REQUEST FOR PROJECT/PROGRAMME FUNDING FROM THE ADAPTATION FUND

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

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

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

Complete documentation should be sent to:

The Adaptation Fund Board Secretariat
1818 H Street NW
MSN N7-700
Washington, D.C., 20433
U.S.A
Fax: +1 (202) 522-3240/5
Email: afbsec@adaptation-fund.org

Field Code Changed

PROJECT/PROGRAMME PROPOSAL TO THE ADAPTATION FUND

PART I: PROJECT/PROGRAMME INFORMATION

Project Category:	Enhanced Direct Access - Regular Project
Country:	Tanzania
Title of Project:	Building rural-urban climate change adaptation nexus for sustained local economies development in Tanzania
Type of Implementing Entity:	National Implementing Entity (NIE)
Implementing Entity:	National Environmental Management Council of Tanzania (NEMC)
Executing Entity/ies:	UN Capital Development Fund, President's Office – Regional Administration and Local Government (PO-RALG), Target District and Municipal Councils

Amount of Financing Requested: 4,951,2454,994,236[1] (in U.S Dollars Equivalent)

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 vulnerability in the urban-rural continuum around target local governments in the United Republic of Tanzania, including Dodoma city. This semi-arid area, in particular, is highly vulnerable to climate change, which is already causing problems of droughts, floods, agricultural productivity decline, the decline of woodland and forest tree species, and temperature increases, 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 with predicted changes in climate will create several challenges to the people, 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 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

[1] ~~Exclusive~~ Inclusive of administration fee.

(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 PBRCG funds in at least 6 districts across Tanzania, including the urban Dodoma City and the neighbouring rural and peri-urban Chamwino, Konda and Mpwapwa Districts. Another two urban/peri urban districts will be identified during inception phase. Each LGA will pilot concrete adaptation measures in the sectors of water, agriculture, and forestry to increase local resilience.

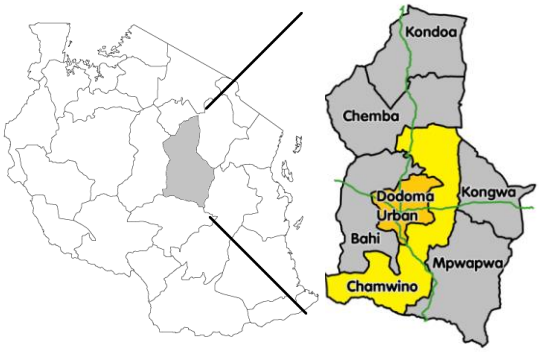

Figure 1: The Dodoma Region within the United Republic of Tanzania (left), and the target districts of Dodoma City and Chamwino District within the Dodoma Region (right)

Tanzania has been categorised by the World Bank as a lower middle-income country, which is heavily dependent upon agriculture for its economy and the nutritional and food security of its population of around 60 million people. Most of the agricultural sector is characterised by rain-fed smallholder farms. Due to observed changes in climate patterns, particularly related to temperature and rainfall, agricultural productivity is increasingly challenged to meet demand and is vulnerable to future changes in climate, particularly extreme events. Tanzania's development is therefore closely linked with agricultural productivity. Tanzania is unprepared for changes in climate, particularly with regards to water resources management, and this will have effects on health, agricultural productivity, food security, and economic growth.

Population growth in parallel with climate changes present a growing challenge in urban spaces[2], 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,[3] [4] such as the flooding in 2016, which affected 2,800 people and left 668 displaced and homeless[5]. 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

[2] Kabisch, Nadja, et al. *Nature-based solutions to climate change adaptation in urban areas: Linkages between science, policy and practice*. Springer Nature, 2017.
[3] IPCC. 2012. Managing the risks of extreme events and disasters to advance climate change adaptation: special report of the intergovernmental panel on climate change.
[4] 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.
[5] Reliefweb. Tanzania: Floods – Jan 2016. https://reliefweb.int/disaster/fl-2016-000011-tza. Accessed 30/09/2019.

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[6].

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[7]. The agriculture sector employs more than 70% of the population residing in the Dodoma City[8]. Most of Dodoma City's farmers rely on subsistence farming which result 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 egg plants are grown after the rainy season and watered by irrigation[9].

As a newly established urban centre, Dodoma City is becoming increasing 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[10]. 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, 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, 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[11]. 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[12]. 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, 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 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.

[6] EEA 2016
[7] Dodoma Municipal Council. 2017. Strategic Plan II for the Year 2017/18 – 2020/2021. PO-RALG.
[8] Ibid.
[9] Ibid.
[10] Chamwino District Council. 2013. A Five Year Strategic Plan 2013-2018.
[11] Nisbet & Broadmeadow. 2003. Opportunity mapping for trees and floods. *Forest Research, Farnham*.
[12] Vice President's Office. 2014. Second National Communication to UNFCCC of Tanzania.

The Context

Environment and Climate 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 woodfuel (An estimated 85 percent of Tanzania's energy needs are met through biomass use in the form of charcoal and firewood, mainly for cooking and heating[13]) 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,[14] as shown in Figure 2~~Figure 6~~. 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[15]. 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.

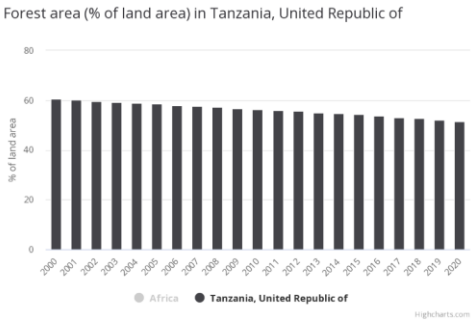

Figure 2: Forest area in Tanzania (Source: World Bank Group: Climate Change Knowledge Portal 2021)

The Dodoma Region is characterised as a semi-arid area with erratic rainfall and an average annual precipitation level of 570mm, where 85% of the rain falls between the months of December and April[16]. Different types of vegetation occupy these semi-arid areas of Tanzania, including grasslands, thickets, and Miombo woodlands[17]. 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^2, 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.

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. 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.

