



ADAPTATION FUND

AFB/PPRC.29/32
9 March, 2022

Adaptation Fund Board
Project and Programme Review Committee
Twenty-ninth Meeting
Bonn, Germany (hybrid meeting), 5-6 April 2022

Agenda Item 8 b)

PROPOSAL FOR ENHANCED DIRECT ACCESS PROJECT FOR UNITED REPUBLIC OF TANZANIA

Background

1. At its thirtieth meeting, having considered document AFB/B.30/5/Rev.1, the Adaptation Fund Board decided:

- (a) *To adopt the medium-term strategy as amended by the Board, as contained in the Annex 1 of the document AFB/B.30/5/Rev.1 (the MTS); and*
- (b) *To request the secretariat:*
 - (i) *To broadly disseminate the MTS and work with key stakeholders to build understanding and support;*
 - (ii) *To prepare, under the supervision of the MTS task force, a draft implementation plan for operationalizing the MTS, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and political risks, for consideration by the Board at its thirty-first meeting; and*
 - (iii) *To draft, as part of the implementation plan, the updates/modifications to the operational policies and guidelines of the Adaptation Fund needed to facilitate implementation of the MTS, for consideration by the Board at its thirty-first meeting.*

(Decision B.30/42)

2. Pursuant to decision B.30/42, subparagraph (b) (ii), the secretariat prepared a draft implementation plan for the MTS, including an assessment of assumptions and risks. The secretariat shared a version of the draft with the MTS task force for comments.

3. The draft implementation plan also contains suggestions for specific funding windows that might be opened under the MTS in complement of the Fund's existing funding windows for single-country and regional adaptation projects and readiness support projects. Following the approval of the implementation plan, the secretariat would present specific proposed details for each new funding window at subsequent meetings of the Board for its consideration, in accordance with the timeline contained in the implementation plan.

4. At its thirty-first meeting, the Adaptation Fund Board discussed the draft implementation plan for the MTS, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.31/5/Rev.1. Having considered that document, the Board decided:

- (a) *To approve the implementation plan for the medium-term strategy for the Fund for 2018–2022 contained in the Annex I to document AFB/B.31/5/Rev.1 (the plan);*
- (b) *To request the secretariat:*

[...]

- (iii) *To prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant*

sizes, implementation modalities, review process and other relevant features and submit it to the Board for its consideration in accordance with the tentative timeline contained in Annex I to document AFB/B.31/5/Rev.1, with input from the Board's committees;

- (iv) Following consideration of the new types of support mentioned in subparagraph (b)(iii), to propose, as necessary, amendments to the Fund's operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and*

[...]

(Decision B.31/32)

5. Having recognized that there was a high level of interest among the Fund's stakeholders on Enhanced Direct Access (EDA), a specific funding window on EDA was included in the MTS implementation plan to complement the Fund's existing funding window for single-country projects.

6. At the second session of its thirty-fifth meeting, the Board considered the document AFB/PPRC.26.b/18, Window for Enhanced Direct Access under the MTS and the Board decided:

(a) To approve the pilot for projects submitted through the window for enhanced direct access (EDA) to promote EDA and further promote locally led adaptation under the Fund;

(b) That the pilot window to promote EDA projects/programmes shall be available to national implementing entities (NIEs) only, in the form of a grant up to a maximum of US\$5 million per country;

(c) That the window for EDA will not count against what the country could access under the country cap established by the Board for regular concrete projects/programmes;

(d) That the execution costs for proposals submitted under the EDA window should be up to a maximum of 12 per cent of the total project/programme budget requested before the implementing entity fees, and should not exceed 1.5 per cent in cases where the Implementing Entity has also taken on the role of Execution Entity for the proposed project/programme activities, and that the implementing entity fee should be up to a maximum of 10 per cent of the total project costs;

(e) That NIEs submitting proposals through the EDA window should do so using the existing approved proposal template and guideline materials for regular concrete projects/programmes nonetheless taking note of the project fees in subparagraph (d) and that EDA proposals submitted through the two-step project approval process are eligible for the project formulation grant and project formulation assistance grant as per the approved criteria by the Board for those grants;

(f) That the review cycle and approval of projects/programmes submitted through the EDA window shall follow the review and approval process as well as reporting requirements for regular projects/programmes under the Fund notwithstanding adherence to subparagraph where it concerns the review and approval of project fees; and

(g) To request the secretariat to present to the PPRC at its twenty-eighth meeting, an analysis of the project review cycle for EDA projects including an update on the implementation status of the EDA window.

(Decision B.35.b/10)

7. Having considered the recommendation of the Project and Programme Review Committee, the Board decided to include in its work programme for fiscal year 2022 a provision for an amount of US\$ 20.2 million, to be provisionally set aside as follows:

(a) Up to US\$ 20 million for the funding of Enhanced Direct Access projects;

(b) Up to US\$ 200,000 for the funding of project formulation and project formulation assistance grant requests for preparing Enhanced Direct Access fully-developed project documents.

(Decision B.36/2)

8. Subsequently the first call for project and programme proposals under the indicative set amount of US\$ 20 million was issued to eligible Parties to submit Enhanced Direct Access project and programme proposals to the Fund through accredited NIEs.

