaptive crop varieties suited to adverse conditions brought about climate change (e.g. drought tolerant, pest tolerant)

	Promoting best indigenous knowledge and scientific knowledge for increased climate resilience in food production
	Climate proofing of agricultural facilities i.e., irrigation schemes, storage and market centres and diffusion of small scale appropriate, efficient technologies that address climate trends
	Facilitate climate change learning centres and outreach through district infrastructures. Demonstrating climate change threats and methods to improve capacity to conduct research into applied climate resilient agriculture, crop weather-indexed insurance packages etc.
	Capacity building for farmers, extension workers and other stakeholders in all aspects of existing/new/improved climate resilient / climate smart agriculture practices
	Establish farming cooperatives to enable collective responses to climate change and climate related shocks
	Monitor systems for crop, livestock diseases and pests affected by climate change
Forestry	Implementation of forestry legislation, enforcement of by-laws on deforestation/poor forest management and support improvement of community forest governance
	Re-forestation / tree planting programmes where identified as resilience-building
	Facilitate implementation of agroforestry systems appropriate to different soils/agro-ecological zones and climate trends
	Promoting reduction of charcoal consumption and efficient wood fuel utilisation technologies to reduce deforestation for climate adaptation and mitigation
	Awareness raising on deforestation and impacts of climate change

The identified interventions are in line with each district strategic plan. The plans were developed in a consultative process that involved different stakeholders at different levels, including international partners (such as WFP and World Vision), national bodies (like VPO and TASAF), local NGOs (like SAT and Forum CC) and local partners (such as local councils, cooperatives, and village authorities in each district and local groups like WASTARA and SULUNGAI). Community members were part of the stakeholders involved in the strategic planning process in each identified district.

In order to make production systems climate resilient, particularly in the semi-arid project areas of Chamwino District and Dodoma City, water resources need to be sustainably managed, starting with investments in rainwater harvesting technologies. The specific activities will be planned with the active participation of the target beneficiaries, during full proposal development, but from stakeholder engagement to date, these activities will likely include the building of rainwater-harvesting ponds and roof catchments installed in schools and other public buildings in more urban settings. Capacity building activities will focus on management and sustainable and equitable utilisation of the water resources as well as participatory formulation of regulations and bylaws aimed to improve and sustain water resources usage and management. Women and other vulnerable groups will be given special priority in the use of these water resources. This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups. This aligns with the LLA principle of building sustained local capacity for planning, implementing, and monitoring adaptation initiatives.

Investments in agriculture will also focus on water with efficient water storage and irrigation technologies. These will help to increase food production generally but particularly in dry seasons and even droughts. This project will build upon the rural-urban nexus to ensure that the growing population in the nearby Dodoma City become the prime market for the agricultural goods and will involve capacity building activities for farmers in collaboration with local institutions to link up with retailers and wholesalers using modern and evolving modes of business partnerships. Specific attention will be paid to ensure equitable access to land, inputs and resources and extension services for women, as well as to guaranteeing that women benefit equitably from the resulting productivity gains, market opportunities, and livelihood improvements. Investments in water storage and irrigation technologies are expected to bring multiple benefits in the forms of food and nutritional security as well as economic and livelihood enhancements. This aligns with the LLA principle of building sustained local capacity for planning, implementing, and monitoring adaptation initiatives.

Investments in tree-planting will involve the appropriate selection of superior species and genotypes of fruit and multipurpose species, tree nursery establishment and management, tree planting and tending, sustainable harvesting and the use of restored tree resources to sustain a green environment in these areas. This will help strengthen ecosystem services such as the mitigation of floods and dust-storms, which are both increasingly problematic in the Dodoma Region and particularly in the city. Some of the goods produced from the trees will

include the products from integrated apiculture and from non-destructive harvesting of wood-based products e.g., for fuel wood and construction materials. Encouraging ecosystem-based livelihoods will help to improve the resilience and adaptation capacities of men and women as well as habitat restoration and biodiversity conservation.

Component 3, which is particularly aligned with Outcome 5 of AF's Strategic Results Framework, will be delivered through 3 distinct outputs:

- 3.1: Integrated water resources management and investment in adaptive climate change approaches such as rainwater harvesting technologies
- 3.2: Appropriate, water efficient storage and irrigation technology introduced into target districts
- 3.3: Re-forestation / tree planting programme for urban resilience building against heat and air pollution, and ecosystems restoration

#### **Component 4. Institutionalisation of Performance-Based Climate Resilience Grants (PBCRG) in LGAs**

This component seeks to further institutionalize the PBCRG mechanism aligned with the established intergovernmental fiscal transfer system in Tanzania. The PBCRG mechanism will introduce a system of assessment and fund disbursement based on Minimum Conditions (MCs) and Performance Measures (PMs). Broadly, MCs consist of a combination of general Public Financial Management (PFM) and governance issues to ensure LGAs have sufficient capacity to plan, execute and account for the funds, whereas, PMs relate to achievement of benchmarks in, for instance, participatory planning and budgeting, M&E, mainstreaming, local climate risk assessments, gender participation, implementation of funds and level of implementation, etc.

The application of MCs serves to prevent inappropriate use of funds such as theft, using funds for unplanned activities, unnecessary delays in utilizing the funds. For those LGAs failing to meet the MCs for the following year, they receive training and capacity building support from LoCAL to enable them to rectify the situation and meet the MCs. LGAs shall meet 100% of the MCs as indicated in Annex 1. The minimum conditions ensure that districts have demonstrable capacity to manage inter-governmental transfers accountably and transparently.

The PBCRG Performance Measures build on nine performance areas with focus on climate change and resilience related issues at LGA level. The number of Performance Measures include seven work areas. Performance measures are the set of indicators against which local governments are assessed on an annual basis. They are more qualitative and variable measures than the minimum conditions, and cover core functional areas – e.g. quality of the planning and integration of climate change adaptation and the execution of adaptation measures, governance and accountability – in some detail. Local authorities' overall performance against these measures is used to adjust the level of funds made available to local governments, subject to compliance with the minimum conditions. They incentivise participating LGAs to introduce processes that will enable improved and participatory and inclusive planning for climate risk and uncertainty, while incorporating communities into decision making. Each measure includes a list of 3-5 indicators by which auditors can allocate a score for that measure. The total score for all the measures is 100, with performance measures having varying values according to government priorities. Performance measures are also designed to account for performance on inclusiveness, gender mainstreaming and participation of local communities and vulnerable groups along PBCRG deployment cycle.

Annual performance assessments (APA) will be conducted to ensure the councils' compliance and reward performance. District Councils that do not comply with the PA indicators will be proposed to stay in the programme if they agree to a set of corrective measures before receiving a new allocation. Such an approach will support the emergence of a monitoring system at local level and culture to feed planning, accountability and participatory planning and budgeting. To implement this system, the PBCRG system will be adopted and adjusted to fit the decentralisation policy in Tanzania to ensure a link with the existing planning and budgeting process including O&OD. Regional Secretariats, PO-RALG, the Accountant General and the Auditor General will be involved to link LoCAL lessons to their on-going public finance reform efforts and improve management in a decentralised manner.

LoCAL will implement the PBCRG system through the UNCDF experience and will support PO-RALG, the LoCAL

Committee and involve participation of the Accountant General and Auditor General. It also includes the financing mechanism for the Ministry of Finance to make the necessary transfers, which involves the opening of a dedicated special LoCAL account at the Central Bank of Tanzania. Moreover, LoCAL will provide a transparent performance-based grant allocation system reflected in a manual and calling upon the country system for transfers through the office of the Accountant General. Lastly, the GoT will be supported in the identification of prospective financing sources and in the development of concept notes and project proposal with a view to scaling up the PBCRG system across Tanzania, ensuring long term sustainability of the financing mechanism.

The deployment of the PBCRG aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups. It also aligns with the LLA principles of strengthening mechanisms for local accountability and oversight of adaptation actions and building sustained local capacity for planning, implementing, and monitoring adaptation initiatives. Transparency and accountability are embedded in the PBCRG system through the application of Minimum Conditions (MCs), Performance Measures (PMs), and annual performance assessments. These measures ensure that LGAs use funds responsibly, with regular public reporting and oversight aligning with the LLA principle of strengthening mechanisms for local transparency and accountability in adaptation financing.

Lessons learnt will be drawn in terms of adaptation activities, responsiveness to needs expressed, possibility to be implemented locally and show benefits for the population. The LoCAL Steering Committee will ensure that they are shared with stakeholders at national and subnational levels and with other donors through annual workshops. It will focus on inclusive and sustainable energy and integrate climate change related policies and programs, as well as the country's NDCs.

Component 4, which is particularly aligned with Outcomes 2, 3, and 4 of AF's Strategic Results Framework, will be delivered through three distinct outputs:

- 4.1: System of assessment and fund disbursement based on Minimum Conditions (MCs) and Performance Measures (PMs) is effectively implemented
- 4.2: PBCRG manual is developed in Tanzania and reflective of the future need to be operational and scaled up across all districts
- 4.3: Concept notes and proposals for additional CCA funding are developed

*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 and Gender Policy of the Adaptation Fund. . In particular, specify how the project/programme is addressing structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, Indigenous Peoples and marginalized ethnic groups.*

Climate change has economic, social and environmental impacts associated with rainfall scarcity and irregularity, land degradation, floods, biodiversity loss, harsh microclimates, heat, dust-storms, and poor air quality in Dodoma City and the other target Districts. The district CRVA reports will be one of useful tools to provide climate vulnerability overview to prioritize. The project envisages to support the targeted project areas to achieve the following economic, social, and environmental benefits:

#### **Economic benefits**

The successful implementation of the four project components will include locally determined activities to contribute to climate-resilient economic growth. Since the largest sector for the economy and workforce in Dodoma region is agriculture, since increasing agricultural productivity is vital to the food security and sustainable urbanisation of Tanzania's capital city, and since initial stakeholder engagement has revealed particular needs in these areas, activities will be focused on agriculture, water, and forestry sectors. Increased productivity in agriculture will lead to improved income generation and the lifting of the local economy of the Dodoma region, particularly through closing the productivity gap between women and men.

Preliminary stakeholder engagement has revealed the importance of tree-planting in the region. For instance, tree-planting activities will aesthetically enhance Dodoma City, attracting business activity and generating direct income to the district. The improved “city face” is expected to attract investors including estate developers who will contribute to the income of Dodoma City.

Sustained water availability will improve the incomes of the women and men of target districts from the increased sale of organic vegetables, food crops and animal products. Water-harvesting and irrigation technologies will not only make agriculture more productive in the region, but they will also allow for the production of diversified and higher-value crops and will make food production systems more resilient to climate change impacts. The improved local economy will increase the capacity of the community members to meet basic needs such as food security, education and medical care. The district office will also generate income from markets’ income tax. With improved capacities, LGAs will be able to access further resources, particularly in the form of finance, for expanded CCA programmes. In addition, the local economy will be stimulated as LGAs will work with local contractors/SMEs to implement the envisioned adaptation investments, which will also create local jobs in the green sector.

Project formulation activities will be used to conduct a cost-benefit analysis of options in each sector being considered for the top-up grant scheme. The economic benefits of the project will be made more apparent as the project activities are planned in the water, agriculture and forestry sectors.

### **Environmental benefits**

As mentioned, preliminary stakeholder engagement has revealed the importance of tree-planting in the region. Climate projections predict the loss of large proportions of woodland and forest habitats and therefore the disappearance of a number of tree species<sup>44</sup>, so tree-planting will provide a means of survival for indigenous tree species. The trees themselves will also provide environmental benefits, including habitat restoration, increased biodiversity, improved ecosystem resilience, and reduced land degradation caused by surface run-off and floods. Depending on how local communities and government authorities decide to spend their performance-based grants, initial consultations with stakeholders have estimated tree-planting programmes in the order of 1.5 million trees.

It is expected that strategic water resource management and the associated integrated interventions will provide not only environmental but also social and economic benefits to the vulnerable communities in these areas. Fresh water sustains the integrity of the ecosystems that perform important ecological and hydrological functions and act as hubs of freshwater biodiversity on which people, especially the poor, often depend directly<sup>45</sup>. So, the activities of the project will help maintain the stability, health, and productivity of the water resources system.

While the investment menu items for the top-up grant for project activities has been cross-checked for environmental and social screening criteria to meet local, national, and international standards and guidelines as well as the ESP of the Adaptation Fund, the nature of having more local engagement and input into the decision-making process of project formulation means that there are Unidentified Sub-Projects (USPs). These USPs will be formulated based on the investment menu and more thoroughly screened during the project formulation phase. More information on the risks of these activities is detailed in Part II Section K. It is important to mention that all funded projects will be subject to and will follow applicable social and environmental regulations of Tanzania. This will also be assessed as part of the annual performance assessments of target districts.