[13] World Bank. 2019. Tanzania: Country Environmental Analysis – Environmental Trends and Threats, and Pathways to Improved Sustainability. 2019. Washington, DC: World Bank.
[14] URT (United Republic of Tanzania). 2017. Tanzania's Forest Reference Emission Level Submission to the UNFCCC.
[15] Vice President's Office. 2014. Second National Communication to UNFCCC of Tanzania.
[16] 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.
[17] Kisanga, D. 2002. Soil and water conservation in Tanzania–A review. *Rethinking natural resource degradation in Sub-Saharan Africa: Policies to support sustainable soil fertility management, soil and water conservation among resource-poor farmers in semi-arid areas*, *1*, V1-62.

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[18]. The mean temperature has already risen more than half a degree from 22.45ºC in 1986 to 23.03ºC for the year 2020[19].

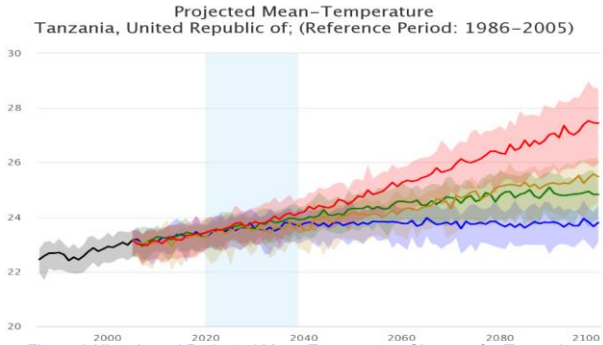

Figure 3 Historic and Projected Mean Temperature Changes for Tanzania (Source: World Bank Group: Climate Change Knowledge Portal 2021)

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 23.03ºC to 24.32ºC by 2050 and 24.83ºC by 2100. For RCP 6.0, the mean temperature is predicted to rise to 24.18ºC by 2050 and 25.48ºC by 2100: a rise in temperature of nearly 2.5ºC[20].

In terms of rainfall, a declining trend has been observed in the past few decades. Droughts have led to the drying out of some water bodies, with a consequent loss of biodiversity and grazing lands and a reduction in hydropower capacity[21]. 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[22]. 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[23]. And unlike other areas of Tanzania, rainfall in the Dodoma Region is projected to decrease,[24] 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 6~~Figure 4), and they have the largest impacts in terms of the number of people they affect (see ~~Figure 5~~Figure 7). 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[25]. 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,[26] so the combination of the region's

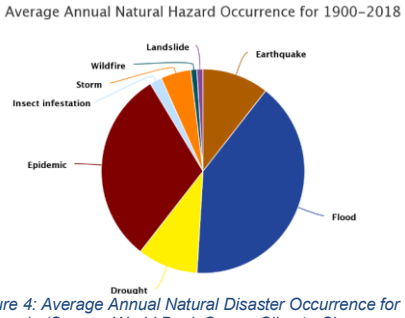

Figure 4: Average Annual Natural Disaster Occurrence for Tanzania (Source: World Bank Group: Climate Change Knowledge Portal 2021)

[18] Vice President's Office. 2014. Second National Communication to UNFCCC of Tanzania.
[19] 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
[20] 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.
[21] United Republic of Tanzania. 2014. Fifth National Report on the Implementation of the Convention on Biological Diversity.
[22] United Republic of Tanzania Vice President's Office. 2021. Tanzania's Nationally Determined Contribution.
[23] Vice President's Office. 2014. Second National Communication to UNFCCC of Tanzania.
[24] NAPA 2007.
[25] Loisulie, S. 2010. *Vulnerability of the Tanzanian Hydropower Production to Extreme Weather Events*, Sokoine University of Agriculture Faculty of Science.
[26] 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.

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.

Climate change is already having detrimental effects to the environment, economy, and livelihoods of the people of Tanzania, particularly in 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 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.

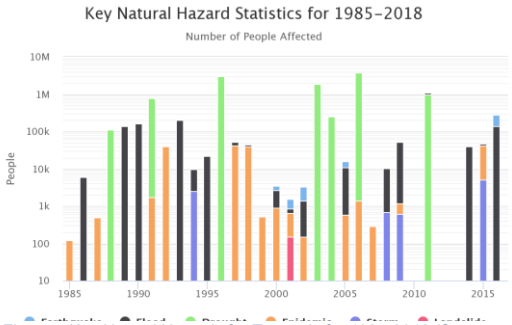

Figure 5:Key Natural Hazards for Tanzania for 1985-2018 (Source: World Bank Group: Climate Change Knowledge Portal 2021)

Political Context

Newly elected President Samia Suluhu Hassan's[27] government has prioritised efforts to curb corruption, improve public infrastructure systems, improve public administration and accountability, and to properly manage public resources for improved social outcomes. 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 trees in the conservation of the environment and water resources[28].

Tanzania recognises that climate change is a serious threat to the country's developmental plan and 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. 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[29]. These are the main capacity gaps this project aims to address.

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

[27] Sworn in as the United Republic of Tanzania's first woman president on March 19, 2021
[28] Uongozi Institute. Green Growth Platform: Promoting Forest Management for Sustainable Water Resources in Tanzania. 2019.
[29] United Republic of Tanzania Vice President's Office. 2021. Tanzania's Nationally Determined Contribution.

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[30]. 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 EDA 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.

Socio-economic Context

The United Republic of Tanzania is designated by the United Nations as one of forty-six Least Developed Countries[31]. It is particularly economically vulnerable due to the effects of Covid-19 and the threats of climate change. 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[32]. 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[33], has large potential for growth; however, this potential remains untapped as climate change adaptation strategies and interventions are planned and realised.

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 and Chamwino District, is 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 and Chamwino communities out of poverty and provide wellbeing linked to improved livelihoods and ecosystem health. The Dodoma Region is one of the poorest regions of Tanzania, as seen in Figure 6~~Figure 6Figure 2~~, 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[34]. The pandemic-induced economic slowdown has also caused the country's poverty rate to increase by over one percentage point from 2019 to 2020[35].