9. The following project concept document titled “Building rural-urban climate change adaptation nexus for sustained local economies development in Tanzania” was submitted for the United Republic of Tanzania by the National Environment Management Council (NEMC), which is a National Implementing Entity of the Adaptation Fund.

10. This is the first submission of the proposal, using the one-step submission process.

11. The current submission was received by the secretariat in time to be considered in the thirty-eighth Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number AF00000284, and completed a review sheet.

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

13. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25/15, the proposal is submitted with changes between the initial submission and the revised version highlighted or with track changes.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: EDA - Regular-sized Project Concept

Country/Region:	The United Republic of Tanzania	
Project Title:	Building rural-urban climate change adaptation nexus for sustained local economies development in Tanzania	
Thematic Focal Area:	Multisector projects	
Implementing Entity:	National Environmental Management Council of Tanzania (NEMC)	
Executing Entities:	UN Capital Development Fund, President’s Office – Regional Administration and Local Government (PO-RALG), Target District and Municipal Councils	
AF Project ID:	AF00000284	
IE Project ID:		Requested Financing from Adaptation Fund (US Dollars): 4,951,245
Reviewer and contact person:	Cristina Dengel	Co-reviewer(s): Ishani Debnath
IE Contact Person:		

Technical Summary	<p>The project “Building rural-urban climate change adaptation nexus for sustained local economies development in Tanzania” aims to improve the climate change resilience of the communities and economies in target districts as a result of climate change adaptation activities funded through the Performance-based Climate Resilience Grants and capacity development support. This will be done through the four components below:</p> <p><u>Project/Programme Background and Context:</u></p> <p><u>Component 1:</u> Awareness and capacity-building to respond to climate change adaptation in at least 2 targeted local government authorities (LGAs) and communities in target districts in Tanzania, including women, men and youth (USD 443,591)</p> <p><u>Component 2:</u> Integration of climate considerations into LGA planning, budgeting and decision-making systems (USD 491,162)</p> <p><u>Component 3:</u> Pilot concrete adaptation measures in three sectors to increase resilience (USD 2,403,607).</p>
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	<p>Component 4: Institutionalization of Performance-based climate resilience grants (PBCRG) mechanism in Tanzania (USD 781,312)</p> <p><u>Requested financing overview:</u> Project/Programme Execution Cost: USD 464,815 Total Project/Programme Cost: USD 4,584,486 Implementing Fee: USD 366,759 Financing Requested: USD 4,951,245</p> <p>The proposal includes a request for a project formulation grant of USD 50,000.</p> <p>The initial technical review raises some issues, such as the EDA rational in addressing the identified capacity gaps in the targeted communities, climate change vulnerabilities in the target areas, gap in identification of beneficiaries, duplication of project/programme with other funding sources, gender considerations and exceeding the limit of the project cap funding under the EDA window as is discussed in the number of Clarification Requests (CRs) and Corrective Action Request (CAR) raised in the review.</p> <p>The final technical review finds that the proposal has not addressed some of the CR and CAR requests. Namely, the articulation of the full details on kind of existing investments, adequate arrangements for technical assistance to local project stakeholders or organizations, duplication of the project/programme with other funding sources, adequate risk screening focusing on the risk of negative impacts and unwanted negative impacts.</p>
Date:	17 February 2022

Review Criteria	Questions	Comments Initial Technical Review	Comments Final Technical Review
Country Eligibility	1. Is the country party to the Kyoto Protocol?	Yes	-
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes. Tanzania is highly vulnerable to climate change impacts such as droughts, floods, agricultural productivity decline, the decline of woodland and forest tree species, and temperature increases, which affects both urban and rural areas. The country is classified a lower middle-income with a strong	-

		dependency on agriculture (pages 2-4).	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes. LoE signed on Jan 3, 2022	-
	2. Does the length of the proposal amount to no more than Fifty pages for the project/programme concept, including its annexes?	No. The length of the proposal amounts to 51 pages including the annexes. CAR1: Please adjust the length of the proposal to be total of 50 pages, including the annexes.	CAR1: Cleared.
	3. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience??	Yes. The proposed project aims to strengthen the climate resilience of communities and the local economies in Tanzania through concrete climate change investments in water, agriculture and forestry combined with technical and capacity-building support at the policy, institutional and individual levels. While the proposal provides a clear explanation of proposed activities, it would be useful to include the real capacity gaps of the Local Government Authorities (LGAs) and communities identified to be addressed with the EDA funding mechanism. CR1. In the full proposal, please include a clear description of identified capacity gaps of LGAs and	CR1: Cleared , as noted on pages 6-7. A brief explanation of why the EDA mechanism would be best to target the identified gaps is added but the entity has noted that a detailed explanation of the EDA mechanism will be submitted with the full proposal. CR2: Cleared , as noted on page 14. In the full proposal, please include a description of criteria used to choose the LGAs targeted for funding under EDA. CR3: Cleared , as noted on page 13. CR4: Not Cleared. While the existing partnerships are listed on page 15, it is not clear how the partnerships with local organizations will be involved in