### **Social benefits**

The proposed project will generate significant social benefits for vulnerable communities across the Dodoma Region. The project focus on water, agriculture, and forestry locally led adaptation investments will strengthen climate resilience, safeguard livelihoods, and improve the reliability of essential resources. Climate-proofing of natural water sources, improved catchment management, and investments in small-scale water harvesting will enhance year-round water availability for households, livestock, and productive activities, thereby reducing the time and labor burden, particularly on women and girls, associated with water collection. In agriculture, the introduction of climate-smart, drought-tolerant and pest-resistant crop varieties, coupled with improved irrigation, storage and market facilities, will support more stable food production and household nutrition, even under increasing climate variability. Capacity-building for farmers, extension workers, youth and community

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<sup>44</sup> United Republic of Tanzania - Vice President's Office. 2014. 2nd National Communication to UNFCCC.

<sup>45</sup> Hirji, R., & Ibrek, H. O. (2001). *Environmental and water resources management*. World Bank, Environment Department.

organizations, alongside the promotion of indigenous and scientific knowledge, will strengthen local skills, support diversified rural livelihoods, and empower communities to collectively manage climate risks through cooperatives and climate-learning centres. Enhanced monitoring of climate-related pests and diseases will further protect food security and household income. In the forestry sector, improved governance of community forests, reforestation efforts, and the adoption of agroforestry and efficient wood-fuel technologies will help stabilize microclimates, reduce land degradation, and secure sustainable access to forest resources that many communities rely on for daily subsistence. Together with a system of incentives of improved local climate governance, in terms of inclusiveness and participation, and more efficient and vulnerability sensitive use of adaptation finance (via the PBCRG system), these interventions will reduce social vulnerability and improve long-term wellbeing and resilience.

As per differential vulnerability considerations, the project will integrate gender equality and social inclusion across all components through CRVAs, targeted outreach and communication strategies, tailored capacity-building activities, and participatory local planning and investment management processes. Emphasis will be placed on ensuring equitable distribution of benefits, including equitable access to land, agricultural inputs, irrigation technologies, extension services, market opportunities, and livelihood diversification, particularly for women and marginalized groups. Women’s organizations, youth associations, community-based groups, and representatives of vulnerable populations will be further consulted during full proposal development and systematically included in subsequent implementation.

The project will also take proactive measures to prevent, mitigate, and respond to gender-based and social risks. All PBCRG-funded investments will undergo environmental and social screening according to Adaptation Fund S&E Policy requirements, with explicit criteria for identifying risks to women, youth, people with disabilities, Indigenous Peoples, and marginalized groups. As applicable. A Gender Action Plan (GAP) will be further developed during the full proposal stage to contextualize location-specific risks and to guide gender-responsive and socially inclusive implementation.

The table below preliminarily outline gender-specific and social risks and proposed mitigation measures already embedded (and to be further embedded) into programme design and implementation.

LoCAL Project Component	Potential Gender-Specific and Social Risks	Risk mitigation measures foreseen for design/implementation
<p><b>Component 1:</b> Awareness and capacity-building to respond to climate change adaptation (CCA) in at least four targeted local government authorities (LGAs) and communities in target districts in Tanzania, including women, men, and youth</p>	<p>Low participation of women, youth, persons with disabilities, and marginalized groups in training, workshops, and consultations.</p> <p>Limited awareness among stakeholders about gender-specific climate vulnerabilities and social risks.</p> <p>Communication channels not adapted to women’s needs, literacy levels, or accessibility requirements.</p>	<p>CRVA for understanding drivers of vulnerabilities for women and other social groups at risk.</p> <p>Tailored capacity-building activities designed specifically for women and youth; gender-appropriate scheduling and venues.</p> <p>Identification of gender-sensitive communication channels and prioritization of inclusive outreach awareness raising.</p> <p>Gender-segregated training where necessary to ensure safety, comfort, and equitable participation.</p> <p>Development of a Gender Action Plan (GAP) during proposal development to contextualize risks and guide targeted measures for women and girls.</p> <p>Development of an Environmental and Social Management Framework during proposal development to further analyse E&amp;S risks associated to project activities.</p>
<p><b>Component 2:</b> Integration of climate considerations into LGA planning, budgeting, and decision-making systems</p>	<p>Gender-specific and social vulnerabilities not systematically identified or reflected in plans and PBCRG investment priorities.</p> <p>Risks of exclusion and discrimination during participatory planning processes.</p>	<p>Coordination with local administrations and community-based organizations to ensure women’s and vulnerable groups representation and leadership.</p> <p>Institutional capacity-strengthening for LGAs to apply gender-responsive and inclusive planning tools.</p> <p>Dedicated outreach to ensure meaningful participation of youth,</p>

	Women, youth, marginalized ethnic groups, and persons with disabilities are under-represented and lack decision-making power.	persons with disabilities, displaced people, Indigenous Peoples, and marginalized groups, as applicable.
<b>Component 3:</b> Pilot concrete adaptation measures in three sectors to increase resilience	<p>Adaptation investments unintentionally exacerbate inequalities in access to land, irrigation, resources, visibility, or decision-making.</p> <p>Potential (though low-risk) increases in GBV or SEAH associated with construction or community works.</p> <p>Limited access to adaptation benefits for women, youth, marginalized groups, and people with disabilities.</p>	<p>E&amp;S screening of all PBCRG-funded investments., including with gender and social inclusion criteria.</p> <p>Prioritization of women, youth, and marginalized groups in training for adaptation technologies and livelihood support.</p> <p>Investment menu accounting for high exposed sectors and to be further informed by risk and vulnerabilities analysis.</p> <p>Implementation of needed risk mitigation measures for contractors and community-based workers, indigenous people (as applicable) as well as grievance mechanisms as per project ESMF (to be developed during proposal development).</p>
<b>Component 4:</b> Institutionalisation of Performance-Based Climate Resilience Grants (PBCRG) in LGAs	<p>Exclusion or underrepresentation of women, youth, Indigenous Peoples, persons with disabilities, displaced households, and marginalized groups in institutional processes governing PBCRG.</p> <p>Insufficient institutional capacity within LGAs to apply gender-responsive, socially inclusive and safeguard-compliant PBCRG procedures.</p>	<p>Annual assessment of performance, with specific performance measures accounting for social inclusion, participation, gender sensitivity as well as overall compliance on use of PBCRG.</p> <p>M&amp;E systems that provide disaggregated data and actionable learning to feed back into implementation.</p> <p>Dedicated capacity building and TA support to LGAs based on capacity gaps assessed (including on GAP, ESMF, etc.)</p>

*C Describe or provide an analysis of the cost-effectiveness of the proposed project / programme, focusing on the implementation and execution arrangements, in particular the mechanism which will provide more direct access to finance.*

. K.

The proposed project is designed to be highly cost-effective by leveraging the **LoCAL (Local Climate Adaptive Living)** mechanism, which channels climate finance directly to local governments through a structured and performance-based system. This approach ensures that funds are used efficiently, transparently, and in alignment with local priorities.

#### **Why LoCAL Adds Value**

Unlike traditional project-based funding models, LoCAL stands out because it is **institutionalized within national systems**, making it:

- **Sustainable:** Embedded in existing government structures.
- **Scalable:** Easily expanded to other districts and regions.
- **Locally owned:** Managed by local governments with strong community involvement.

The core of LoCAL is the **Performance-Based Climate Resilience Grant (PBCRG)** system. This system links funding to performance, meaning that Local Government Authorities (LGAs) are rewarded for implementing cost-effective and impactful climate adaptation activities. This incentivizes efficiency and accountability.

#### **Efficient Use of Resources**

The PBCRG system is aligned with Tanzania’s **intergovernmental fiscal transfer mechanism**, which:

- Minimizes administrative and transaction costs.
- Avoids duplication by using existing planning and budgeting systems.
- Ensures funds are disbursed predictably and transparently.

During the full proposal phase, detailed cost breakdowns—including cost per beneficiary—will be provided. However, even at this stage, it is clear that the project will maximize investments in concrete, community-selected interventions, which enhances ownership and reduces implementation costs.

#### **Global Evidence of Effectiveness**

LoCAL has been successfully implemented in over **30 countries**, with strong evidence showing:

- Improved local planning and budgeting for climate resilience.
  - Efficient fund utilization with low overhead costs.
  - Enhanced local capacity and ownership of climate responses.
- Countries using LoCAL report that integrating the PBCRG into government systems:

- Avoids parallel structures.
- Facilitates national ownership.
- Enables geographic expansion.
- Strengthens local government capacity over time.

### **Holistic and Transparent Financing**

LoCAL grants are integrated into LGAs' regular budgets, allowing them to **climate-proof larger development investments**. This holistic approach ensures that adaptation is not treated as a separate activity but is embedded in broader development efforts.

Moreover, LoCAL promotes **transparency and accountability** by:

- Tracking small-scale funds at the local level.
- Encouraging public input and community monitoring.
- Aligning with the Locally Led Adaptation (LLA) principles.

### **Alignment with National Priorities**

The project is closely aligned with Tanzania's National Adaptation Programme of Action (NAPA), which prioritizes Agriculture, Water and Forestry. These sectors are also reaffirmed in Tanzania's revised Nationally Determined Contributions (NDCs). By focusing on these areas, the project ensures that its interventions are both urgent and cost-effective.

### **Capacity Building as a Cost-Effective Strategy**

Investing in local capacity building, especially in semi-arid areas like Dodoma and Chamwino is one of the most effective adaptation strategies. It enhances the impact of other interventions (e.g., water management, agriculture) and improves decision-making and service delivery. The project includes a strong knowledge management component focused on Monitoring and evaluation, Information sharing and learning and adaptation.

These elements contribute to long-term cost-effectiveness by improving the quality and sustainability of interventions.

Table 2 Summary of the costs and benefits of the project interventions

Project component	Tangible adaptation benefits	Averted losses	Alternative interventions and trade-offs
Component 1: Awareness and capacity-building to respond to climate change adaptation (CCA) in at least two targeted local government authorities (LGAs) and communities in target districts of Tanzania, including women, men, and youth	Capacity building at local institutional and community levels, with learning components	Investing in capacity building has high benefit to cost ratios. It also enhances effectiveness and efficiency of other aspects of the project.	<i>Capacity building at the national level</i>  <b>Trade-offs</b> Gap in knowledge and understanding between the national level and at the local level where key decisions are made and resources deployed.
Component 2: Integration of climate considerations into LGA planning, budgeting, and decision-making systems	Climate change adaptation is mainstreamed into local government plans and budgets Climate change funds are targeted at local levels Local community members, and particularly women and other groups most vulnerable to climate change, have more opportunity to participate in the planning and implementation of climate change projects	Local governments and communities have no voice in the prioritization of adaptation activities Continued disparities between men and women	<i>Large-scale interventions at the national level</i> <b>Trade-offs:</b> Expensive Not necessarily addressing problems that would be prioritised at the local level.
Component 3: Pilot concrete adaptation measures in three sectors to increase resilience	Improved access to water resources for agriculture and tree-planting Improvement and diversifications of food production Improved food security, nutrition, and health of the community Conservation of biodiversity Reduced surface runoff, sheet erosion and flooding from increased tree cover Improved city amenities, shade, and cooler microclimates in urban areas	Crop and livestock loss due to dependency on rain-fed agriculture and increased droughts and floods Food insecurity and malnutrition-based health problems Land degradation Water losses from excessive run-off and minimal water infiltration into the soil Soil erosion and river siltation Soil fertility losses as a result of floods Degraded habitats and biodiversity Escalated poverty	<i>Timing of onset of rainfall and use of short-term crop varieties</i>  <b>Trade-offs:</b> Lack of adequate early warning system Inability to use and interpret early warning data if it were made available Costs to farmers in term of wasted inputs due to erratic and unreliable rainfall  <i>Dependence on food aid</i>  <b>Trade-offs:</b> High cost for importing and distribution foods Food sovereignty is jeopardised

Project component	Tangible adaptation benefits	Averted losses	Alternative interventions and trade-offs
Component 4: Institutionalisation of a Performance-Based Climate Resilience Grants (PBCRG) mechanism in Tanzania	Incentives are in place for interventions to be implemented efficiently and effectively PBCRGs for locally led adaptation are scaled up to other areas of Tanzania	Losses due to inefficiencies, ineffectiveness, or corruption	<i>One-off grant without performance measures or minimum conditions</i>  <b>Trade-offs:</b> More risks of interventions being ineffective More difficult to scale up into other areas of Tanzania

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

A.