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[30] World Bank. Tanzania Urban Local Government Strengthening Program - Technical Analysis https://documents1.worldbank.org/curated/en/675101468309237314/text/NonAsciiFileName0.txt, Accessed 18/10/2021.
[31] United Nations. 2021. The Least Developed Countries Report 2021.
[32] World Bank. 2021. Tanzania Overview. https://www.worldbank.org/en/country/tanzania/overview#1, Accessed 01/10/2021.
[33] FAO. 2021. Tanzania at a glance. http://www.fao.org/tanzania/fao-in-tanzania/tanzania-at-a-glance/en/, Accessed 04/10/2021.
[34] UNDP Tanzania Human Development Report. 2017.
[35] World Bank. 2021. Tanzania Overview. https://www.worldbank.org/en/country/tanzania/overview#1, Accessed 01/10/2021.

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 country are already food insecure, and estimates show that there has been a recent spike in chronically hungry people in Tanzania.[36] 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.[37] 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[38]. 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[39].

While the Constitution of the United Republic of Tanzania endorses gender equality and equity and guarantees full participation of women and men in social, economic, and political life, women in Tanzania still face discrimination due to patriarchal systems, customs and traditions which continue to perpetuate gender inequalities[40]. For example, indicators such as education and employment rates for women are still lower than for men in Tanzania. The percentage of women with at least secondary education is 7.4% for mainland Tanzania compared with 12.3% for men, and participation in the labour market is 69.2% compared with 81.4% for men.[41]

Agriculture is a particularly important sector for both women and men in Tanzania: it comprises 73% of economic activity for men and 81% for women, which rises to 98% in rural areas[42]. However, there is a gender gap in agricultural productivity of at least 16% in Tanzania — and when accounting for the fact that Tanzanian women cultivate 0.6 hectares on average compared to 1 or more for men, there is a calculated conditional productivity gap of 30% between women and men (conditional on plot area and agro-ecological conditions, because smaller plot sizes should normally be more productive than larger ones)[43]. The lower agricultural productivity of women can be attributed to less access to inputs such as labour supply, land, pesticides, machinery and other equipment, credit, information, skills, and extension services.[44] Time poverty also remains a significant burden for most Tanzanian women, where women spend 13.6% of their time per day on unpaid care work compared to 3.6% for men, which reduces the time women have for income-generating activities, which affects the well-being of individual women, their households, and their communities.[45] The Gender Development Index (GDI) for the Dodoma Region is 0.829, which is lower than country average of the Tanzania mainland, which has a GDI of 0.864[46]. So, the women of the Dodoma Region are particularly economically vulnerable.

The impacts of climate change can exacerbate existing gender inequalities a. And cClimate change initiatives are more sustainable, equitable, and more likely to achieve their objectives when gender equality and women's empowerment considerations are integrated into the design and implementation of projects.. 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). Tand through gender mainstreamingpromotion of gender inclusive local decision-making processes and gender-responsive adaptation investments, this project will attempt to make lasting change to reduce the disparities between women and men in the target Districts.

[36] UNCTAD. 2020. The Least Developed Countries Report 2020. Page 68
[37] 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.
[38] Ibid.
[39] UNDP. 2017. Tanzania Human Development Report 2017. Page 18-19.
[40] The United Republic of Tanzania: Ministry of Community Development, Gender, and Children. National Strategy for Gender Development.
[41] UNDP. 2017. Tanzania Human Development Report 2017. Page 15
[42] Mmasa, J. J. 2013. Participation of women in agriculture in Tanzania: Challenges and policy recommendations.
[43] UN Women, UNDP, UNEP, and the World Bank Group. 2015. The cost of the gender gap in agricultural productivity in Malawi, Tanzania, and Uganda.
[44] UNCTAD. 2020. The Least Developed Countries Report 2020. Page 135
[45] United Republic of Tanzania. 2015. "Migration and Urbanization Monograph: 2012 Population and Housing Census." NBS, Dar es Salaam and OCGS, Zanzibar.
[46] UNDP. 2017. Tanzania Human Development Report 2017. Page 14

The United Republic of Tanzania has one of the youngest populations in the world (see Figure 7~~Figure 4~~). The median age of the Tanzanian population is only 17.7 years of age, with with more than 44.8% of the population under 15, 52% between 15 and 64 and just 3.1% over the age of 64[47]. 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), so they are vulnerable to the impacts of climate change on agriculture. Since youth are among the groups most vulnerable to climate change, they will be involved in the development and implementation of the project in both Dodoma City and Chamwino District.

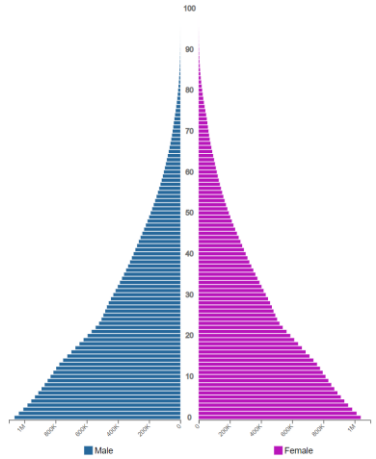

Figure ~~7~~8: Population pyramid of Tanzania 2021 (Source: World Population Review 2021)

The introduction and improvement of high-value agricultural crops using irrigation with strengthened market linkages will substantially improve livelihoods and local economies as well as health and nutrition standards of the population. Improved livestock husbandry for semi-arid pastoralists will reduce pressure on the fragile ecosystems while improving cash income and nutrition. Afforestation of rural and urban landscapes will 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). Improving access to water close to homes will save a significant amount of energy and time spent largely by women and children to fetch and carry water on their heads from distant sources. These types of climate adaptation interventions will result in empowerment of women and other marginalised groups in particular to engage in economic activities that will contribute to their own wellbeing as well as improve household livelihood.

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). 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 2030. These costs are likely to increase further depending on global mitigation efforts. Climate change is a serious threat to the country's developmental 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[48]. 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 ~~Figure 3~~ 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.

[47] World Population Review. 2021. Tanzania – General Info. https://worldpopulationreview.com/countries/tanzania-population, Accessed 14/10/2021.

[48] Disaster Risk Management Knowledge Centre. 2021. https://drmkc.jrc.ec.europa.eu/inform-index/INFORM-Risk/Country-Profile, Accessed 05/10/2021.