		<p>communities that would be using the EDA funding mechanism, and why the EDA mechanism would be fit for the purpose of addressing the identified gaps of the targeted communities.</p> <p>CR2. In the full proposal please clarify whether the EDA funding mechanism through NEMC will be doing on-granting or loans or a mix.</p> <p>LoCAL Tanzania seeks to improve the climate change resilience of the communities and economies in target districts as a result of climate change adaptation activities funded through the Performance-Based Climate Resilience Grants (PBCRG) and capacity development (CD) support.</p> <p>Figure 9 presents the Performance-Based Climate Resilience Grant cycle. However, there is no description or infographic that clarifies how Adaptation Fund financing will reach vulnerable communities.</p> <p>CR3: Please clarify the pathway for devolving AF financing through the LoCAL model, including the decision-making process and clear description of financial flows to vulnerable groups adversely impacted by the effects of climate change. If, possible please</p>	<p>the multilevel decision-making process.</p> <p>Please clarify how the partnerships with local organizations will be involved in the decision-making process.</p> <p>CR5: Cleared. As noted on page 16, table 1 and annex 1 on page 45.</p> <p>CR6: Not Cleared. The entity mentioned that at this stage, they are not able to provide details of the actual investments as that decision rests with target LGAs, and the identified investments to be funded with PBCRG will only be known during the regular planning process in the fiscal year in which LoCAL/PBCRGs will kick in.</p> <p>CR7: Cleared, as noted on page 17.</p> <p>CR8: Not Cleared. While the intended beneficiaries are mentioned on page 14 and their involvement has been mentioned on page 20, their unique vulnerabilities in the target areas needs further clarification. Please provide a brief explanation of the vulnerabilities of the intended beneficiaries in the target areas.</p> <p>CR9: Not Cleared. The explanation provided in page 14 does not</p>
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		<p>substantiate with a flowchart to clarify the approach of the project.</p> <p>CR4: Please clarify existing partnerships with local organizations undertaken as part of the multilevel decision-making process.</p> <p>Component 3 mentions that the project aims to “Pilot concrete adaptation measures in three sectors (agriculture, water and forests) to increase resilience. However, Table 1 includes a list of activities focused on climate proofing existing investments.</p> <p>CR5: Please clarify if (i) the project aims to climate-proof existing investments mentioned in Table 1 and Annex 2 or (ii) aims to finance subprojects that will be identified at a later stage in the project cycles with the involvement of subnational actors in design and implementation.</p> <p>CR6: If the project aims to climate proof existing investments, then details on kind of existing investments and their stage of implementation in the target areas need to be clarified in the concept proposal.</p> <p>Output 3.1 ‘ Capacity building of water resources management and investment in rainwater harvesting technologies’ seems like a duplication</p>	<p>adequately address how funding requests and proposals made by local beneficiaries at the subnational level would be developed, and if further oversight or technical assistance is needed.</p> <p>CR10: Not Cleared. Page 37 implementation arrangements only list the local beneficiaries benefiting from technical assistance, but no further explanation is provided on how the TA will help the targeted beneficiaries. The arrangements for technical assistance to local project stakeholders is not detailed properly in the concept note.</p> <p>Please clarify on the arrangements for technical assistance to local project stakeholders and how it will benefit the intended beneficiaries.</p>
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		<p>of capacity building activities planned under component 1. Furthermore, the description of component 3 mentions that outcome 3 will focus on building of rainwater-harvesting ponds and roof catchments installed in schools and other public buildings in more urban settings.</p> <p>CR7: Please revise or clarify output 3.1.</p> <p>EDA means that the screening, review and selection of projects would be done at the national and sub-national level with stronger stakeholder engagement in the decision-making on proposed resilience initiatives and their financing at those levels.</p> <p>CR8: Please clarify who are the target beneficiaries, their unique vulnerabilities in the target areas and their involvement in the project.</p> <p>CR9: Please clearly describe how specific funding requests and proposals made by local beneficiaries at the subnational level would be developed, including the review and decision-making process for those requests.</p> <p>It is possible that the EDA projects/programmes could require a</p>	
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		<p>higher level of technical assistance, monitoring and oversight.</p> <p>CR10: Please clearly describe the arrangements for technical assistance to local project stakeholders or organizations including specific arrangements for monitoring and oversight of project activities and fund flows. Please clarify which local stakeholders will benefit from technical assistance.</p>	
	<p>4. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>Not clear.</p> <p>The project proposal has not included details of target beneficiaries, including their vulnerabilities. Please see CR8 above. Gender considerations are also unknown.</p> <p>CAR2: Please include an initial gender analysis and/or assessment to determine the different needs, capabilities, roles and knowledge resources of women and men, and/or identify how changing gender dynamics might drive lasting change.</p> <p>CR11: Kindly describe how women, girls, youth and marginalized social groups will benefit from the project, and what are the ways in which their active involvement would be enabled</p> <p>For the fully developed proposal please quantify benefits as much as</p>	<p>CAR2: Not Cleared. While the intended beneficiaries have been included in page 14, an initial gender analysis in the target areas of intervention has not been included.</p> <p>CR11: Cleared, as noted on pages 8-9 and page 20.</p>