The Project processes and results are in line with the national climate change adaptation priorities as reflected below:

### 1. Tanzania Development Vision 2050

The revised **Development Vision 2050** aims to transform Tanzania into an inclusive, climate-resilient, upper-middle-income nation with a high-quality livelihood for all. Vision 2050 emphasises sustainable economic growth, food and water security, resilient infrastructure, human development, and environmental stewardship. Recognising climate change as a systemic threat to long-term development, the Vision calls for integrating adaptation and resilience-building across all sectors. The proposed project directly contributes to Vision 2050 by strengthening resilience in climate-vulnerable sectors—agriculture, forestry, and water—and by empowering LGAs and communities to plan and implement climate-responsive development

### 2. National Five-Year Development Plan (FYDP) III (2020/2021- 2026/2027)

FYDP III seeks inclusive industrialisation and human development. It acknowledges climate change as a cross-cutting risk, especially for agriculture and water resources. It calls for local-level actions to address climate impacts, improved technologies, better water management, and integrated climate considerations in all sector plans. The project aligns with FYDP III by strengthening local planning systems, integrating climate risks into O&OD processes, and enabling climate-resilient investments consistent with national development priorities.

### 3. The National Climate Change Response Strategy (2021-2026)

NCCRS enhances national and subnational capacities for climate adaptation, prioritising water resources management, rainwater harvesting, and climate-resilient local economies. The project responds to NCCRS through the LoCAL/LCFI mechanism, which channels climate finance to LGAs and builds sustained local capacity to plan, implement, and track adaptation actions, supporting NDC implementation and climate-related SDGs.

4.

### National Environmental Master Plan For Strategic Interventions (2022 – 2032)<sup>46</sup>

The Master Plan operationalises the National Environmental Policy, FYDP III, and Tanzania’s NDC, guiding strategic interventions for environmental sustainability and climate resilience. The project supports these priorities by strengthening local environmental management, promoting resilient ecosystems, and accelerating NDC implementation.

### 5. NAP

Tanzania’s ongoing NAP process aims to integrate climate risk into sectoral and national planning, strengthen coordination, improve evidence-based decision-making, and mobilise climate finance. The project offers a concrete mechanism for vertical integration of the NAP by linking national priorities with subnational implementation, ensuring that adaptation reaches vulnerable communities.

### 6. Forest Policy (1998):

The Forest Policy promotes sustainable forest management, biodiversity protection, and community-based forest governance. Forests play a critical role in enhancing resilience in semi-arid areas.

<sup>46</sup> [https://www.vpo.go.tz/uploads/files/MASTER%20PLAN-English\\_eBOOK\\_FINAL.pdf](https://www.vpo.go.tz/uploads/files/MASTER%20PLAN-English_eBOOK_FINAL.pdf)

The project advances this policy by supporting tree planting, soil and water conservation, and community-based forest management activities.

**7. National Agriculture Policy (2013)**

Agriculture employs over 75% of the population and remains highly vulnerable to climate variability. The policy promotes irrigation development, improved seeds, and climate-resilient agronomic practices.

The project aligns with this policy by enhancing irrigation efficiency, promoting climate-smart agriculture, and supporting resilience in semi-arid farming communities.

**8. Livestock Policy 2005**

This policy focuses on sustainable rangeland management, improved livestock productivity, and resilient pastoral livelihoods. The project supports this through water management interventions, climate-responsive land-use planning, and strengthened traditional and community governance systems.

**9. Irrigation Policy (2010)**

The policy promotes sustainable, efficient, and environmentally sound irrigation systems that meet agricultural needs without degrading water resources. The project supports climate-proofing irrigation schemes and expanding technologies that improve water use efficiency.

**10. National Environmental Policy (2021)**

NEP establishes a multi-sectoral and integrated approach to environmental management and promotes accountability at all levels. The project reflects NEP principles by strengthening local oversight, integrating environmental considerations in planning, and supporting NEMC's mandate as the Implementing Entity

**11. The National Land Policy (1997)**

The policy ensures secure land tenure, sustainable land use, and protection of sensitive ecosystems. It emphasizes equitable access to land and safeguarding customary rights.

The project aligns with the policy by relying on village land-use plans, avoiding sensitive areas, and promoting sustainable land management in collaboration with local governments.

**12. The Agriculture and Livestock Policy (1997)**

This policy recognises the dependence of agriculture and livestock on natural resources and the threat posed by climate change. The project supports improved agricultural and livestock practices that enhance productivity and resilience while reducing pressure on land and water resources.

**13. Strategy on Urgent Actions on Land Degradation and Water Catchment (2006)**

This strategy aims to halt land degradation and protect water catchments at all levels of governance. The project directly contributes by promoting sustainable land use, conservation of fragile ecosystems, and restoration activities, particularly in semi-arid regions facing degradation pressures.

*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. Also describe, as needed, how the project/programme will provide support to local actors and build their capacities to comply with the standards.*

The project will comply with Environmental and Social Policy of the Adaptation Fund. All activities will adhere to the Environmental and Social Principles of the fund, and the National Environmental Management Council of Tanzania (NEMC) will screen the project for potential environmental and social impacts and risks. All of the investment menu options for Component 3 and listed in Annex 1 are small scale in nature and have been cross-checked for environmental and social screening criteria to meet local and national standards and the ESP of the Adaptation Fund. So, environmental and social safeguards are already in place for the concrete adaptation measures in the water, agriculture, and forestry sectors. This will include meeting standards with regards to seeds and tree species used, land use decisions for afforestation, infrastructure for rain water harvesting if larger than barrels, and irrigation infrastructure. The project will also meet standards in terms of the safeguards for stakeholders and the inclusion of women, and youth. Safeguards for the project will also be ensured through the following legislation:

**The Constitution of the United Republic of Tanzania (1977)**

The Constitution provides the supreme legal foundation for environmental protection. Article 27(1) obliges every citizen to safeguard natural resources, including forests, water bodies, land, and biodiversity, while the Directive Principles require the State to manage these resources for the common good. The proposed project upholds this constitutional mandate by promoting restoration and conservation of forests, water sources, and agro-ecological landscapes in the target districts.

**The Environmental Management Act, Cap 191[R.E,2023], including The Environmental Management (Environmental Impact Assessment and Audit) (Amendment) Regulations, 2018 (G.N. No. 474 of 2018).**

EMA sets out the legal and institutional framework for sustainable environmental management, including requirements for Environmental Impact Assessment (EIA), Strategic Environmental Assessment (SEA), pollution control, and sustainable use of land, water, and forest resources.

NEMC is the central authority for EIA/SEA and the legally mandated body for compliance and enforcement.

All project activities—such as water harvesting, irrigation works, and forestry interventions—will comply with EMA and the amended EIA regulations, ensuring environmental and social risk management consistent with AF standards.

**The Forest Act No. 14 of 2002**

The Act governs sustainable forest management, forest conservation, community-based forest management, and the protection of reserved species and ecosystems. Project activities related to tree planting, watershed protection, and community forest management will adhere to the Act's requirements and support sustainable forest landscape restoration.

**The Water Resources Management Act No. 11 of 2009.**

This Act provides the legal framework for sustainable water resources management, pollution control, and stakeholder participation. It aims to protect water resources for present and future generations. The project aligns with this Act by promoting climate-resilient water management, efficient water use, and community-led watershed protection—central to adaptation in semi-arid districts.

**Water Supply and Sanitation Act, No.5 of 2019**

The Act regulates water supply services, water quality, wastewater management, and community participation. Water supply and water quality interventions under the project will comply with this Act, ensuring safe, sustainable, and inclusive access to water.

**Gender Mainstreaming**

Tanzania has adopted strong commitments to gender equality, including a National Gender Policy, constitutional amendments for women's representation, and gender focal points in all ministries.

The project will promote at least 50% participation of women and ensure full inclusion of youth and vulnerable groups, consistent with LLA principles of equity, fairness, and inclusive decision-making. Gender-responsive indicators will be integrated into annual performance assessments.

**National Environment Management Council**

NEMC, established under EMA, is responsible for environmental audits, EIA review, enforcement of environmental standards, environmental information systems, and public awareness. As the Implementing Entity of this project, NEMC will ensure strong environmental oversight, compliance, and capacity support for executing agencies and LGAs..

**Local Government Authorities**

Under the Local Government Acts (1982) and the policy of Decentralization by Devolution (D-by-D), LGAs and Village Environmental Committees (VECs) are responsible for local environmental management, formulation of by-laws, and community development planning. The project strengthens these institutions by integrating climate risks into O&OD planning processes, engaging VECs, and promoting participatory, community-led adaptation. This ensures sustainability and alignment with the LLA principle of local empowerment and accountability.

- F. Describe if there is duplication of project / programme with other funding sources, if any. Describe how the project/programme will ensure coordination of different initiatives, sub-projects and small grants towards a common goal, enhances collaboration across sectors and outlines how activities avoid duplication and enhance efficiencies and good practice.*

Tanzania is a country with a number of climate change and water management- related projects and initiatives; however, few if any of them focus on urban and peri-urban landscapes. Moreover, these projects mostly focus on

technical assistance/capacity development support and the proposed programme will provide the needed complementarity focusing on creating a system of climate resilience investments at the local government level, and we have yet to find other projects that are performance-based.

Initial screening indicates no major overlap with existing initiatives, except for projects with similar thematic areas such as the GCF TACATDP (FP179) and the Simiyu Climate Resilient Project (FP041). To address this, the proposed project incorporates clear measures to avoid duplication. FP179 operates nationally through technology transfer and financing for agricultural adaptation, while FP041 focuses on large-scale climate-resilient infrastructure in the Simiyu Region. In contrast, the proposed project targets the Dodoma Region and strengthens local governments and communities through PBCRGs, participatory planning, and community-led adaptation. These differences in geographic focus, delivery modality, and beneficiaries substantially reduce potential overlap and create strong complementarities, with the PBCRG system remaining unique to this intervention.

To ensure continued coherence, the project will leverage the LoCAL–Tanzania Steering Committee to align workplans and coordinate implementation with FP179, FP041, and other relevant initiatives. Regular coordination meetings harmonized capacity-building activities, and the use of tools developed under FP179 will prevent duplication and support efficient resource use. Annual joint mapping of field activities and coordinated work planning will ensure that PBCRG-funded interventions do not replicate existing investments, while the engagement of District Agriculture Officers and LGAs will maintain operational consistency. Ongoing dialogue with national and regional climate resilience programmes will help identify synergies and screen for emerging parallel initiatives, ensuring sustained complementarity across Tanzania’s adaptation landscape. The table below summarizes ongoing initiatives that this project will build on, complement, learn from, and enhance.

No	Relevant Project / Programme	Description	Goals	Complementary potential	Project Timeline
1	European Union Global Climate Change Alliance Plus (GCCA+) Eco-Act project (EcoVillage Adaptation to Climate Change in Central Tanzania)	One of the 51 GCCA+ projects in Africa. The EcoACT project is the successor to the Chololo Eco-village project funded under the first phase of GCCA Tanzania. The project is implemented by a consortium led by the Institute of Rural Development Planning, in partnership with Dodoma and Chamwino District Councils.	The project aims at building resilience against climate change and reducing poverty. Activities range from training farmers in how to conserve water and prevent soil erosion, using bio-fertilisation, crop rotation, intercropping, using energy saving stoves, and enforcing by-laws to conserve water sources, among others.	Strengthening capacities to deal with climate change. One of the EcoVillages is in the same project area. LoCAL will build on lessons learned and experience from EcoVillage project and will seek to explore synergies with it. The project ended in 2019 and target the village level rather than district level. LoCAL target districts which are broader in scope and coverage. In addition, Eco-Village was implemented by a consortium led by IRDP whereas LoCAL will be embedded in the government systems using the PBCRG.	2016-2019
2	Adaptation Fund Project: Strategic Water Harvesting Technologies for Enhancing Resilience to Climate Change in Rural Communities in Semi-Arid Areas of Tanzania (SWAHAT)	Project to implement strategic water harvesting technologies that will contribute to improved crops, aquaculture and livestock productivity, reforestation as well as combating emerging crops and livestock pests and diseases	The objective of proposed SWAHAT project is enhancing resilience and adaptation of semi arid rural communities to climate change-induced impacts of drought, floods and water scarcity	SWAHAT is in a different part of Tanzania, but lessons can be learned about the most effective water harvesting technologies and the most appropriate tree species to plant in similar agro-ecological zones for the proposed project.	2021-2024
3	Adaptation Fund Project: Enhancing Climate Change Adaptation for Agro-Pastoral Communities in Kongwa District	The project seeks to pilot practical and cost effective and community rooted solution to improve livelihood of poor people, restore and rehabilitate ecological systems, support agriculture and livestock production in Kongwa district.	The goals of the project are to enhance climate resilient rural water supply systems, support climate-smart agriculture, improve ecological functioning and build local capacities.	Adaptation measures tested in Kongwa district can be considered for the PBCRG scheme in Dodoma and Chamwino. The project is more focused on water storage than rainwater collection, but lessons about drip irrigation could be taken for the proposed project.	2021-2023