Figure- 89: 2022 Risk Profile for Tanzania, with indices from 0 (very low) to 10 (very high) (Source: Disaster Risk Management Knowledge Centre. 2021)

The development of Tanzania is intimately linked with the development of its capital city, and the development of Dodoma City is linked with the development of its surrounding peri-urban and rural areas like neighbouring Chamwino District. Since Dodoma was only recently given city status, there is an opportunity for this rural-urban gradient to be developed in a sustainable way, 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^2 in 2002 to 148 people per km^2 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^2 in 2017 to 187 people per km^2 in 2018[49]. Such rapid urbanisation will pose an incredible challenge, even to supply of basic needs such as food security. Whether Tanzania can avoid a future decline in urban food security will depend on how 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.[50]

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:

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. These grants provide a financial top-up to cover the additional costs of making investments climate resilient and are channelled through existing government fiscal transfer systems (rather than parallel or ad hoc structures). In the short term, LoCAL Tanzania aims to improve adaptation investments managed by Local Government Authorities in target districts, including Dodoma, Mpwapwa, Kondoa and Chamwino Districts to allow vulnerable communities to identify, prioritise, and oversee the implementation of adaptation project activities in water, agriculture, forestry sectors. Another 2 target districts will be identified during inception phase. In the medium to long-term, LoCAL Tanzania aims to contribute to an increased transfer of climate finance to local governments through national institutions and systems for building verifiable climate change adaptation and resilience, as well as establishing a standard and recognised country-based mechanism that supports direct access to international climate finance.

[49] Msuya et al. 2020. Dodoma: building a sustainable city to meet neighbourhood needs. SHLC Research Summary 12.
[50] Wenban-Smith, H., Fasse, A., & Grote, U. 2016. Food security in Tanzania: The challenge of rapid urbanisation. *Food security*, *8*(5), 973-984.

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 two 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 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	443,591 ~~463,591~~
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	• 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 capacity	• 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 • 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	491,162 ~~551,162~~
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~~Capacity building of water resources management and~~	• Ecosystem goods and services connecting urban and rural landscapes is enhanced • Improved local economies, and income generation of local communities • Improved food, nutritional and	2,403,607 ~~2,508,357~~

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	~~investment in 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	water security of the local population including vulnerable groups living in the target districts	
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 disbursal 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 PBRCG 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	781,312~~881,312~~
5. Project/Programme Execution cost			~~464,815~~
6. Total Project/Programme Cost			4,584,486~~4,869,236~~
7. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			366,759~~389,538.88~~
Amount of Financing Requested			4,951,245~~5,258,774.88~~

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Projected Calendar:

Milestones	Expected Dates
Start of Project/Programme Implementation	October 2022
Mid-term Review (if planned)	October 2024
Project/Programme Closing	September 2026

Terminal Evaluation	October 2026

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.*

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.

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. This standard approach to the LoCAL model is shown in ~~Figure 14~~Figure 9 below.

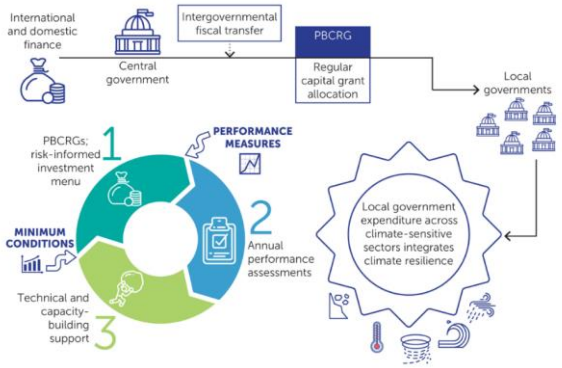

Figure 9~~7~~14: Performance-Based Climate Resilience Grant cycle

~~In this instance, the EDA funding will be transferred to target LGAs using existing intergovernmental fiscal transfer systems (will allow for on-granting) and in the form of performance-based climate resilience grants (PBCRG). by NEMC to LGAs based on local climate change needs and on a continued basis on performance measures towards resiliency.~~ The PBCRGs will flow from a Special Account held for LoCAL at Central Bank~~the~~, managed ~~treasury managed~~ by ~~NEMC~~Ministry of Finance, with oversight from ~~UNCDF~~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.

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 ~~28~~ 30 countries are engaged in LoCAL, of whom ~~22~~ 25 are LDCs, 6 are SIDS and ~~17~~ 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 besides Tanzania 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. 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 I 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 I seeks to improve the budgets available 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 two 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, is already a pilot LoCAL LGA 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 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.

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 EDA 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, in order to reduce their particular 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 particular 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~~se~~ needs and the problems outlined in Part I will be addressed through the following components, with the goal of having active participation of at least 50% women at all levels in all activities and through all phases of the project:

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 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.

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 are undertaken to inform the planning and budgeting processes.

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 ~~**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 local people (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 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;
- 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 drafting annual reports including the LoCAL grant implementation.

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 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

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~~Table 1~~. The full list of investment menu options is shown in Annex 1~~2~~. ~~These~~The investment menu provides a non-exhaustive list of possible investments that can be funded under LoCAL, which ~~are not existing~~ includes both climate-proofing of existing investments ~~but~~and new ~~rathe~~ adaptation ~~r possible~~ subprojects which are aligned with national priorities (such as NDCs), low-risk in terms of ESS categorisation, and which local communities and LGAs can collectively decide to invest in using the performance based climate resilience grants.

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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 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 TAWLA and TASAF), 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 groups of people mostly vulnerable to climate change will be given special priority in the use of these water resources.

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. 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.

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 the beneficiaries 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: ~~Capacity building of~~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

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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 disbursal 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 serve 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 at least 80% of the MCs but shall not fail in meeting specific conditions as indicated in Annex 1. LGAs failing to meet the specific MCs, albeit having met 80% of MCs, will have their funds withheld until they rectify their condition. 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.

Annual performance assessments 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.