		possible, particularly as it refers to women and vulnerable communities.	
	5. Is the project / programme cost effective?	<p>Not clear</p> <p>The alternative interventions and trade-offs presented on page 22 do not clearly comprehensively list the envisaged activities and their cost-effectiveness in comparison to alternatives considered.</p> <p>CR12: Please showcase cost-effectiveness by comparing planned activities to alternatives that could receive the same outcomes, including how proposed cost effectiveness of activities is ideal from a sustainability point of view.</p>	<p>CR12: Cleared. The entity has provided a brief explanation of the cost effectiveness on pages 20-21 and has noted to provide further description at the full proposal development stage. Further, in their response to the initial technical review, the entity mentioned that, “a CBA model will be prepared for adaptation investments aligned with country priorities to allow for the creation of an in-depth economic assessment to inform and guide national and local level decision makers and stakeholders on potential cost-effective adaptation options.”</p>
	6. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	<p>Yes. The proposed activities are consistent with several national and sub-national strategies, including Tanzania Development Vision 2025, National Five-Year Development Plan (FYDP) III, The National Climate Change Response Strategy, National Adaptation Plan, National Forest Policy, national Agriculture Policy, Livestock Policy, Irrigation Policy, National Environmental Policy, The</p>	-

		National Land Policy. The Agriculture and Livestock Policy and the Strategy on Urgent Actions on Land Degradation and Water Catchment (see pgs. 24-27)	
	7. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	Yes , as described in pg. 28-29 as it refers to environmental, forest, water management policies. Relevant regulations in the water, agriculture and forestry sectors will be followed, that includes safeguards for stakeholders and the inclusion of women and youth, and potential environmental and social impacts and risks will be screened prior to implementation.	-
	8. Is there duplication of project / programme with other funding sources?	<p>Not clear. The proposed activities are supposed to draw lessons and build synergies with other projects. However more information is needed as to how the requested funds are not going to duplicate funds from other existing projects. (Pages 29-30)</p> <p>CR13: Please provide a better explanation of how these funds will not duplicate funds from LoCAL and from the EU GCCA+ Eco-Act project, and the IFAD+BFFS project.</p> <p>CR14: Please provide further details on how the project is different from the two Adaptation Fund projects and the IFAD project focusing on climate</p>	<p>CR13: Not Cleared. Further clarification is needed with respect to some of the projects as noted in the CRs below.</p> <p>CR14: Cleared.</p> <p>CR15: Not Cleared, as noted on page 30 that there is “very little risk of duplication.” Further clarification is needed on why this is the case and how this will be ensured.</p>

		<p>smart agriculture technologies and water management technologies.</p> <p>CR15: Please clarify synergies and non-duplication with 2 GCF projects - FP179 'Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP)' and FP041 'Simiyu Climate Resilient Project'</p>	
	<p>9. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?</p>	<p>Yes, as described on pg. 30-31, a description of knowledge management activities is provided and a knowledge sharing program is included as an output under Component 4</p> <p>In the full proposal, please provide detailed information as to the outreach strategy for proposed knowledge products, particularly to reach vulnerable communities.</p>	-
	<p>10. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>Yes, an initial consultative process has taken place, with key stakeholders, as detailed on pg. 31</p> <p>However, a comprehensive, gender-responsive consultative process must be undertaken, and must involve all direct and indirect stakeholders of the project, including vulnerable groups and taking into account gender considerations. Please ensure that all the stakeholders involved in the consultation process are identified in the full project proposal with attention to minority groups, marginalized and vulnerable groups, and indigenous</p>	<p>CAR3: Cleared. The entity has acknowledged the CAR in their response to the initial technical review and has noted to provided consultation reports as an annex, including the list of stakeholders already consulted, consultation techniques, consultation findings and explanation of how their concerns were considered during project design and development.</p>

		<p>people in the project target areas, where relevant.</p> <p>CAR3: Please provide consultation reports where available as an Annex to full proposal, including the list of stakeholders already consulted, consultation techniques, consultation findings and explanation of how their concerns were considered during project design and development.</p>	
	<p>11. Is the requested financing justified on the basis of full cost of adaptation reasoning?</p>	<p>Yes, as described in pg. 32.</p> <p>CR16: Please provide a clear description of how the proposed activities will deliver their outcomes and outputs regardless of the requirement for finance leveraged from other sources.</p>	<p>CR16: Cleared, as noted on page 31, the PBCRG system reduces the level of incremental cost and the dependence on grant finance as the project embeds technical, institutional, and operational sustainability at local levels.</p>
	<p>12. Is the project / program aligned with AF's results framework?</p>	<p>Not clear.</p> <p>CAR4: Please include alignment with the AF Strategic Results Framework in the description of components.</p>	<p>CAR4: Cleared. As noted in pages 15-18, the project components are aligned with outcome 2,3,4 and 5 of the AF Strategic Results Framework.</p>
	<p>13. Has the sustainability of the project/programme outcomes been taken into account when designing the project?</p>	<p>Not clear. A few details are provided on pg. 33-35, however it is unclear how certain areas of sustainability will be addressed.</p> <p>CR17: Please provide a description under the areas of economic and social sustainability.</p>	<p>CR17: Cleared, as noted on page 34.</p>