4	The Agricultural Sector Development Programme (ASDP) funded by the International Fund for Agricultural Development (IFAD) and co-financed by the Belgium Fund for Food Security (BFFS) and the Government of Tanzania	This project is being implemented in Dodoma and seeks to address challenges linked to the urban and rural water supply infrastructure, ameliorate water resource management and strengthen relevant sector institutions	The project seeks to improve the provision of water for both human and livestock consumption through the drilling of boreholes, the sound management of spring catchment areas, rainwater harvesting, capacity building of the water committee and through the promotion of sustainable rangeland management practices to support livestock production	The proposed project can be used to scale up activities of this project and will learn lessons about the most effective ways to implement water management technologies. Duplication will be avoided by using effective strategies in other districts	2018-2023
5	GCF project FP179 'Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP)'	This GCF project was recently approved but is not yet under implementation. The project will establish a lending and de-risking facility that will make these technologies affordable to local farmers and agricultural enterprises, accompanied by technical assistance and support from government authorities.	This programme will attempt to strengthen resilience of Tanzania's agriculture sector by facilitating access to agriculture climate adaptation technologies.	The GCF project may have some interesting lessons on credit, insurance, guarantees, and de-risking instruments in the agricultural sector, but there is very little risk of duplication with this proposed project.	Approved Oct 2021
6	GCF project FP041 'Simiyu Climate Resilient Project'	This GCF project will work on sanitation and the access to and distribution of clean drinking water, as well as climate smart agriculture.	The objective of the Project is to increase the climate resilience of rural and urban households, particularly small scale farmers and women, living in the Simiyu Region and to improve policies and regulation for cross-sectoral action towards climate adaptation.	The GCF project is in a different part of Tanzania and focuses more on bulk water supply and distribution rather than localised water catchment. But some lessons may be learned on effective climate smart agriculture and installation of small earth dams.	2017-2024
7	The local climate change adaptation efforts made by the Tanzania Social Action Fund (TASAF)	TASAF is implementing a four-year Productive Social Safety Net programme in nearly all districts in Tanzania Mainland and Zanzibar. The programme implements conditional cash transfers and enhancing livelihood through public works.	Due to the adverse impact of climate changes across the country, the conditional cash transfers and public works triggered community-based climate change adaptation efforts.	The ongoing TASAF programmes in the districts would possibly provide a basis for collaboration with UNCDF-LoCAL to advance local climate change adaptation action and capacities.	2022-2026
8	Climate Resilience efforts implemented by the Forum for Climate Change (Forum CC) at the community level.	Forum CC is supporting communities in Chamwino and Mpwapwa to promote sustainable economic growth and dignified futures in the face of increasing impacts of climate Change.	The project raises community awareness on climate change issues and supports them to identify locally led adaptation methods.	ForumCC will be instrumental in advocating for community led adaptation at the local and national level.	2024-2028
9	Sustainable Agriculture Tanzania (SAT) build local capacities on climate-smart agricultural (CSA) practices.	SAT recruits and trains local extension workers at the community level to sustain the CSA practices	SAT works at the community level by establishing CSA demonstration farms to promote local economies and livelihood.	The locally recruited extension officers are key in supporting and promoting CSA practices sustainably.	2024-2028

*G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned and how this contributes to building and institutionalizing local capabilities. Provide details on managing traditional and/or indigenous knowledge, where relevant.*

Knowledge management is woven throughout the project design is inherent to the LoCAL framework. The capture

and dissemination of lessons learned is the fourth component of the proposed project. Effective knowledge management both in the pilot project and subsequent phases will be assured by applying the performance measure (PM) indicators of the LoCAL model. If an LGA performs well in knowledge management and other performance measures during its Annual Performance Assessment (APA), it will be allocated an increase in the Performance-Based Climate Resilience Grant (PBCRG) allocated for the subsequent year. On the other hand, LGAs that perform poorly or do not comply with the APA indicators, will be needed to agree to a set of corrective measures before receiving a new PBCRG allocation. So, not only will there be assurances that knowledge is properly managed, but there will be incentives for LGAs to perform. Regional Secretariats, PO-RALG, the Accountant General and the Auditor General will be involved to link LoCAL lessons to their on-going public finance reform efforts and improve management at a decentralised level.

Knowledge will be shared within the country as well as with other countries. Knowledge will be co-created with stakeholders, including national government, LGAs, and target beneficiaries, including women, and youth. The proposed project will take advantage of the LoCAL network globally in order to learn lessons from other projects for the successful implementation of this pilot and in disseminating its own lessons to other established LoCAL projects globally as well as for integrating LoCAL into other country systems.

Lessons learned in Phase I (Pilot Phase) will also be used to inform and strengthen Phase II of the LoCAL project, when funding will be sought from various sources to scale up the LoCAL system into other districts to reach national coverage. A midterm review will be conducted and will lead to a proposal for Phase II. Lessons learned will be drawn in terms of adaptation activities, responsiveness to locally expressed needs, local implementation, and awareness-raising of the population. The LoCAL Committee will ensure that lessons are shared with stakeholders at national and subnational levels and with other donors through annual workshops.

- 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 and Gender Policy of the Adaptation Fund. Provide details on how the consultative process considered and addressed gender-based, economic and other inequalities and encouraged vulnerable and marginalized individuals to meaningfully participate in and lead adaptation decisions.

The proposed project was developed through an inclusive, participatory, and country-driven consultative process consistent with Adaptation Fund guidance. Stakeholder engagement was undertaken at national, sub-national, LGA, ward, village, and community levels using Tanzania’s established participatory planning mechanisms, including the Opportunities and Obstacles to Development (O&OD) methodology and Ward Development Committees (WDCs). The process ensured representation of vulnerable groups—including women, youth, Indigenous Peoples, and persons with disabilities (PWDs)—and enabled their priorities to inform project design.

The consultations focused on validating climate risks, identifying community adaptation priorities, understanding institutional capacities, and defining mechanisms for devolved adaptation finance under the LoCAL Performance-Based Climate Resilience Grant (PBCRG) system. Government ministries, LGAs, CSOs, traditional leaders, community-based organizations (CBOs), and private sector actors were also engaged to ensure that the project aligns with national frameworks (NAP, NDC, NCCS), local development plans, and climate-vulnerable community needs.

A summary of the preliminary consultations is presented below. Documentation of additional consultations, including meeting reports and attendance lists, will be annexed during the full proposal stage.

I. Summary of Stakeholder Consultations Conducted During Concept Stage

Date	Stakeholder(s)	Consultation Objective	Key Outcomes	How Feedback Informed the Design
Feb–Apr 2024	Vice President’s Office – Environment (VPO-E), PO-RALG, Accountant General’s Office, NEMC	Introduce project scope; confirm alignment with NAP/NDC; discuss devolved financing through PBCRG; identify climate-vulnerable LGAs.	Government endorsed LoCAL as the mechanism for devolving AF resources; LGA vulnerability hotspots validated.	Project anchored in LoCAL PBCRG modality; geographic prioritization aligned with national vulnerability assessments.
May–June	Regional Secretariats (Tanga, Pwani, Lindi, Mtwara, Arusha,	Validate regional climate risks; gather technical inputs for	Regions highlighted priority risks: coastal erosion, saline intrusion,	Investment menu updated; capacity-building component

2024	Dodoma)	investment menu; assess institutional capacities.	drought, rapid flooding; need for village-level capacity-building emphasized.	expanded; regional priorities integrated.
June–Aug 2024	LGAs (District, Town, Municipal, City Councils)	Identify vulnerable wards/villages; document local climate impacts; map community institutions; assess barriers to delivering adaptation.	LGAs submitted lists of priority communities and locally feasible adaptation options; limited climate finance capacity identified.	USP mechanism strengthened; LGA capacity-building (planning, fiduciary controls, climate budgeting) added.
Jul–Sept 2024	Ward Development Committees, Village Governments, CBOs	Validate community priorities using O&OD; identify vulnerable households and groups; test feasibility of USP sub-projects.	Water scarcity, coastal flooding, declining fisheries, heat stress identified as top risks; communities proposed small-scale water and ecosystem solutions.	Community priorities integrated into the investment menu; USP micro-grant windows added for village-level actions.
Aug–Oct 2024	Women’s groups, youth groups, Organisations of Persons with Disabilities (OPDs)	Understand the differentiated vulnerabilities and adaptation needs of marginalized groups; assess barriers to participation.	Women highlighted water/energy burdens; youth raised livelihood insecurity; OPDs identified accessibility constraints.	Inclusion requirements added (min. 50% women & vulnerable groups); accessibility standards integrated; disaggregated monitoring indicators added.
Sept 2024	Indigenous Peoples representatives (Hadza, Maasai, coastal Indigenous groups), traditional leaders	Understand Indigenous knowledge systems; identify cultural and resource vulnerabilities; map exclusion risks.	Key issues identified: loss of mobility corridors, coastal ecosystem degradation, limited participation in planning.	Indigenous inclusion protocols added to USP; traditional knowledge integrated into EBA interventions.
Sept–Nov 2024	CSOs, private sector (tourism, fisheries, blue economy actors), cooperatives	Explore partnership opportunities; validate economic vulnerability; identify potential for nature-based enterprises.	Opportunities for joint investments (mangrove restoration, eco-tourism, resilient value chains) identified.	USP pathway strengthened to include community–private sector co-investments.
Jul–Sept 2024	Ward Development Committees, Village Governments, CBOs	Validate community priorities using O&OD; identify vulnerable households and groups; test feasibility of USP sub-projects.	Water scarcity, coastal flooding, declining fisheries, heat stress identified as top risks; communities proposed small-scale water and ecosystem solutions.	Community priorities integrated into the investment menu; USP micro-grant windows added for village-level actions.
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J.

A core approach of LoCAL is the continuous engagement with target beneficiaries throughout the PBCRG system deployment cycle. From assessment of climate vulnerabilities and risks to realization of investments, local communities, with a specific focus on most at risk groups, consultations and validation of project outputs is a core priority of the programmatic approach. This does not limit to project activities per se, but also to local governance processes which are leveraged in the delivery of financing. For instance, one of the seven PM indicators attached to the PBCRG system is the “extent to which communities are consulted on planning for climate change and their views reflected in the planning and priority of investments.” LGAs will be rewarded for their performance on consultations with local stakeholders and the incorporation of their priorities into the design and execution of LLA investments, providing an incentive for continued improvement on inclusiveness. LGAs that do not show satisfactory performance with the APA indicators will be supported to put in place corrective measures to reinforce their capacities and practices.

There are similar minimum conditions and incentives for performance of a high standard with regards to gender considerations. An initial gender analysis is provided in this concept note, identifying differential vulnerabilities as well as risks, and informing core design elements that will be further refined during funding proposal development. A Gender Action Plan will be developed and will be further informed through consultations with the intended beneficiaries of the project. It will expand on the following gender-responsive outcomes and specific contributions of the project to those: i) Empowerment of women from active inclusion in consultation processes and positions of leadership in local governance process, (ii) Explicit consideration of gender disaggregated-needs in sub-project design, capacity building of women and girls to enable greater roles in adaptation; and iii) Ensured gender equity, through an Environmental and Social Management Framework (ESMF – to be developed during funding proposal), mandatory project safeguards screenings, including gender-responsive risk mitigation measures (e.g. on

gender-based violence and SEAH, particularly when engaging in high-risk communities). This aligns with the LLA principle of ensuring equity and fairness in access to adaptation resources and decision-making processes. This aligns with the LLA principle of building sustained local capacity for planning, implementing, and monitoring adaptation initiatives.

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

Tanzania is among the least developed countries and has limited resources to fund climate change adaptation, especially at the local level, and particularly while dealing with the impacts of COVID-19. Tanzania has mobilised some climate finance, but the results have been limited. Tracking Tanzania's climate finance flows and measuring the amount of climate-relevant expenditure in the national budget has been identified as a major need in the country's NAP process, so finance flows into Tanzania are opaque. While there are hundreds of millions of dollars in climate finance commitments, there is a significant shortfall given the resources needed for climate adaptation, and the vast majority of existing resources are from local development partners. Donor funding and other climate finance is largely channelled to the national level. Most of the current climate change and risk-reduction support targets large-scale interventions and projects at the central and sector levels. Additionally, local governments lack adequate financial resources (and capacity) to initiate adaptation projects themselves. Private sector financing is unlikely; despite efforts to increase public-private partnerships in Tanzania, at the local level, private sector involvement in service delivery is often limited to acting as contractors for infrastructure projects. Therefore, AF funding will fill the financing void at the local level and enable locally led adaptation in Tanzania.