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 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 disbursal 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.*

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 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[51], 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

[51] United Republic of Tanzania - Vice President's Office. 2014. 2nd National Communication to UNFCCC.

as hubs of freshwater biodiversity on which people, especially the poor, often depend directly[52]. 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 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 have a number of social benefits for the Dodoma Region. Activities focused on agriculture, water, and forestry will have numerous impacts on local communities in target districts. Improvements in agriculture will lead to increased nutrition and food security. For instance, tree planting activities will lead to reduced heat island effects in Dodoma City, making the city more liveable for its residents. And improved access to water will have implications on gender imbalances in the region, since women are generally responsible for water collection in Tanzania and are already time poor compared to men due to their higher levels of unpaid care work.

The proposed project will make considerable efforts to ensure the inclusion of women, ~~and~~ youth, and marginalised groups, in line with the SDGs call of leaving no one behind, and according to the AF policies. Evidence shows that women's empowerment and advancing gender equality can deliver results across a variety of sectors, including food and economic security and health and hence contribute to improved household welfare. It can also lead to more environmentally friendly decision making at household, regional, and national levels.

The programme will apply gender mainstreaming throughout the project, including developing specific interventions to advance gender equality and the empowerment of women and girls including:

- gender awareness training for project partners including community leaders and government officials;
- ensuring at least 50% women's participation in CCA meetings, dialogues and decision making;
- capacity building training focused on the specific needs and climate vulnerabilities of women and girls;
- promoting partnerships with local civil society organisations to improve livelihood opportunities for women and girls;
- Promotion of gender-responsive investments;
- Gender equality indicators are also included as part of the PBCRG performance assessment system and LGAs are rewarded accordingly.

Young people are increasingly aware of the challenges and risks presented by the climate crisis and of the opportunities to shift the trajectory towards sustainable development. They are also valuable contributors to climate action, and are change agents, entrepreneurs and innovators. Through education, science and technology, youth are increasing their efforts and using their skills to accelerate climate action. The programme will engage youth in a variety of ways including education, awareness, advocacy activities and campaigns, training and capacity building, and directly via adaptation activities focused on livelihood development, diversification and income generation.

The project formulation team will consult with gender and youth stakeholders directly during the project formulation period. One of the benefits of the LoCAL PBCRG system is that it enables more active participation of project stakeholders in the project design and decision-making processes, and this project will include youth and marginalised groups and at least 50% women in these processes so that the projects will benefit them most effectively. Benefits will be quantified more during full proposal development.

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

[52] Hirji, R., & Ibrekk, H. O. (2001). *Environmental and water resources management*. World Bank, Environment Department.

The added value of the LoCAL compared to other mechanisms directly targeting local governments is the institutionalization of the mechanism, which guarantees its appropriation, sustainability and effective scaling up. Successful implementation of the Performance-Based Climate Resilience Grant (PBCRG) system means that cost effectiveness can actually be built into the dispersal of funds as a Performance Measure (PM), and LGAs can be rewarded for running the most cost-effective adaptation activities. The PBCRG facility is designed to maximise the impact of funding disbursed to LGs while minimising transaction costs as it is aligned with existing country systems, particular the established intergovernmental fiscal transfer mechanism. Detailed costs per activity will be provided during the full proposal phase, including cost effectiveness (cost per person). The project will maximise the amount of investment in concrete interventions chosen by local communities. Direct partnering with local communities will also increase their ownership, build their capacity, and therefore reduce the costs of the interventions. The anticipated benefits from implementation of project components will greatly exceed the costs and prevent climate change-induced losses.

Extensive implementation of the LoCAL model globally has demonstrated that, if targeted technical assistance is delivered and PBCRGs are put in place, performance improvements in enhanced resilience will be possible and climate funds will be effectively and efficiently channelled to the local level with ownership of climate responses. Feedback from current initiatives shows that (i) the PBCRG incentive system works and contributes better consideration of climate issues at the local level, the amount of year-to-year grants being impacted by the relative scores of the previous year; (ii) integrating the facility into government systems avoids the creation of parallel planning and funding management systems; (iii) integrating the facility into government systems allows efficient scaling (geographic expansion) and facilitates national ownership of the facility; (iv) using performance measures ensures a progressive reinforcement of the capacities of the local governments. LoCAL is now joined by 30~~28~~ countries around the globe consolidating its proven track record with ~~14~~ 17 already implemented between Phases 1 to Phase 3, as shown below. Global programme results can be found in the 2020 Annual Report here. In other countries where LoCAL has already been piloted, using existing government systems and procedures with limited additional requirements has improved efficiency in spending and allowed for low transaction costs, while creating strong ownership.

LoCAL top-up grants are disbursed as part of a local government's regular budget envelope and can thus finance the adaptation element of larger investments, allowing for holistic responses to climate change. The funds provide an incentive for local governments to integrate adaptation and climate-proof local development and therefore a cost-effective approach to adaptation interventions. In addition, by tracking small funds allocated at the local level, LoCAL helps improve transparency and allows for more targeted activities with public input and local co-benefits.

Tanzania's National Adaptation Programme of Action (NAPA) analysed and prioritised adaptation actions according to their potential for positive effects on economic development, social capital and environmental management, and cost-effectiveness was one of the criteria used in the analysis. Therefore, the interventions proposed by the NAPA are both cost-effective and the most urgent for the country. Agriculture, water, and forestry were ranked 1, 2, and 4 respectively as the highest priority areas for adaptation interventions in Tanzania's NAPA, so the proposed project and its corresponding activities are highly aligned with the NAPA and are thus cost-effective interventions. Such sectors are reconfirmed as adaptation priority sectors in the Tanzania's revised NDCs in 2021. The NAPA dates from 2007, and movement on the NAP process is slow – while priorities may shift in the coming years, the project is in alignment with current climate policies and priorities.

Capacity building has been found to be among the most effective options for climate change adaptation[53], particularly in areas where climate change risks and challenges are severe such as semi-arid regions like Chamwino District and Dodoma City. Furthermore, a number of studies report that these capacity building and institutional strengthening options lead to higher benefits for the outcome-based options (e.g. water management, agriculture) as they enhance the effectiveness and efficiency of these options. This project will include knowledge management with a focus on monitoring, information, and learning. These options provide high cost-effectiveness through the provision of benefits from improved decision making and more effective delivery of interventions. A summary of some of the costs and benefits of the project is shown below in

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[53] The Risk to Resilience Study Team (2009): Catalyzing Climate and Disaster Resilience: Processes for Identifying Tangible and Economically Robust Strategies: Final Report of the Risk to Resilience Study.