	<p>14. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>Not clear.</p> <p>The project is assigned as a Category B project. A checklist of environmental and social principles is included in on pages 36. However the risk findings table are not substantiated and are not evidence based.</p> <p>CAR5: Please revise the risk screening table such that the focus is on the risk of negative impacts, and not about the outcome of the balance of negative impacts and positive outcomes. The focus of the section of the proposal on environmental and social risks should be on the risks of unwanted negative impacts. Please do not weigh the risk of such negative impacts against the expected positive outcomes. This section needs to explain in detail what the risks are, and assumptions in the risk assessment need to be stated and justified. To the greatest extent possible, interpretation needs to be separate from the presentation of facts and data. Knowledge gaps should be identified, and where these prevent adequate risk assessment, an explanation should be included on how this was addressed.</p>	<p>CAR5: Not Cleared. The risk table on pages 35-36 largely focuses on the balance of negative impacts against the expected positive outcomes, instead of the risk of negative impacts or unwanted negative impacts.</p> <p>Please revise the risk screening table such that focus is on the risk of negative impacts, explaining in detail what the risks are, and assumptions in the risk assessment need to be stated and justified.</p>
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		<p>We suggest using the following guidance case studies to help complete this section.</p> <p>https://www.adaptation-fund.org/document/environmental-social-and-gender-policy-case-studies/</p>	
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	<p>No. The requested funding is USD 5,258,774.88, which is not within the project cap of USD 5 million per project for the EDA funding window.</p>	<p>CAR6: Cleared. The requesting funding has been reduced to USD 4,951,245 .</p>

		<p>CAR6: Please adjust the total funding to be within the country cap of USD 5 million. For more information, please see link attached. Also please refrain from using decimals (i.e. please only use figures rounded to the nearest dollar.)</p> <p>https://www.adaptation-fund.org/apply-funding/enhanced-direct-access-eda-grants/</p>	
	2. Is the Implementing Entity Management Fee at or below 10 per cent of the total project/programme budget before the fee?	Yes. The Implementing Entity fee is within the cap and is 8%.	-
	3. Are the Project/Programme Execution Costs at or below 12 per cent of the total project/programme budget (including the fee)?	Yes. The Executing Entity is different from the IE and the fee is 9.55%.	-
Eligibility of IE	1. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes	-
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	n/a at concept stage	

	2. Are there measures for financial and project/programme risk management?	n/a at concept stage	
	3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	n/a at concept stage	
	4. Is a budget on the Implementing Entity Management Fee use included?	n/a at concept stage	
	5. Is an explanation and a breakdown of the execution costs included?	n/a at concept stage	
	6. Is a detailed budget including budget notes included?	n/a at concept stage	
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a at concept stage	
	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a at concept stage	

	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	n/a at concept stage	
	10. Is a disbursement schedule with time-bound milestones included?	n/a at concept stage	



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: EDA - Regular-sized Project Concept

Country/Region:	The United Republic of Tanzania	
Project Title:	Building rural-urban climate change adaptation nexus for sustained local economies development in Tanzania	
Thematic Focal Area:	Multisector projects	
Implementing Entity:	National Environmental Management Council of Tanzania (NEMC)	
Executing Entities:	UN Capital Development Fund, President’s Office – Regional Administration and Local Government (PO-RALG), Target District and Municipal Councils	
AF Project ID:		
IE Project ID:		Requested Financing from Adaptation Fund (US Dollars): 5,258,774.88
Reviewer and contact person:	Cristina Dengel	Co-reviewer(s): Ishani Debnath
IE Contact Person:		

Technical Summary	<p>The project “Building rural-urban climate change adaptation nexus for sustained local economies development in Tanzania” aims to improve the climate change resilience of the communities and economies in target districts as a result of climate change adaptation activities funded through the Performance-based Climate Resilience Grants and capacity development support. This will be done through the four components below:</p> <p><u>Project/Programme Background and Context:</u></p> <p><u>Component 1:</u> Awareness and capacity-building to respond to climate change adaptation in at least 2 targeted local government authorities (LGAs) and communities in target districts in Tanzania, including women, men and youth (USD 463,591).</p> <p><u>Component 2:</u> Integration of climate considerations into LGA planning, budgeting and decision-making systems (USD 551,162)</p> <p><u>Component 3:</u> Pilot concrete adaptation measures in three sectors to increase resilience (USD 2,508,357).</p>
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	<p>Component 4: Institutionalization of Performance-based climate resilience grants (PBCRG) mechanism in Tanzania (USD 881,312)</p> <p><u>Requested financing overview:</u> Project/Programme Execution Cost: USD 464,815 Total Project/Programme Cost: USD 4,869,236 Implementing Fee: USD 389,538.88 Financing Requested: USD 5,258,774.88</p> <p>The proposal includes a request for a project formulation grant of USD 50,000.</p> <p>The initial technical review raises some issues, such as the EDA rational in addressing the identified capacity gaps in the targeted communities, climate change vulnerabilities in the target areas, gap in identification of beneficiaries, duplication of project/programme with other funding sources, gender considerations and exceeding the limit of the project cap funding under the EDA window as is discussed in the number of Clarification Requests (CRs) and Corrective Action Request (CAR) raised in the review.</p>
Date:	25 January 2022