Furthermore, Tanzania is a highly vulnerable country, and predicted climate change has the potential to significantly reduce future growth trajectories. Agricultural production is dominated by small-holders and is predominantly rain-fed, making it very sensitive to climate variability and shocks. Water is the central production factor affecting sustainability and food security, especially in the drylands such as the pilot project areas, and thus the wider drivers of soil water status, water use, and water management are critical. Both agriculture and livestock sectors are heavily impacted by droughts in Tanzania, which are occurring more frequently and have large impacts, affecting millions of livelihoods.

The proposed project will be working in highly vulnerable semi-arid districts with booming population pressures. LGAs in these districts have limited capacity and access to finance to lead adaptation interventions. And since LoCAL interventions and benefits are local, inclusive, and for the public good, non-refundable subsidies to local governments are the most suitable mechanism to fund adaptation investments in order to cover the costs and risks of the proposed outputs. Without AF support, the types of interventions proposed by the project are not likely to be identified, designed, and financed. This situation justifies the use of non-repayable grants, which are deployed both as technical assistance, capacity building grants, and result-based payments in the form of PBCRGs. Ultimately, the project embeds technical, institutional, and operational sustainability at local levels while performance-based finance incentivises improvements in efficiency and effectiveness. The approach outlined ultimately reduces the level of incremental cost or risk premium and the dependence on grant finance for adaptation. Albeit co-financing from UNCDF and other development partners may be sought in the future, implementation of the LoCAL PBCRG system allows for the delivery of this project's outcomes and outputs regardless of co-financing from other sources. Once the system is in place: the greater the amount of funding, the greater the number of climate resiliency subprojects can be done, and the wider their impact can be. The proposed project is well-aligned with the AF's investment priorities, and the successful implementation of the four project components should contribute substantially to the achievement of improved climate resilience. This aligns with the LLA principle of building sustained local capacity for planning, implementing, and monitoring adaptation initiatives.

Component 1. Awareness and capacity-building to respond to climate change adaptation (CCA) in at least two targeted local government authorities (LGAs) and communities in the Target districts in Tanzania, including women, men, and youth.

**Baseline:** District-level climate change adaptation planning and coordination is inconsistent across Tanzania and requires additional awareness, institutional structures, capacity-building, and procedures.

**Adaptation alternative:** All districts have established a formalised structure for coordinated and vertically integrated climate change adaptation planning, increased their understanding of local climate change adaptation, and established new procedures.

Component 2. Integration of climate considerations into LGA planning, budgeting, and decision-making systems  
Integration of climate considerations into LGA planning, budgeting, and decision-making systems.

**Baseline:** Local governments lack adequate financial resources and capacity to initiate adaptation projects themselves, so CCA is poorly integrated into the plans and budgets of LGAs.

**Adaptation alternative:** Climate change adaptation is mainstreamed into the Opportunities and Obstacles to Development (O&OD) planning and budgeting process, and the voices of the communities and the poorest are reflected in LGA plans and investments.

Component 3. Pilot concrete adaptation measures in three sectors to increase resilience.

**Baseline:** Water resources are insufficient for the needs of the rapidly urbanising areas of Tanzania, particularly in Dodoma City, and for the surrounding peri-urban and rural areas supporting it, like in Chamwino, Mpwapa and Kondo Districts. Agriculture is mainly rain-fed and therefore unproductive in the semi-arid climate and highly vulnerable to changes in precipitation. While trees can help mitigate climate change related issues of flooding, urban heat island effect, and dust-storms, they have been overexploited and some species are predicted to disappear in the area due to climate change.

**Adaptation alternative:** Rainwater is harvested, stored, and used for irrigation to improve the livelihoods and food, nutritional, and water security of the local people, especially women and other groups more vulnerable to climate change. Planted trees are resilient to changes in climate and mitigate the effects of climate change in urban and rural landscapes.

Component 4. Institutionalisation of a Performance-Based Climate Resilience Grants (PBCRG) mechanism in Tanzania

**Baseline:** There is currently no dedicated pool of financial resources for climate investments at the local level, and LGAs do not have a PBCRG manual in place to assist with systematising processes and procedures to enable local climate resilient financing through a dedicated facility.

**Adaptation alternative:** All LGAs have increased access to climate finance for locally led adaptation and increased their operational preparedness to integrate the PBCRG into local planning and budgeting processes to enable gender-responsive and climate-resilient financing.

- L. *Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project / programme. In particular, describe how the project/programme supports long-term development of local governance processes, and improves the capacity of local institutions (including through simpler access modalities), and how it can ensure that communities can effectively implement adaptation actions, facilitate and manage adaptation initiatives over the long term without being dependent on project-based donor funding.*

M.

Focusing on performance-based and bottom-up approaches will build legitimacy, opportunities, and ultimately technical, institutional, and operational sustainability at local levels while encouraging improvements over time and encouraging private sector co-finance for enhanced resilience. AF funding is needed to structure and implement a multi-instrument, phased approach that can support both the enabling environment and the mobilisation of additional resources to scale-up to Phases II and III. Sustainability will be ensured as i) institutional processes for sub-national climate change adaptation mainstreaming will be put into place; (ii) capacities of local governments will be strengthened; (iii) better management of climate risks will make local investments more attractive to financial institutions; (iv) lessons learned will facilitate further improvement of the methodology.

The success of this approach from a sustainability point of view can be further illustrated with the examples from the Global LoCAL programme. LoCAL has provided a framework to pursue access to international climate finance through a country-owned facility to localise climate action and introduce a learning and 'improving by doing' approach, through PBCRGs accompanied by annual performance assessments. In turn, the facility has incentivised local governments to pursue higher standards in climate resilience planning, budgeting and management, governance, and public financial management in general. Learning curve increases as LoCAL is gradually deployed, as follows:

- Phase I: Test. The aim is to test the mechanism in a small number of local governments (between two and four) for 1-2 investment cycles. Tanzania has completed this Phase in 2023.

- Phase II: Consolidate. This phase integrates the lessons of the first phase. It is deployed to at least 5-10 local governments, in different regions and / or ecosystems. LoCAL Tanzania is in this stage supporting 21 districts
- Phase III: Systematize. This phase consists of progressively covering all vulnerable local governments and ultimately the entire national territory.

The success of this approach from a sustainability point of view can be illustrated with the example of Bhutan, one of the first countries to have benefited from the LoCAL mechanism and which is in the process of deploying phase III. The mechanism initially covered two gewogs then gradually fourteen. It has been expanded to 100 out of 105 gewogs as part of the national roll-out, with support from the European Union

As the LoCAL programme matures in Tanzania, emphasis will be placed on the mobilisation of additional domestic and external resources and the ownership of processes by national and local governments, communities, and the private sector to secure sustainability. The actors' capacities will be strengthened for climate-informed planning, implementation of the PBCRGs, and management of investments. As an example, this was the case in Cambodia where, once the LoCAL model was deployed (during Phase II), funding was provided by other donors (IFAD's ASPIRE programme and GEF funded Climate Resilient Livelihoods Project).

Sustainability will again be ensured through the use of the PBCRG system. One of the seven PM indicators is the "extent to which project investments incorporate sustainability concerns." LGAs will be rewarded for their performance on environmental screening and assessments, and on whether investments have integrated sustainability and management plans. The better an LGA performs in sustainability performance measures in its annual Performance Assessment (PA), the more of the PBCRG it will be allocated in the subsequent year. LGAs that fail to meet sustainability standards can only receive a new grant allocation if they take appropriate corrective actions. So, not only will there be assurances that minimum conditions are met to include sustainability into local plans, but there will be incentives for LGAs to perform to as high as standard as sustainability measures. In addition based on UNCDF experiences in public/private capital investments, LoCAL will explore public-private-partnership modalities at the local level to ensure sustainability of climate investments.

**Technical sustainability:** During the project, district technical staff that are largely extension officers will be engaged. These subject-matter specialists have also been involved in project formulation and will be called on again during full proposal development. Capacity building will be integral to all components of the project, so their technical capacity will be further improved, particularly regarding the technical aspects of climate change adaptation. These empowered local experts will eventually continue to provide technical backstopping to the target communities beyond the life of the project. The project also has a dissemination component of the lessons learnt, so knowledge can be shared with technical staff in other districts of Tanzania, and successful interventions to be applied elsewhere in the country. The participatory nature of the project will equip the local community members with technical knowledge and skills through continued engagement and hands-on practice to instil a sense of ownership in the project and a continued engagement with the technical aspects of climate change adaptation beyond the life of the project. This aligns with the LLA principle of building sustained local capacity for planning, implementing, and monitoring adaptation initiatives. LoCAL in partnership with IRDP and PORAL developed a handbook on mainstreaming Climate Change Adaptation into LGA planning, budgeting and reporting processes. The handbook will be used in all LGAs hence ensure the sustainability of CC capacities

**Financial sustainability:** Financial sustainability will be enhanced by concentrating AF funding on the higher-cost initial capital expenditures required to set up the LoCAL facility in Chamwino and Dodoma districts. Annual operating costs then reduce substantially as they become part of ongoing local budgetary commitments. Once the system for intergovernmental fiscal transfers is established and LGAs perform credibly, any donor or indeed the national government can channel additional resources for climate resilience enhancement through the system with no additional overhead cost.

The technical support provided to farmers for various locally-determined activities in agriculture and water management will not only address climate change concerns but also improve the productivity and income of smallholders as well as promote livelihood diversification. This diversification should both enhance financial sustainability of community endeavours and attract increased investment from private actors engaged through the value chains. Since the project will be focused on the booming city of Dodoma and the peri-urban spill-over area

of Chamwino, Kondoa and Mpwapwa Districts, target beneficiaries will be linked with a readily available market. Another 2 districts will be identified during inception phase. The integration of the climate-resilient initiatives into the local development plans and budgets will ensure replicability of project results to adjacent proposed project areas in future phases of the LoCAL programme in Tanzania, which will lead to the allocation of funds from the central government as well.

**Environmental sustainability:** Environmental sustainability will be ensured through locally-determined project activities chosen from the investment menu for LoCAL Tanzania, which has already been cross-checked for environmental screening criteria. Stakeholder engagement at the stage of concept note development has determined local priorities in the agriculture, water, and forestry sectors. So, the project will work towards environmental sustainability in the face of climate change impacts through activities such as the greening of the rural and urban semi-arid landscapes using multipurpose tree species (e.g., fruit and fodder trees), which will lead to enhanced biodiversity and ecosystem functioning. In the urban landscape of Dodoma district, the trees have the potential to minimise damage due to floods, to reduce the heat island effect, and minimise the effects of dust storms. In the peri-urban and rural landscapes of Dodoma district, trees can be used to maximise groundwater recharge. With the dissemination of knowledge about the potential for trees as tools for CCA, the tree cover in the target districts may not only be sustainably managed but may potentially increase, even beyond the lifetime of the project. The PBCRG system will also enhance the sustainability of the project. LGAs will be rewarded for their performance on environmental screening and assessments, and on whether investments have integrated sustainability and management plans. The Environmental and Social Management Plan will be developed during the project formulation period.

**Institutional sustainability:** The implemented project interventions will be based on an in-depth understanding of local realities in respective target areas of Dodoma and Mpwapwa, Kondoa and Chamwino districts. A thorough understanding of these areas and the local people will serve as a springboard for collaborative interventions and local participation. Village members, local government officials/District Councils, and other development actors in the area will participate. The implemented project will still draw on the indigenous knowledge and wisdom of the people, including successful experiences and lessons from other development actors and projects for enhancing climate resilience and the adaptative capacities of local people and ecosystems. Through such institutional arrangements amongst key stakeholders, including villagers themselves, the project will serve to build their capacities for local problem-solving: identifying, planning, implementing, monitoring and evaluating their own community-based initiatives. Similarly, it will lead to attitudinal support from the people as well as enhancing a sense of ownership of the project's interventions amongst the stakeholders. The project will also be implemented using existing government and community institutional infrastructures. As a result, technical support will continue to be provided by the government. Final ownership of the intervention will be vested in the village and the local government. Project assets such as dams, distribution channels established forests and farms, orchards, tree nurseries, fish farms and apiary units will be handled over to the local institutions for continued management and operations. This project approach serves as the cornerstone for sustainability of the project interventions even beyond after the project has come to an end. This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups.

**Economic sustainability:** This project will provide capacity support for LGAs to plan and mainstream adaptation. The implementation of the PBCRG system also improves the financing of their financing needs for adaptation. The project also demonstrates an alternative path for donor funding to address development challenges through adaptation and capacity development at the local level, close to the needs of the communities. Once the PBCRG system has been operationalized, LGAs can continue to use it to fund adaptation activities using other funding sources beyond the lifetime of the project. In addition, the local economy is stimulated via procurement of services and goods for the implementation of the adaptation investments, which in turns create local jobs.