Project	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.	*Capacity building at the national level* **Trade-offs** 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	*Large-scale interventions at the national level* **Trade-offs**: • 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	• 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	*Timing of onset of rainfall and use of short-term crop varieties* **Trade-offs:** • 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

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	microclimates in urban areas	• Soil fertility losses as a result of floods • Degraded habitats and biodiversity • Escalated poverty	*Dependence on food aid* **Trade-offs:** • High cost for importing and distribution foods • Food sovereignty is jeopardised
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	*One-off grant without performance measures or minimum conditions* **Trade-offs:** • More risks of interventions being ineffective • More difficult to scale up into other areas of Tanzania

~~Table 2~~. A more comprehensive description of cost-effectiveness will be provided at full proposal development stage.

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.	*Capacity building at the national level* **Trade-offs** 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 ~~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	*Large-scale interventions at the national level* **Trade-offs**: • 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	*Timing of onset of rainfall and use of short-term crop varieties* **Trade-offs:** • 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 *Dependence on food aid* **Trade-offs:** • High cost for importing and distribution foods • Food sovereignty is jeopardised
Component 4: Institutionalisation of a Performance-Based Climate Resilience Grants (PBCRG)	• Incentives are in place for interventions to be implemented efficiently and effectively	• Losses due to inefficiencies, ineffectiveness, or corruption	*One-off grant without performance measures or minimum conditions* **Trade-offs:**

mechanism in Tanzania	• PBCRGs for locally led adaptation are scaled up to other areas of Tanzania		• More risks of interventions being ineffective • More difficult to scale up into other areas of Tanzania

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

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

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

1. Tanzania Development Vision 2025

Tanzania's Vision 2025 aims at attaining high quality livelihoods for its people and developing a strong and competitive economy. Some of the strategies toward attaining these objectives are: ensuring food security and self-sufficiency; achieving universal access to safe water; eliminating abject poverty; reducing infant and maternal mortality rates; maintaining an economic growth rate of 8% per annum or more; attaining macroeconomic stability; and attaining an adequate level of physical infrastructure. These objectives may not be attained if climate change adaptation is not factored into the development process. This project is consistent with this vision, since it contributes to the attainment of its objectives through building climate change resiliency in the pilot districts of Dodoma and Chamwino. It will make the most climate vulnerable sectors of agriculture, forestry and water more profitable and more resilient to the projected impacts of climate change.

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

Tanzania has realized numerous achievements in the implementation of the second FYDP 2015/16 -2020/21. Specific strategic interventions identified and implemented in the FYDP II for addressing climate change impacts include: i) Combating climate change and its impacts; by putting more emphasis on emission reduction; ii) Integrating, harmonizing and coordinating environmentally sustainable policies and strategies for growth in key growth sectors, including climate change adaptation and mitigation; and iii) Mitigating and adapting to climate change, including supporting programs to improve and develop new technologies, quality seeds, and agronomic practices e.g., tillage, soils and water conservation techniques and irrigation measures and livestock management practices, information collection and dissemination for early warning. The Third Five Year Development Plan (FYDP III), has been developed and builds on these past achievements, existing challenges and opportunities for the realization of the country's national, regional, and international agenda, including climate change gender equality commitments.

The National Five-Year Development Plan (FYDP - III) outlines new interventions to enable Tanzania to industrialise in a way that will transform its economy and society. The FYDP III emphasises that the impacts of climate change are felt in all economic sectors – and particularly the agricultural sector. The plan highlights that local actions are needed to address such impacts, which is the entire foundation of the LoCAL Facility model. FYDP-III informs national planning across all sectors and is an important document for the formulation and review of climate change and development projects and programmes such as the proposed project.

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

The National Climate Change Response Strategy (NCCRS 2021-2026) seeks to enhance the technical, policy, and institutional capacities at the national and sub-national levels to address the impacts of climate change. In order to achieve this aim, the NCCRS 2021-2026 has identified several strategic interventions (SI), among which are activities that stakeholders have identified as particular priorities, including rainwater harvesting and water sources management.

The proposed project also responds to the NCCRS 2021-2026 through the Local Climate Finance Initiative (LCFI), which builds on the LoCAL mechanism, to allow local government authorities across the country to access and use climate finance effectively for building verifiable climate-resilient local economies and communities. In this project, capacity building interventions will be designed for the district level staff on climate financing. The climate change initiatives contribute to ensuring climate change resilience of communities and local economies by using a country-based mechanism to channel climate finance to local government authorities. The initiative responds to the Paris Agreement and its associated Nationally Determined Contributions (NDCs) and contributes to the achievement of climate-related SDGs – with concrete actions at the local level, working closely with local governments and communities to help them access the climate finance and support what they need to respond and adapt to climate change.

4. NAP

The Tanzanian government recognised the urgency to act on climate change by launching the National Adaptation Plan (NAP) process in 2015. This process addresses the country's medium- and long-term adaptation needs by mainstreaming climate risks into all sector-specific and national development planning. The process seeks to strengthen coordination, promote evidence-based decision-making and help adopt an iterative approach to adaptation planning.

Tanzania has yet to fully develop its NAP, but the NAP process focuses on integrating information on climate impacts and vulnerabilities into the decision-making processes, aligning priorities with the updated Nationally Determined Contribution and developing programmes to support the national priorities, and facilitating strategic access to climate finance. Tanzania's NAP serves the dual purpose of increasing Tanzania's resilience to the impacts of climate change and meeting their NDC adaptation targets under the Paris Agreement.

LCFI/LoCAL offers a vehicle for the vertical integration of the NAP process in Tanzania, as it creates intentional linkages between the national and subnational level, thus bringing adaptation action where it is most needed, the community level, while highlighting the contribution of the subnational level to achievement of NAP goals. As a project focused on making climate finance address the particular needs of local communities and government authorities, it fully aligns with the NAP process.