Review Criteria	Questions	Comments	Responses
Country Eligibility	3. Is the country party to the Kyoto Protocol?	Yes	
	4. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes. Tanzania is highly vulnerable to climate change impacts such as droughts, floods, agricultural productivity decline, the decline of woodland and forest tree species, and temperature increases, which affects both urban and rural areas. The country is classified a lower middle-income with a strong dependency on agriculture (pages 2-4).	
Project Eligibility	15. Has the designated government authority for	Yes. LoE signed on Jan 3, 2022	

	the Adaptation Fund endorsed the project/programme?		
	16. Does the length of the proposal amount to no more than Fifty pages for the project/programme concept, including its annexes?	<p>No. The length of the proposal amounts to 51 pages including the annexes.</p> <p>CAR1: Please adjust the length of the proposal to be total of 50 pages, including the annexes.</p>	<p>CAR1: The length of the proposal has been shortened to 50 pages, including the annexes.</p>
	17. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience??	<p>Yes. The proposed project aims to strengthen the climate resilience of communities and the local economies in Tanzania through concrete climate change investments in water, agriculture and forestry combined with technical and capacity-building support at the policy, institutional and individual levels.</p> <p>While the proposal provides a clear explanation of proposed activities, it would be useful to include the real capacity gaps of the Local Government Authorities (LGAs) and communities identified to be addressed with the EDA funding mechanism.</p> <p>CR1. In the full proposal, please include a clear description of identified capacity gaps of LGAs and communities that would be using the EDA funding mechanism, and why the EDA mechanism would be fit for the</p>	<p>CR1. We have highlighted the main capacity gaps of LGAs and communities that this project aims to address and why the EDA mechanism is appropriate for addressing those gaps (on page 6). This will be further expanded on in the full proposal.</p> <p>CR2. We have clarified within the proposal that the EDA funding will allow for on-granting to LGAs on page 13.</p> <p>CR3. We have clarified the pathway for devolving AF financing through the LoCAL model, including the decision-making process and a description of financial flows to vulnerable groups on page 13.</p> <p>CR4. We have clarified existing partnerships with local organizations undertaken as part of the multilevel decision-making process on page 15.</p>

		<p>purpose of addressing the identified gaps of the targeted communities.</p> <p>CR2. In the full proposal please clarify whether the EDA funding mechanism through NEMC will be doing on-granting or loans or a mix.</p> <p>LoCAL Tanzania seeks to improve the climate change resilience of the communities and economies in target districts as a result of climate change adaptation activities funded through the Performance-Based Climate Resilience Grants (PBCRG) and capacity development (CD) support.</p> <p>Figure 9 presents the Performance-Based Climate Resilience Grant cycle. However, there is no description or infographic that clarifies how Adaptation Fund financing will reach vulnerable communities.</p> <p>CR3: Please clarify the pathway for devolving AF financing through the LoCAL model, including the decision-making process and clear description of financial flows to vulnerable groups adversely impacted by the effects of climate change. If, possible please substantiate with a flowchart to clarify the approach of the project.</p> <p>CR4: Please clarify existing partnerships with local organizations</p>	<p>CR5. We have written more to clarify that both climate proofing of existing investments and financing of new adaptation subprojects can be considered as eligible for PBCRGs funding. The final decision of the actual investments rests with target LGAs and their communities and are to be aligned with the sectors identified in the menu of investments. These clarifications are on page 16.</p> <p>CR6. As mentioned above, the final decision of the actual investments rests with target LGAs and their communities and are to be aligned with the sectors identified in the menu of investments, which are themselves aligned with priority sectors under NDCs and more broadly national adaptation priority sectors. LoCAL builds on the regular functioning of the subnational government system and follows the same procedures and processes for planning, budgeting, implementing and monitoring of local investments. As such, the identified investments to be funded with PBCRG will only be known during the regular planning process in the fiscal year in which LoCAL/PBCRGs will kick in. Such information is further specified in the LoCAL-Tanzania design document.</p>
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		<p>undertaken as part of the multilevel decision-making process.</p> <p>Component 3 mentions that the project aims to “Pilot concrete adaptation measures in three sectors (agriculture, water and forests) to increase resilience. However, Table 1 includes a list of activities focused on climate proofing existing investments.</p> <p>CR5: Please clarify if (i) the project aims to climate-proof existing investments mentioned in Table 1 and Annex 2 or (ii) aims to finance subprojects that will be identified at a later stage in the project cycles with the involvement of subnational actors in design and implementation.</p> <p>CR6: If the project aims to climate proof existing investments, then details on kind of existing investments and their stage of implementation in the target areas need to be clarified in the concept proposal.</p> <p>Output 3.1 ‘ Capacity building of water resources management and investment in rainwater harvesting technologies’ seems like a duplication of capacity building activities planned under component 1. Furthermore, the description of component 3 mentions that outcome 3 will focus on building of rainwater-harvesting ponds and</p>	<p>CR7: Output 3.1 has been revised so as not to duplicate outputs of Component 1.</p> <p>CR8: The target beneficiaries and their vulnerabilities have been clarified on page 14.</p> <p>CR9: The development, review, and decision-making processes for funding requests and proposals by local beneficiaries is further described on page 14.</p> <p>CR10: Implementation arrangements are provided in Part III. Further clarification was given to arrangements for technical assistance to local stakeholders on page 37.</p>
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		<p>roof catchments installed in schools and other public buildings in more urban settings.</p> <p>CR7: Please revise or clarify output 3.1.</p> <p>EDA means that the screening, review and selection of projects would be done at the national and sub-national level with stronger stakeholder engagement in the decision-making on proposed resilience initiatives and their financing at those levels.</p> <p>CR8: Please clarify who are the target beneficiaries, their unique vulnerabilities in the target areas and their involvement in the project.</p> <p>CR9: Please clearly describe how specific funding requests and proposals made by local beneficiaries at the subnational level would be developed, including the review and decision-making process for those requests.</p> <p>It is possible that the EDA projects/programmes could require a higher level of technical assistance, monitoring and oversight.</p> <p>CR10: Please clearly describe the arrangements for technical assistance to local project stakeholders or</p>	
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		organizations including specific arrangements for monitoring and oversight of project activities and fund flows. Please clarify which local stakeholders will benefit from technical assistance.	
	18. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>Not clear.</p> <p>The project proposal has not included details of target beneficiaries, including their vulnerabilities. Please see CR8 above. Gender considerations are also unknown.</p> <p>CAR2: Please include an initial gender analysis and/or assessment to determine the different needs, capabilities, roles and knowledge resources of women and men, and/or identify how changing gender dynamics might drive lasting change.</p> <p>CR11: Kindly describe how women, girls, youth and marginalized social groups will benefit from the project, and what are the ways in which their active involvement would be enabled</p> <p>For the fully developed proposal please quantify benefits as much as possible, particularly as it refers to women and vulnerable communities.</p>	<p>CAR2: The initial gender analysis has been expanded on page 8, including identification of how changing gender dynamics might drive lasting change.</p> <p>CR11: The description of how women, girls, youth and marginalized groups will benefit from the project is on pages 8 and 9 and is further elaborated on page 20.</p>
	19. Is the project / programme cost effective?	Not clear	CR12: We have added a few more details to the description of cost-