**Social sustainability:** The project will include a participatory process of development and decision-making in the design of subprojects. This will include LGAs and local stakeholders and beneficiaries of the project, which will allow for local ownership, cohesion and the sustainability of impacts on the beneficiaries beyond the lifetime of the project.

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

The project is conceptualised and will be fully designed to have a positive environmental and social impact, based on lessons learned from and synergies with other projects, as well as through extensive consultations with stakeholders, target communities, and relevant authorities. The local-level appropriate activities will be selected by communities and will be designed to create an overall positive impact on the environment with special attention to minimise any collateral environmental effects. The entire project at concept note level was assessed for environmental and social risks under the 15 principles set out in the AF ESP. The potential risks were identified together with the needs for further assessment as presented in the table below. An initial pre-assessment at concept note stage would classify the project in Category B (project with minimal risks), however all of the LoCAL investment is geared towards small scale and community resilience measures. This remains to be further clarified during the full Environmental and Social Assessment during full proposal development. While the investment menu items for the top-up grant for project activities has been cross-checked for environmental and social screening criteria to meet local and national standards and the ESP of the Adaptation Fund, the project is classified as a B category due to Unidentified Sub-Projects (USPs), which will be formulated and more thoroughly screened during the project formulation phase. Social and environmental risk screening is built into LoCAL's PBCRG budget, with 10% of the top-up grant being allocated for such screening processes. The project will fully align with the Adaptation Fund's Environmental and Social Policy as well as national and international standards and guidelines for safeguarding the environment and social settings.

The project will be subjected to social and environmental screening to identify potential risks with regards to Tanzania ESIA and Audit regulation safeguards and the Environmental and Social Policy of the Adaptation Fund, thus knowing the level of risks can easily be programmed. An Environmental and Social Management Plan will be prepared for this project. The projects implemented will be categorised in Category B which involves projects with possible but limited anticipated environmental and social impacts. A screening process will be undertaken to identify and address potential direct, indirect, transboundary and cumulative impacts and risks that could result from the proposed project. The checklist provided in the Request for Project Funding will assist in indicating if there are any environmental and social impacts and risks that may have been triggered by the project and may require a more detailed environmental and social assessment or if there are impacts and risks that do not require any further assessment, in order to achieve full compliance with the Adaptation Fund Environmental and Social Policy.

The table below provides an overview of the environmental and social impacts and risks identified as being relevant to the project, though this will be further clarified at full funding proposal stage.

Checklist of environmental and social principles	No further assessment required for compliance	Risk level	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>	x	L	<p><b>Risk:</b> Rejection of a project that is not environmentally friendly and do not comply with specific local laws, guidelines, and procedures.</p> <p><b>Impact:</b> Continued vulnerability of targeted community from the negative impact of climate change due to non-implementation of the project</p> <p><b>Mitigation:</b> Environmental and Social Management Plan (ESMP) will be prepared and will be adhered to in order to monitor implementations of on-the ground concrete activities such as rainwater harvesting and irrigation.</p>
<i>Access and Equity</i>		M	<p><b>Risk:</b> Lack of community members' participation (through Councils) in the project designing and planning processes.</p> <p><b>Impact:</b> The project will not reflect, and address priorities of most community members hence lack ownership and sustainability. In the end they would not have access to or benefit from the project.</p> <p><b>Mitigation:</b> While every household in the project area will have equal opportunity to project interventions, there is a low risk of priority setting will be done inadequately and prevent access of some to the project. Clear and transparent criteria will be put in place including the selection of participants for the trainings and workshops. Measures will be in place to enable this project to closely monitor all targeted beneficiaries to assure equal access of men, women, youth and the most vulnerable groups. Indicators in this regard will be included in the Monitoring and Evaluation Plan</p>

<i>Marginalized and Vulnerable Groups</i>		M	<p><b>Risk:</b> Exclusion of women, children, elders, and disabled in the project design and planning at all levels.</p> <p><b>Impact:</b> The project will not benefit the marginalized population. The project impact will not be fully transformative to all community members.</p> <p><b>Mitigation:</b> There may be social and cultural risks to the inclusion of marginalized and vulnerable groups. The prepared ESMP will be followed and monitored strongly during the implementation of all interventions to ensure all marginalized and vulnerable groups have adequate access to and benefit from the project interventions. In addition, the project design has ensured that benefits accruing from the project interventions – including technology transfer and awareness-raising activities – reach marginalized and vulnerable groups in the rural villages. The design of this project ensures that all components enhance the adaptive capacity of marginalized and vulnerable groups including transforming their social life to better levels especially for women and girls</p>
<i>Human Rights</i>	x	L	<p><b>Risk:</b> Minimum understanding and consideration of human rights aspects throughout the project cycle, including national and local human rights laws.</p> <p><b>Impact:</b> Rejection of the project as it might not address the human rights of community members and comply with national or local human rights laws.</p> <p><b>Mitigation:</b> The proposed project respect and adhere to all relevant conventions on human rights, national and local laws</p>
<i>Gender Equality and Women's Empowerment</i>		M	<p><b>Risk:</b> Inadequate considerations of gender issues in the designing and planning phase of the project (preparations of a gender-blind project proposal).</p> <p><b>Impact:</b> Lack of gender responsive project design hence there might be gender bias on project beneficiaries.</p> <p><b>Mitigation:</b> The project will specifically ensure that gender-sensitivity is mainstreamed throughout project and that gender-sensitive indicators and activities will ensure that the priorities of women and other vulnerable groups are included. Although there are risks of social exclusion of women, there are project targets for active participation of women in decision making (50% and above). The full consultative process will be carried out with the participation of gender experts to ensure that the proposed AF project is responsive to various gender needs and roles such that project activities effectively respond to the unique needs of women and men and promote equal opportunities to participate and to receive comparable social, health and economic benefits. Project activities will be specifically designed to be gender sensitive. This includes a Gender Sub-grant Screening Tool for the project. The project will promote and empower women leadership in public spaces and decision-making. During full proposal development, more detailed information on the differentiated impacts between women and men at the target district level will be gathered through community consultations and the project activities will be developed based on these consultations.</p>
<i>Core Labour Rights</i>	x	L	<p><b>Risk:</b> Non-observance of labour laws in project design.</p> <p><b>Impact:</b> The project might not be approved for implementation.</p> <p><b>Mitigation:</b> Labour laws of Tanzania protect the rights of employees (contract or permanent) and contains similar provisions with that of AF Principle 6.</p>
<i>Indigenous Peoples</i>	x	L	<p>There is no specific national legislation on this aspect. However, there is no record of presence of indigenous people in the project areas but just traditional and tribes people with certain traditions that are largely influenced by other cultures. The project will apply social inclusion best practices throughout the design and implementation of the project, including focusing on specific interventions with the involvement of indigenous knowledge.</p>
<i>Involuntary Resettlement</i>	x	L	<p><b>Risk:</b> Presence of boundary/land conflicts in the targeted project areas.</p> <p><b>Impact:</b> Presence of community members who were not involved in the project design leading to lack of ownership and project impact sustainability.</p> <p><b>Mitigation:</b> There will be no Involuntary Resettlement in this project. All land to be used for project activities will come from village land reserves.</p>
<i>Protection of Natural Habitats</i>		L	<p><b>Risk:</b> Negative effect on the protection of natural habitats.</p> <p><b>Impact:</b> Distraction of the ecosystem, jeopardise the expected positive impact of the project.</p> <p><b>Mitigation:</b> The implementation of ecosystem-based adaptation and nature-based solutions activities such as water conservation efforts should have positive effects on the protection of natural habitats. However, an assessment to inform and strengthen the minimisation of impacts on natural habitat from some activities may be required. Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable</p>
<i>Conservation of Biological Diversity</i>	x	L	<p><b>Risk:</b> Inadequate consideration of conservation of biological diversity in project design.</p> <p><b>Impact:</b> Negative impact on biological diversity leading to delayed project approval</p>

			<p><b>Mitigation:</b> Some project activities such as planting indigenous trees may have a positive effect on the conservation of biological diversity. However, an assessment to inform and strengthen the minimisation of impacts on biological diversity from other project activities may be required. Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable</p>
<i>Climate Change</i>	x	L	<p><b>Risk:</b> Lack of consideration of actual climate change issues that negatively affect communities in the targeted project areas in the project designing phase.</p> <p><b>Impact:</b> Actual climate change issues that negatively impact the communities will not be addressed by the proposed project.</p> <p><b>Mitigation:</b> The proposed project activities will not generate nor emit any significant greenhouse gases and will not exacerbate climate change by any means. On the contrary, project activities such as tree planting will help to mitigate the impacts of climate change in the selected areas. Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable</p>
<i>Pollution Prevention and Resource Efficiency</i>	x	L	<p><b>Risk:</b> Inadequate consideration of pollution prevention and resource efficiency in the project design.</p> <p><b>Impact:</b> Pollution prevention and resource efficiency not covered by the project.</p> <p><b>Mitigation:</b> The proposed project will not release pollutants, and energy and material resource efficiency will be embedded in project design. Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable</p>
<i>Public Health</i>		M	<p><b>Risk:</b> Public health considerations were not integrated in project design.</p> <p><b>Impact:</b> The project might cause health hazards that have not been identified in the design phase hence cause implementation delays or cancellation.</p> <p><b>Mitigation:</b> The proposed project will not have deleterious impacts on public health. On the contrary, project activities such as tree planting and rainwater harvesting will improve air and water quality and have the potential to improve public health measures. The project will ensure that the targeted populations will not face restrictions on their access to public healthcare. The project will also promote social distancing and safe farming and sanitary measures in line with the national requirements to prevent the spread of COVID19. Because this project includes USPs, an in-depth review process and risk assessment (including health impact screening) will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable</p>
<i>Physical and Cultural Heritage</i>	x	L	<p><b>Risk:</b> The project site might have physical and cultural sites.</p> <p><b>Impact:</b> The project will not be allowed for implementation.</p> <p><b>Mitigation:</b> Initial consultations have not identified the presence of physical and cultural sites. However, further assessment will be done to verify this.</p>
<i>Lands and Soil Conservation</i>	x	L	<p><b>Risk:</b> Land and soil conservation issues were not considered in the project design.</p> <p><b>Impact:</b> Negative impact on land and soil conservation.</p> <p><b>Mitigation:</b> The project activities will aim to avoid negative impacts on lands and soil. Project activities such as tree planting will likely have positive effects on land and soil conservation. However, an assessment to inform and strengthen the minimisation of impacts on land and soil for other project activities may be required. Because this project includes USPs, an in-depth review process and risk assessment will be conducted for each USP to screen for environmental and social risks, plan mitigation measures, and identify any required safeguards and monitoring processes. This will ensure that risks inherent to each USP's unique environment and social setting are considered, and the USP will not go ahead if the risks are deemed unacceptable.</p>

## PART III: IMPLEMENTATION ARRANGEMENTS

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

The proposed project will be implemented by the Vice President's Office, Department of Environment (VPO-DoE) through the National Environmental Management Council (NEMC) of Tanzania. NEMC is the National Implementing Entity (NIE) of the adaptation fund. There will be two Executing Entities (EE), the President's Office – Regional Administration and Local Government (PO-RALG) and the UN Capital Development Fund (UNCDF). The EE will ensure the planned activities for the project are executed in accordance with the AF, NEMC and Government financial regulations and guidelines as planned in the budget. There will be a project implementing team composed of technical experts in each project component and supporting staff who will have a team leader and component lead people. The Project implementing team, hosted at PO-RALG and at UNCDF, will work with district and village level platforms to ensure smooth uptake of the project, participation and ownership at the local level.

The President's Office – Regional Administration and Local Government (PO-RALG) will be the implementing agency for LoCAL: it has the responsibility for the district councils, a history of cooperation with UNCDF through the LGDG, and the experience of coordinating several ministries for planning at the district level. It will coordinate closely with the Ministry of Finance and Planning (MoFP), Accountant General Office, for transfers to the district councils, accounting, and reporting. It will work with the Auditor General for the annual audit. The MoFP roles and responsibilities will mostly focus on the fiscal issues such as ensuring releases, fund flows, monitoring and support coordination of PBCRG roll-out. This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups.

PO-RALG will work with the steering by the LoCAL-Tanzania Steering Committee. The LoCAL-Tanzania Committee will oversee the LoCAL Phase I, ensure the implementation of the LoCAL Work Plan including the monitoring, performance assessment, taking of corrective measures and calculation of grants.

At the LGA level, Regional LoCAL Secretariats, supported by PO-RALG, will provide support to District Councils in the planning, budgeting, and implementation of interventions, as well as in the monitoring and evaluation process.

UNCDF will provide support to all phases of the LoCAL implementation at various levels and ensure quality assurance throughout the project. At the global level UNCDF oversees and supports the coordination, work-planning, guidelines and funding raising, and it will guarantee a close link with the country program. At the country program, UNCDF, through agreements with core ministries, will ensure that funds are available for backstopping support and coordination, including TA/CD support.