5. Forest Policy (1998):

With regards to the forestry sub-sector, climate change is reported to have affected many forest and ecosystem processes. The National Forest Policy of 1998 and subsequent acts, programmes and plans have the overall goal of enhancing the contribution of forests to sustainable development and biodiversity conservation for the benefit of current and future societies. In Tanzania, forests play a major role in building adaptive capacities and resilience of poor and marginalised vulnerable communities such as those living in semi-arid areas. Protecting and conserving biodiversity through the application of best practices in soil and water conservation; expanding forest cover and the use of adaptive species; and securing the links between different conservation areas are all pivotal in adapting to climate change. Such activities in the forestry sector will ensure the continuing availability of ecosystem goods and services and will therefore also improve the livelihoods of Tanzanians. The activities of the proposed project, such as those listed under the Forestry focus area of the investment menu in Annex 12, will strengthen efforts invested by the Government Forestry Sector — particularly planting trees that support alternative livelihood initiatives for forest-dependent communities as well as strengthening and scaling up the best practices of community-based forest management.

6. National Agriculture Policy (2013)

In Tanzania, the agricultural sector is the major economic development pillar, as it employs more than 75% of the country's population of 58 million people. The vast majority of the agricultural sector is rain-fed and therefore incredibly vulnerable to climate change. The dependence of agriculture on rainfall increases the impacts of droughts and floods. Therefore, reducing vulnerability of the sector to climate change will significantly contribute to socio-economic development and the improvement of food security. The National Agriculture Policy promotes the improvement of appropriate irrigation schemes, particularly in semi-arid areas such as the pilot project area in the districts of Chamwino and Dodoma. This project aligns with the National Agriculture Policy and will allow for the increased resilience of the more vulnerable farming communities of semi-arid areas to climate change impacts.

7. Livestock Policy 2005

The objective of the Livestock Policy is to improve rangeland management and utilisation to support sustainable livestock production and the improvement of pastoral and agro-pastoral livelihoods. Should local communities and government authorities choose to prioritise livestock-related adaptation interventions, they will be able to choose activities from the livestock focal area of the investment menu in Annex 12. These activities of the proposed project align with the Livestock Policy and will increase the resilience of livestock and pastoral communities, particularly through improved water management. One of the potential project activities is to facilitate the functioning of climate responsive traditional institutions and systems for sustainable land management, and to support the coordination of village- and district-wide land-use planning, enabling adaptive land management that is responsive to short term hazards and slow onset changes in resources.

8. Irrigation Policy (2010)

The objective of the Irrigation Policy is to have irrigation systems that are economically viable, socially acceptable and environmentally sustainable. Plans for irrigation schemes should ensure compliance to relevant legislation; protecting and conserving water and land resources; pollution control in irrigated agriculture; and promotion of proper land use practices. These objectives are in alignment with the components of the project and will be taken into account in any irrigation-related activities. The main irrigation-related activities in the LoCAL Tanzania investment menu in Annex 12 is under the agriculture focus area: "Climate proofing of agricultural facilities i.e., irrigation schemes, storage and market centres and diffusion of appropriate, efficient technologies that address climate trends." Such activities would be in alignment with Tanzania's Irrigation Policy.

9. National Environmental Policy (1997)

The overarching policy framework for environmental issues in Tanzania is the National Environmental Policy (NEP) of 1997. One of the major thrusts of NEP is the need to develop ways for encouraging a holistic multi-sectorial approach to environmental management by integrating environmental concerns into sectoral policies, strategies, and decisions. In that way it creates the context for cross-sectoral planning and coordination. The NEP articulates the concept of shared responsibility and distinct accountability for environmental management to instil collective responsibility in environmental management.

Therefore, every other sector in the country needs to integrate environmental aspects in their policies and strategies. The proposed project activities are multi-sectoral by nature and will comply with the NEP and other relevant cross-sectoral policy provisions as directed by the National Environment Management Council (NEMC), which is the implementing entity of the project.

10. The National Land Policy (1997)

The objective of the National Land Policy is to promote and ensure secure land tenure system, to encourage the optimal use of land resources and to facilitate broad-based social and economic development without endangering the ecological balance of the environment. The policy seeks to establish support and guarantee a secure land tenure system, which will facilitate the sustainable use of resources and land management. It also seeks to ensure that sensitive areas, such as forests, river basins, areas of biodiversity and national parks are not allocated to individuals for the purpose of development activities, and such public goods will be protected under this project. National Land Policy enables access to land and promotes an equitable distribution of land for all citizens. However, the policy also ensures that existing rights to land, especially customary rights of smallholders, are recognized and secured.

Tenure regimes in Tanzania and Africa in general are diverse and change over time. Some consider individual titling to be the best options, but there are possibilities for improved community managed individual schemes and limited access communal schemes. Tenure reform is sensitive, takes considerable time and must pay particular attention to the needs of the most vulnerable in rural areas i.e. women and the emerging youth generation. Small-scale farmers would need assurance of right of ownership of land where they have to invest in Sustainable Land Management (SLM). In the implementation of this project, the land policy will be adhered to. Land to be used for project activities should be contributed by villagers through agreement with village local governments and should not be in areas considered by this policy to be sensitive. Activities carried out by the project should promote sustainable land use practices and principles and aim to make land more productive Land Tenure and Land Use Land tenure in Tanzania is governed by the Land and Village Lands Acts of 1999 and amended in 2003. Under

these Acts, all land in Tanzania is vested in the President as the trustee for the citizens. The Ministry of Lands and Human Settlements Development (MLHSD) in collaboration with the Local Government Authorities, Ministry of Agriculture and Food Security, and Ministry of Water and Livestock Development are mandated under the Government's Agricultural Sector Development Strategy to undertake land surveys and demarcation to identify potential land for investment. The interventions of this project will be based on the existing land use plans of respective villages/ District Councils.

11. The Agriculture and Livestock Policy (1997)

The Agriculture and Livestock policy signifies that agriculture is critically dependent on environmental resources such as land, water, forest, and air. The policy acknowledges that climate change has serious impacts on agriculture and livestock sectors and that agricultural practices could contribute to climate change through unsustainable practices such as slash and burn. Through one of its objectives which is to ensure food availability, the policy encourages more food production. Improved agricultural practices that maximise productivity per unit area of land will be promoted through this proposed project. Semi-arid farming and livestock-keeping communities will be empowered with knowledge and skills to improve their resilience to impacts of climate change on land resources and productivity. The activities of this project (relevant ones are under the livestock and the agriculture focus areas of the LoCAL Tanzania investment menu listed in Annex 12) will be in full alignment with the Agriculture and Livestock Policy.