		<p>The alternative interventions and trade-offs presented on page 22 do not clearly comprehensively list the envisaged activities and their cost-effectiveness in comparison to alternatives considered. .</p> <p>CR12: Please showcase cost-effectiveness by comparing planned activities to alternatives that could receive the same outcomes, including how proposed cost effectiveness of activities is ideal from a sustainability point of view.</p>	<p>effectiveness on page 21 and plan to provide more during full proposal development stage.</p> <p>In addition, Cost Benefit Analysis (CBA) models will be prepared for adaptation investments aligned with country priorities to allow for the creation of an in-depth economic assessment to inform and guide national and local level decision makers and stakeholders on potential cost-effective adaptation options. The investment models will be customized for selected climate change adaptation options in Tanzania, with focus on water, agriculture and forestry sectors, and on nature-based solutions.</p>
	<p>20. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?</p>	<p>Yes. The proposed activities are consistent with several national and sub-national strategies, including Tanzania Development Vision 2025, National Five-Year Development Plan (FYDP) III, The National Climate Change Response Strategy, National Adaptation Plan, National Forest Policy, national Agriculture Policy, Livestock Policy, Irrigation Policy, National Environmental Policy, The National Land Policy. The Agriculture and Livestock Policy and the Strategy on Urgent Actions on Land Degradation and Water Catchment (see pgs. 24-27)</p>	

	<p>21. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?</p>	<p>Yes, as described in pg. 28-29 as it refers to environmental, forest, water management policies. Relevant regulations in the water, agriculture and forestry sectors will be followed, that includes safeguards for stakeholders and the inclusion of women and youth, and potential environmental and social impacts and risks will be screened prior to implementation.</p>	
	<p>22. Is there duplication of project / programme with other funding sources?</p>	<p>Not clear. The proposed activities are supposed to draw lessons and build synergies with other projects. However more information is needed as to how the requested funds are not going to duplicate funds from other existing projects. (Pages 29-30)</p> <p>CR13: Please provide a better explanation of how these funds will not duplicate funds from LoCAL and from the EU GCCA+ Eco-Act project, and the IFAD+BFFS project.</p> <p>CR14: Please provide further details on how the project is different from the two Adaptation Fund projects and the IFAD project focusing on climate smart agriculture technologies and water management technologies.</p> <p>CR15: Please clarify synergies and non-duplication with 2 GCF projects -</p>	<p>CR13: An explanation of how duplication will be avoided is now provided and expanded upon for all projects in the table on page 29/30.</p> <p>CR14: Further details have been provided on how the project is different from the two Adaptation Fund projects and the IFAD project focusing on climate smart agriculture technologies and water management technologies on page 29/30.</p> <p>CR15: The two GCF projects - FP179 and FP041 have been added to the table on page 29/30 to clarify synergies and non-duplication.</p>