Local project beneficiaries – particularly groups led by women and working in the sectors of agriculture, water, and forestry – will work closely with the district councils to make specific funding requests and be involved in proposal development, review, and decision-making for PBCRGs. They will also be able to request technical assistance which will be coordinated by the district councils departing from specific and identified gaps and needs, using a range of approaches (e.g. on-the-job learning; trainings; technical assistance; coaching). The participation of local communities and vulnerable groups such as women, youth and minorities in decision making, implementation and the management of the interventions (e.g. through user groups) foster ownership and future sustainability of the specific interventions and investments and is key in achieving the expected results.

Some of the implementation arrangements, roles, and responsibilities may change in full proposal development stage.

#### **Roles and Responsibilities**

As guidance, the following responsibilities are suggested for each stakeholder:

**The LoCAL-Steering Committee** (acting as LoCAL technical committee with PO-RALG as chair):

- Oversight and steering as LoCAL Tanzania Committee

- Coordination across the stakeholders including ministries, NGOs and donors at national and district levels
- Policy and strategic guidance on climate change adaptation and resilience; iv. Review and approval of annual work-plans and budgets for LoCAL
- Overseeing allocations and transfers, including formulae
- Overseeing annual assessments and the taking of corrective measures
- Coordinating capacity development and mobilising technical assistance for LoCAL stakeholders
- Provide overall recommendations, based on lessons learned, on improvement and scaling-up of LoCAL
- Mobilising new resources to expand LoCAL.

**NEMC:**

- Receives funding from AF grant and transfers them to MoFP (for PBCRGs), PO-RALG (for operational support), etc.) and UNCDF (for TA/CB support)
- Ensure appropriate monitoring and independent evaluation of project activities
- Submit annual progress reports on all activities to the AF Secretariat

**PO-RALG:**

- Chairing the LoCAL technical committee
- On-going management of the implementation of LoCAL
- On-going support to the District Councils
- Calculating and communicating grants' amounts
- Liaising with Accountant General for transfers and for setting of accounting and reporting standards
- Preparing the mobilisation and supporting the technical assistance to the District Councils
- Coordinating the line ministries, donors and non-government organisations (NGOs) present in the District Councils Liaise with the National Audit Office to prepare the annual audit and performance assessments
- Supporting reporting by the Councils
- Verifying eligibility of Councils and of their annual activity programs
- Prepare quarterly reports to the LoCAL Tanzania Committee and support the chair of NCCC

**The Ministry of Finance and Planning (MoFP):**

- Co-chairs the LoCAL-Tanzania Steering Committee
- Translating District Councils financial regulations and templates into simple accounting templates and regulations for Councils
- Opening a special account at the central bank for LoCAL Phase I and reporting on it
- Review and follow up on the monthly accounting documents including supporting documentation
- Ensure LoCAL funds are secured and used for LoCAL annual activity programmes prepared by the Councils
- Receiving District Councils accounting and sending to the Auditor General for audit

**The Regional Secretariat:**

- The secretariats will provide technical assistance and guidance to District Councils on:
  - Use data and information on CC risks and vulnerability
  - Learning from other projects
  - Planning with population for adaptation, based on O&OD
  - Preparing the first-year annual activity programme for LoCAL based on the existing Adaptation Plans
  - Reviewing and updated the existing Adaptation Plans for the second year
  - Advising on eligibility based on LoCAL menu
  - Reporting on annual activity plans and keeping evidence and support M&E efforts
  - Support to the technical assistance provided by the LoCAL Tanzania Committee and UNCDF.

**The District Councils:**

- Development of the annual activity programmes in line with the adaptation plans for utilization of the LoCAL PBCRGs as per eligibility criteria
- Update of their Adaptation Plans with effective and inclusive participation of all wards/villages, based on O&OD approach This aligns with the LLA principle of meaningful and inclusive participation of local communities, particularly women, youth, and marginalized groups.
- Organising inclusive planning, monitoring, reporting and evaluation sessions

- Request and coordinate technical support
- PBCRG grant management according to the LoCAL menu, including, planning, costing, budgeting, accounting, procuring, implementing, and reporting
- Management of the allocated PBCRG in their Development Accounts and ordering payments
- Prepare quarterly financial reports and execution progress reports in line with templates and rules issued by the Accountant General and PO-RALG on use of LoCAL PBCRGs
- Ensure that all documentation is available for the annual performance assessment.

**UNCDF:**

- Acting as secretariat to the LoCAL Steering Committee
- Timely transfer of funds to the special account designated by the Accountant General
- Provision of technical expertise and support to operations under LoCAL
- Participate in the dialogue with key stakeholders such as PO-RALG and the LoCAL Tanzania Committee
- Support the elaboration of guidelines and manuals
- Support CD/TA, especially at the District Councils level and coordinate with other DPs and stakeholders
- Support and Quality Assurance (QA) of the annual performance assessments
- Provide design support for LoCAL modification where required and for scaling-up
- Conduct thematic studies and lessons learned
- Provide strategic guidance.

**B. Describe the measures for financial and project / programme risk management.**

Adapting to Performance Based Climate Resilience Grants’ (PBCRG) mechanism to ensure compliance with governments’ financial systems while building the capacity of local government planning and environment officers will be key. During the project formulation phase, several risks to the successful achievement of the project objectives have been identified.

Table: Measures for financial and project risk management

Identified Risk	Risk rating	Mitigation Measures
Severe drought or other extreme weather events	Medium	Particularly severe drought and linked temperature increases will result in higher evapotranspiration levels, while greater rainfall variability could result in higher soil erosion rates and reduced ground water recharge. Higher wind speed could lead to dust storms, especially in the dry season. While the project interventions are designed specifically to address the effects of increasing climate variability, such extreme weather events could negate project benefits in some years. To mitigate this, updated and improved downscaled climate change projections will be developed and used to fine-tune technical aspects of project activities, such as specific design of soil and water conservation measures. The project will have an ongoing learning-by-doing component that will allow for iterative and adaptive management. Lessons learned will be generated to inform sustainability and replicability of similar interventions elsewhere in the region and in the country.
Delays in project implementation, and particularly in the development of infrastructure interventions	Medium	Government has been high during the preparation phase, and this will such ownership, will reduce this risk
Conflict among users of water and forest resources	Low	Implementation of project activities will mitigate against this risk and reduce levels of competition for this scarce resource.
Political will at regional and district and village local government to accept and support project objectives	Low	Communication and transparency with politicians from local to national level will be done
Limited capacity and willingness to understand and implement project interventions	Medium	The project has a strong capacity building and training component, designed to promote effectiveness and sustainability at the community and local government levels.
Change price of materials for project implementation	Low	Escalating prices are beyond the control of the project and can only be mitigated by ensuring that the budget has been adequately planned to accommodate a reasonable degree of escalation

Delays in disbursement of funds	Low	Engagement of relevant ministry well in advance
Project delays, constraints, or capacity-related risks related to the COVID-19 global pandemic	Medium	The project will assess and outline a Covid-19 partner engagement strategy with national, regional, and local stakeholders

## Financial Management Arrangements

### Planning, Budgeting and Accounting

Planning and budgeting of the LoCAL PBCRG (grants) will follow the existing government systems, timing and templates. All LoCAL funds and activities will be planned and budgeted in the documents used for Councils. LoCAL PBCRG will be booked in as revenue and the activities contributed to or fully funded shall be identified in an annex (or else as indicated by the Accountant General).

### Project/Activity Implementation and Monitoring

The District Councils will ensure the implementation and the regular monitoring of the activities, supported by Regional Secretariats and PO-RALG. Monitoring will include following up on physical progress as well as financial execution to ensure coherence.

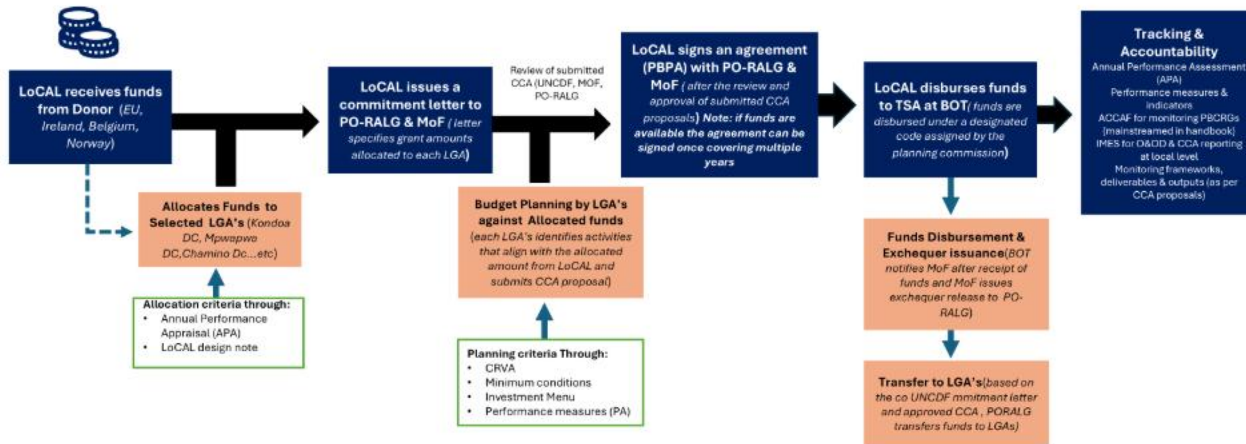
### Specific Guidelines

LoCAL will follow government procedures and formats/templates provided by the MoFP. The Menu of eligible activities, as shown in Annex 1, is compulsory and any activities funded using LoCAL PBCRG outside the menu will be declared ineligible and will lead to a request for refund. The Performance Assessment Manual will be developed by LoCAL under the supervision of the Local Tanzania Committee and with the approval of UNCDF.

### Bank Accounts and Flow of Funds



## UNCDF-LoCAL Funds Flow (PBCRG) in Tanzania



**Note on community involvement and devolved decision-making:** Identification, prioritisation and local approval of Locally-led Adaptation interventions will be carried out through Ward and Village governance structures (ward development committees, village councils and recognised community organisations). These structures will lead participatory vulnerability assessments and propose CCA sub-projects which are recorded in LGA CCA proposals.

## Reporting

Reporting for the PBCRG will follow government reporting procedures and formats provided by the MoFP, which requires RS and LGAs to report quarterly on both financial and physical progress. Physical progress is reported using the Council Development Report (CDR), whereas financial progress is reported using the Council Financial Report (CFR). In the format for CFR (Form 13 C2), PBCRG will be reported as a separate line under Section III – Development Grants/Funds. A similar report will be prepared showing more detailed information by activities reflected in the approved budget. Likewise, for the CDR, a summary report will be prepared as per the budget guidelines, supported by detailed report by activity.

The reports will be submitted to the Full Council for consideration and approval, then submitted to PO-RALG through the Regional Secretariats and to the MoFP to show accountability for funds disbursed to LGAs. The quarterly reports should include a narrative part providing details of progress milestone/priority interventions, emerging issues and constraints, and remedial actions. These should cover specific interventions funded by the PBCRG. This aligns with the LLA principle of strengthening mechanisms for local accountability and oversight of adaptation actions.

As part of annual reporting, LGAs are required to prepare and publish Annual Performance Reports on outputs from activities and programmes in their strategic plans and submit to PO-RALG by 30 September. The reports should be guided by performance indicators linked with the achievements realized both on revenue and expenditure, and clearly aligned with adaptation needs. The annual performance report should include indicators and achievements related to PBCRG funded interventions.

## Auditing

One of the control mechanisms in LGAs is the existence of Internal Audit Units, which are required to carry out quarterly audits and submit reports to the Full Council. The PBCRG will be subjected to audits carried out by Internal Audit Units of RSs and LGAs as part of regular quarterly audits. In addition to internal audits, the PBCRG will be audited by the National Audit Office (NAO) as part of the general audit of LGAs. The audit reports will be reviewed during the annual performance assessment of the LGAs and will have a direct bearing on the access to and amounts of future funds, as the general MCs for access to local development funds is that the audit reports are not of adverse or disclaimer opinion. Should it become necessary, PO-RALG will conduct an ad hock audit on performance of the project at LGAs level. The DPs providing funds for the PBCRG reserve the right to put in place additional audit of the grant, coordinated by the NAO. Where this is done, the NAO will issue a separate audit report.

### C. Describe the measures for environmental and social risk management, in line with the Environmental and Social Policy and Gender Policy of the Adaptation Fund.

#### **Environmental and Social Risk Management**

All project components will be screened during the stakeholder consultation process in order to determine their potential to cause environmental or social harm in the target community and project sites. This process will aim at identification of potential environmental and social impacts and risks in line with the 15 environmental and social principles of the Adaptation Fund, and will pay particular attention to the management of gender-related risks.

Environmental and social impacts and risks have been identified for the proposed project (Section II K). Following this, a broader view of Environmental and Social Management Plan (ESMP) for the proposed project will be developed in collaboration with relevant stakeholders and authorities including NEMC. Rapid assessment and consultation with literature and a few stakeholders has indicated potential areas of risks as indicated in table below.

Table : Environmental and Social impacts and risks management

Environmental and Social Principles	Identified potential impacts and Risks	Level (H, M, L)	Mitigation Measures
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Compliance with the Law	Some activities under component 1 and 2 which are currently not fully itemized/designed there might be a risk that such activities will not comply with certain laws	L	Environmental and Social Management Plan (ESMP) will be prepared and be adhered to in order to monitor the implementation of on-the ground concrete activities such as rainwater harvesting, irrigation, and tree-planting.
Access and Equity	Given that the beneficiaries are rural people and marginalized poor families who are not often integrated in the villages politics and decision-making processes, there could be a risk of insufficient access of the project resources by these people.	L	Clear and transparent criteria will be put in place including in the selection of participants for trainings and workshops. Measures will be put in place to enable this project to closely monitor all targeted beneficiaries to assure equal access of men, women, youth and the most vulnerable groups. Indicators in this regard will be included in the Monitoring and Evaluation Plan.
Marginalized and Vulnerable Groups	It is probable that project activities may exclude marginalized/ and vulnerable groups at various project sites or may have insufficient access to project resources and total involvement to execute project activities during implementations thus preventing them from accessing benefits – both in terms of resources and trainings	M	The prepared ESMP will be followed and monitored strongly during the implementation of all interventions to ensure all marginalized and vulnerable groups including women and youth have adequate access to and benefit from the project interventions. In addition, the project design has ensured that benefits accruing from the project interventions – including technology transfer and awareness-raising activities – reach marginalized and vulnerable groups in the rural villages. The design of this project ensures that all components enhance the adaptive capacity of marginalized and vulnerable groups including transforming their social life to better levels especially for women and girls.
Human Rights	Project objectives promote basic human rights for equitable access to service and clean and	N/A	The proposed project respect and adhere to all relevant conventions on human rights, national and local laws.

**D. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan, in compliance with the ESP and the Gender Policy of the Adaptation Fund.**

LoCAL seeks to reinforce planning based on evidence, the quality of which impacts budgeting and implementing, and then support monitoring and evaluation to focus on performance. So, M&E is critical to the proper functioning of LoCAL and the PBCRG system.

Monitoring and Evaluation of this project is designed in a way that it complies with formal guidelines, protocols and toolkits issued by the Adaptation Fund, NIE and government of Tanzania regulations and procedures. The key components of the M&E Framework will be as follows:

**A baseline survey** - this will be done to establish the benchmarks to be monitored and evaluated during the implementation of the project activities. This will be held within the first month of the project. The establishment of the benchmarks will be participatory with implementing partners so as to develop common understanding on how to assess the progress of the project activities based on the baseline information. The implementing NEE in collaboration with NIE will do continuous monitoring of the project and semi and annual reporting on the project progress.

**Monitoring** - regular monitoring will be conducted by project staff, with additional spot checks by technical support staff and visits from NIE and other external validators where necessary. Monitoring will include reviewing and responding to issues raised through the Community Feedback Mechanism, thus strengthening the project's accountability to its beneficiaries. Participatory monitoring will take place building the capacity of community to hold actors to account for project plans. This aligns with the LLA principle of strengthening mechanisms for local accountability and oversight of adaptation actions.

**Reporting** - The NEE will compile reports and submit them to NIE as per the agreed schedules. In particular, the reports will involve getting feedbacks from communities, stakeholders, observations and secondary data reviews in relation to baseline data. The information will be consolidated on quarterly and annual basis and presented to the project coordinator/leader who will compile final reports. These reports will be reviewed by stakeholders before presentation to NIE. Lessons learnt, recommendations and good practices will be used to review and recast progress against set goals, objectives and targets, and detailed financial disbursements. Any change with regards

to the implementation of the project will easily be identified and appropriate actions taken in consultation with key stakeholders, partners and NIE/Adaptation Fund Board (AFB). The feedback received from NIE/AFB will further enrich the monitoring objectives of the project.

**Mid-term project evaluation** - The project will undergo an independent Mid-Term Evaluation (MTE) at the mid-point of project implementation. The MTE will determine progress made toward the achievement of outcomes and will identify corrective actions if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. The findings of this review will be incorporated in a midterm report.

**Final project evaluation** - At the end of project evaluation will be undertaken to measure the overall achievements against the baseline survey and a report compiled for presentation as close of project report. Following the baseline, the log frame milestones will be refined and updated. The evaluation will include assessing the project performance on value for money. The evaluation will feed into the UNCDF M&E process and help to inform other LoCAL projects both internationally and in further phases of LoCAL Tanzania.


In addition, at investment level, the “Assessing Climate Change Adaptation Framework (ACCAF)”, an ME and QA methodology designed by UNCDF in partnership with WRI, will be applied the programme during design, implementation and evaluation, ensuring the use of a risk-informed investment menu and the alignment of local interventions with local adaptation priorities.

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

- A. Record of endorsement on behalf of the government<sup>2</sup>** 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:

Prof. Peter Lawrance Makenga Msoffe, Deputy Permanent Secretary, Vice President's Office	Date: August, 08, 2025
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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

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 ((National Strategy for Growth and Reduction of Poverty 2010-2015; National Climate Change Strategy 2021, Tanzania Vision 2025 and in the National Adaptation Programme of Action (NAPA) 2007 National Environmental Policy (20210; National Climate Change Response Strategy (2021-2026); Nationally Determined Contributions (2021-2030); National Adaptation Program of Action (2007); National Environmental Master Plan for Strategic Interventions (2022-2032); Tanzania Development Vision 2025-2050) 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 and the Gender 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.	
	
<b>Fredrick F. Mulinda</b> Implementing Entity Coordinator	
Date: August, 05, 2025	Tel. and email: +255753240517/ <a href="mailto:nieaf@nemc.or.tz">nieaf@nemc.or.tz</a> / <a href="mailto:kasigazi.koku@gmail.com">kasigazi.koku@gmail.com</a>
Project Contact Person: Mr. Enoch Nyanga	
Tel. And Email: +255 789 496 202; <a href="mailto:beenyanda@gmail.com">beenyanda@gmail.com</a>	

<sup>6</sup> 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.

## Annex 1: LoCAL Tanzania Investment Menu

Focus Area	Investment Menu
<b>Agriculture</b>	Introduction of climate adaptive crop varieties suited to adverse conditions brought about climate change
	Promoting best indigenous knowledge and scientific knowledge for increased climate resilience
	Climate proofing of agricultural facilities i.e. irrigation schemes, storage and market centres and diffusion of appropriate, efficient technologies that address climate trends
	Facilitate climate change learning centres and outreach through district infrastructures. Demonstrating climate change threats and methods to improve capacity to conduct research into applied climate resilient agriculture, crop weather-indexed insurance packages
	Capacity building for farmers, extension workers and other stakeholders in all aspects of existing/new/improved climate resilient / climate smart agriculture practices
	Establish farming cooperatives to enable collective responses to climate change and climate related shocks
	Monitoring systems for crop, livestock diseases and pests affected by climate change
<b>Livestock</b>	Dissemination of climate and market information to livestock keepers
	Improvement and climate proofing of livestock infrastructures, cattle dips and market systems
	Establish livestock keeper cooperatives to enable livestock trading and group coordinated response to variability and/or predicted climatic changes
	Facilitate functioning of climate responsive traditional institutions and systems for sustainable land management and support coordination village and district wide land use planning, enabling adaptive land management that is responsive to short term hazards and slow onset changes in resources
	Capacity building on livestock husbandry to respond to climate change (drought tolerance and climate sensitive disease resistance)
	Develop capacity for extension services to pastoralist and facilitate enforcement of by-laws onto grazing areas and community rangeland management
	Removal of climate related invasive / alien species on rangelands that undermine resilient productivity / mobility
	Facilitate reduction of conflict to increase rangeland access – enabling flexible mobility
	Establish veterinary centres, education and livelihood diversification to respond to climate change
	Land use and resource mapping to support land use planning for climate change adaptation
<b>Land use and Natural Resource Management</b>	Disseminate land/resource maps to support traditional land/natural resources management practice/indigenous land management practices with farming and grazing areas in response to climate change
	Reviewing and enforcing land use master plans/land use plans
	Exploring and promoting sustainable land management technologies
	Promoting and supporting effective land use planning at all levels
<b>Forestry</b>	Implementation of forestry legislation, enforcement of by-laws on deforestation/poor forest management and support improvement of community forest governance
	Re-forestation / tree planting programmes where identified as resilience building
	Facilitate implementation of agroforestry systems appropriate to different soils/agro-ecological zones and climate trends
	Promoting reduction of charcoal consumption and efficient wood fuel utilisation technologies to reduce deforestation for climate adaptation and mitigation
	Awareness raising on deforestation and impacts of climate change
<b>Water</b>	Climate proofing of existing natural water sources and catchments
	Capacity building and support functioning of water resources management and investment on adaptive climate change approaches such as water resources harvesting
	Researching long-term water supply risks and availability
<b>Disaster Risk Reduction and Climate information</b>	Construction of climate proof flood prevention structures in areas identified to be at high risk of flash flooding due to heavy rainfall caused by climate change
	Develop tools to support vulnerable communities and establish systems to respond to climate related emergencies including early warning systems
	Establish and support implementation of indigenous/community flood prevention strategies
	Undertake risk assessment and develop district disaster risk reduction strategies
	Establish and integrate indigenous knowledge for early warning systems and farmer/livestock keeper decision making
	Timely dissemination of relevant, climate information services, feedback and evaluation using approaches such mobile phone based climate information systems
	Infrastructure development, integrated weather observation tools and support forecast downscaling
	Development and implement strategy on early warning systems and emergency preparedness
Capacity building on forecast interpretation and dissemination	
<b>Transport</b>	Climate proofing of roads, bridges, paving and drainage systems
	Track strengthening or modifications (i.e. drainage) to resist climate change impacts
<b>Health</b>	Promoting sustainable and climate sensitive health and sanitation infrastructure
	Conducting vulnerability assessment and integrating climate change adaptation action into health plans and programmes
<b>Education</b>	Promoting communication and networking on climate change information
	Developing and enhancing climate change data availability and dissemination
	Promoting appropriate Indigenous Knowledge Systems on climate change adaptation
	Promoting advocacy on climate change for politicians and decision makers in LGAs
<b>Energy</b>	Promoting use of energy efficient technologies and behaviour that increase climate change adaptation
	Enhancing the use of renewable energy potential (mini-hydro, solar, wind and biomass)
<b>Coastal, Marine Environment and Fisheries</b>	Strengthening management of coastal resources and beach erosion/sea level rise control systems
	Promoting livelihood diversification for coastal communities to adapt to climate change impacts
	Improving monitoring and early warning systems and building climate adaptive capacity
	Mangrove and shoreline restoration
	Enhancing conservation and fishery resource management for community climate resilience
<b>Infrastructure Development</b>	Strengthening fisheries management services and management for resilience creation
	Promoting and enhancing use of building codes and standards adaptive to climate change
	Promoting integrated planning in infrastructure designing, development and use of appropriate technologies
	Climate proofing in construction and rehabilitation of relevant infrastructure

## Annex 2: Letter of endorsement by the Government

THE UNITED REPUBLIC OF TANZANIA  
VICE PRESIDENT'S OFFICE

Telegrams: "MAKAMU"  
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P.O. Box. 2502,  
**40406 DODOMA.**

Our Ref. No: CBA.78/90/03

08<sup>th</sup> August, 2025

The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [Secretariat@Adaptation-Fund.org](mailto:Secretariat@Adaptation-Fund.org)  
Fax: 202 522 3240/5

**SUBJECT: ENDORSEMENT FOR BUILDING RURAL-URBAN CLIMATE ADAPTATION  
NEXUS, DODOMA REGION**

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Please refer to the above subject

2. In my capacity as the designated authority for the Adaptation Fund in Tanzania, I confirm that the above national grant proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Dodoma Region.
3. Accordingly, I am pleased to endorse the above grant proposal with support from the Adaptation Fund. If approved, the project will be implemented by National Environment management Council (NEMC) and executed by President's Office, Regional Administration and local Government (PORALG).
4. Thank you for your continued support.

A handwritten signature in black ink, appearing to read 'P. Msoffe'.

Prof. Peter L.M. Msoffe

**NATIONAL DESIGNATED AUTHORITY- DEPUTY PERMANENT SECRETARY**