		FP179 'Tanzania Agriculture Climate Adaptation Technology Deployment Programme (TACATDP)' and FP041 'Simiyu Climate Resilient Project'	
	23. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	<p>Yes, as described on pg. 30-31, a description of knowledge management activities is provided and a knowledge sharing program is included as an output under Component 4</p> <p>In the full proposal, please provide detailed information as to the outreach strategy for proposed knowledge products, particularly to reach vulnerable communities.</p>	<p>CAR3: Noted. During full proposal stage, consultation reports will be provided as an Annex, including the list of stakeholders already consulted, consultation techniques, consultation findings and explanation of how their concerns were considered during project design and development.</p>
	24. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>Yes, an initial consultative process has taken place, with key stakeholders, as detailed on pg. 31</p> <p>However, a comprehensive, gender-responsive consultative process must be undertaken, and must involve all direct and indirect stakeholders of the project, including vulnerable groups and taking into account gender considerations. Please ensure that all the stakeholders involved in the consultation process are identified in the full project proposal with attention to minority groups, marginalized and vulnerable groups, and indigenous people in the project target areas, where relevant.</p> <p>CAR3: Please provide consultation reports where available as an Annex</p>	

		to full proposal, including the list of stakeholders already consulted, consultation techniques, consultation findings and explanation of how their concerns were considered during project design and development.	
	25. Is the requested financing justified on the basis of full cost of adaptation reasoning?	<p>Yes, as described in pg. 32.</p> <p>CR16: Please provide a clear description of how the proposed activities will deliver their outcomes and outputs regardless of the requirement for finance leveraged from other sources.</p>	CR16: A description of how the PBCRG system allows for the delivery of the project outcomes and outputs regardless of co-financing has been added on page 31.
	26. Is the project / program aligned with AF's results framework?	<p>Not clear.</p> <p>CAR4: Please include alignment with the AF Strategic Results Framework in the description of components.</p>	CAR4: Alignment with the AF Strategic Results Framework has been elucidated in Section II.A. (pages 15-18).
	27. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	<p>Not clear. A few details are provided on pg. 33-35, however it is unclear how certain areas of sustainability will be addressed.</p> <p>CR17: Please provide a description under the areas of economic and social sustainability.</p>	CR17. Descriptions under the areas of economic and social sustainability have been added on page 34.
	28. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>Not clear.</p> <p>The project is assigned as a Category B project. A checklist of environmental and social principles is included in on pages 36. However the risk findings table are not substantiated and are not evidence based.</p>	CAR5: The risk screening table has been amended on page 35/36 to explain the risks of the project and to justify assumptions in the table.

		<p>CAR5: Please revise the risk screening table such that the focus is on the risk of negative impacts, and not about the outcome of the balance of negative impacts and positive outcomes. The focus of the section of the proposal on environmental and social risks should be on the risks of unwanted negative impacts. Please do not weigh the risk of such negative impacts against the expected positive outcomes. This section needs to explain in detail what the risks are, and assumptions in the risk assessment need to be stated and justified. To the greatest extent possible, interpretation needs to be separate from the presentation of facts and data. Knowledge gaps should be identified, and where these prevent adequate risk assessment, an explanation should be included on how this was addressed.</p> <p>We suggest using the following guidance case studies to help complete this section. https://www.adaptation-fund.org/document/environmental-social-and-gender-policy-case-studies/</p>	
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Resource Availability	4. Is the requested project / programme funding within the cap of the country?	<p>No. The requested funding is USD 5,258,774.88, which is not within the project cap of USD 5 million per project for the EDA funding window.</p> <p>CAR6: Please adjust the total funding to be within the country cap of USD 5 million. For more information, please see link attached. Also please refrain from using decimals (i.e. please only use figures rounded to the nearest dollar.)</p> <p>https://www.adaptation-fund.org/apply-funding/enhanced-direct-access-eda-grants/</p>	CAR6. The requested total funding has been adjusted to within the country cap of USD 5 million.
	5. Is the Implementing Entity Management Fee at or below 10 per cent of the total project/programme budget before the fee?	Yes. The Implementing Entity fee is within the cap and is 8%.	
	6. Are the Project/Programme Execution Costs at or below 12 per cent of the total project/programme budget (including the fee)?	Yes. The Executing Entity is different from the IE and the fee is 9.55%.	
Eligibility of IE	2. Is the project/programme submitted through an eligible Implementing Entity	Yes	

	that has been accredited by the Board?		
Implementation Arrangements	11. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	n/a at concept stage	
	12. Are there measures for financial and project/programme risk management?	n/a at concept stage	
	13. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	n/a at concept stage	
	14. Is a budget on the Implementing Entity Management Fee use included?	n/a at concept stage	
	15. Is an explanation and a breakdown of the execution costs included?	n/a at concept stage	
	16. Is a detailed budget including budget notes included?	n/a at concept stage	
	17. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a at concept stage	

	18. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a at concept stage	
	19. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	n/a at concept stage	
	20. Is a disbursement schedule with time-bound milestones included?	n/a at concept stage	