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

The Strategy was developed in 2006 with the overall objective of halting the environmental degradation particularly degradation of land and water catchments. The Strategy has identified twelve challenges, which need to be addressed to halt this degradation. The conservation of biodiversity and sustainable use of its resources is one of the issues being addressed under this Strategy. It is being implemented at all levels from the central government, local government, private sector and local communities. Knowing that the country is faced with widespread environmental degradation particularly degradation of land and water catchments, the environmental problem due to unsustainable agricultural activities in water catchments, on mountain tops, mountain slopes and in other fragile sections of mountain ecosystems. The project recognises that land and water resources are under serious threats especially in semi-arid regions and thus thriving to address and minimise them.

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

The project 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 12 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 of the United Republic of Tanzania (1977) contains a provision on the protection of natural resources, which covers the environment. Natural resources include forests, vegetation, landscape and geographical layout of the country, lakes, rivers and other water bodies, land, and minerals beneath and flora and fauna. Article 27(1) of the Constitution of Tanzania stipulates that: "Every person is obliged to safeguard and protect the natural resources of the United Republic, State property and all property jointly 44 owned by the people, as well as to respect another person's property." The Directive Principles of State Policy in the Constitution obliges the state and all its organs to ensure that the natural resources and heritage are harnessed, preserved and applied to the common good of Tanzanians.

This shows that the Constitution, which is the above all laws, lays a firm constitutional foundation for the sustainable management of the environment in Tanzania. This proposed project will comply with the constitution through the restoration and conservation of natural resources: forests, agro-ecological landscapes, and water sources.

The Environmental Management Act, 2004 (EMA), including The Environmental Management (Environmental Impact Assessment and Audit) (Amendment) Regulations, 2018 (G.N. No. 474 of 2018).

The Environmental Management Act (EMA) of 2004 provides the legal framework for both Environmental Impact Assessments (EIA) and Strategic Environmental Assessments (SEA). The central authority for EIA and SEA is the National Environmental Management Council (NEMC) which operates under the Environmental Department in the Ministry and is the National Implementing Entity for this project, so there are safeguards in place with regards to environmental assessments for the project. EMA is multi-sectoral and provides the legal and institutional framework for sustainable management of environment including land, water, forests and all other types of vegetation. It is a legal document in place, which outline principles for management, impact and risk assessments related to human interventions in all sectors of the economy that have a relationship with any form of environment. EMA has been developed to promote implementation of the Environmental Policy of Tanzania. Potential project activities include water harvesting, and installation of irrigation channels as well as strategic intervention in horticulture, aquaculture, livestock and forestry. All of these activities will align with the EMA, including the amendments of 2018 Environmental Impact Assessment and Audit amendments of 2018, and all potential risks will be fully assessed during the project formulation period.

The Forest Act No. 14 of 2002

This Act provides guidance for the management of forests; undertaking environmental impact assessments for certain development projects; establishment of sustainable forest management plans for all types of forests; and for the designation of Community Forest Reserves, Mangrove Forest Reserves and the encouragement community-based management. The Act governs protection, conservation, management and utilization of forests and forest products in Tanzania. The Act also defines restrictions and prohibitions relevant for forest reserves and reserved (threatened) trees. The activities of the proposed project will adhere to all such restrictions.

The Water Resources Management Act No. 11 of 2009.

This Act provides an institutional and legal framework for sustainable management and development of water resources; prevention and control of water pollution; and for the participation of stakeholders and the general public in implementation of the National Water Policy. The objective of the Act is to ensure that the nation's water resources are protected, used, developed, conserved, managed, and controlled in a way that meets basic present and future generation human needs; and to prevent and control pollution of water resources and to protect biological diversity especially the aquatic ecosystem. Water resources management influences how adaptation and mitigation measures can be sustained within the sector and other related sectors, and the proposed project will adhere to the Water Resources Management Act.

Water Supply and Sanitation Act, No.5 of 2019

This Act provides for the institutional and legal framework for water supply in urban and rural areas. It provides for prevention and control of water pollution and participation of stakeholders and the general public in implementation of the National Water Policy. Furthermore, the Act provides the measures to control water quality and quantity for the community use and protect the aquatic ecosystems. Water supply and wastewater management is of paramount importance in both adaptation and mitigation initiatives. The activities of the proposed project will adhere to the laws related to water supply and sanitation.

Gender Mainstreaming

Tanzania is committed to gender equity and has ratified international and regional conventions aimed at eliminating the different forms of discrimination against women and the vulnerable groups in society. This commitment is manifested in the adoption of a National Gender Policy, the establishment of gender focal points in Ministries, Departments and Agencies, and the amendment of the Constitution raising the percentage of seats reserved for women in Parliament from 15 to 20%, and to 30% in local governments. The government strategy is to achieve a

50% involvement of women through representation in all endeavours including the job sector. Women participation in project activities will be implemented with the aim of reaching at least 50% involvement. Not only that but also the proposed project will entail involvement of other disadvantaged social groups from across the whole project period, including youth. A major focus of gender mainstreaming within the project will be to reduce drudgery Tanzanian women face in search for water and woodfuels, and to enhance the resilience of their livelihoods to climate change. Gender related indicators are included in LCFI/LoCAL's annual performance assessment system. The project will have similar safeguards and principles of inclusion for youth.

National Environment Management Council

EMA repealed the National Environment Management Act, 1983 which established the National Environment Management Council (NEMC) as an advisory and policy making parastatal organization. Despite the repeal of that Act the new Environmental Management Act, 2004 has retained NEMC as a statutory body under the Act charged with, among others, the following functions: (i) carrying environmental audit; coordinate survey, and research in the field of environment and disseminate the information; (ii) review EIAs and recommend for their approval; enforcing and ensuring compliance to the national environmental quality standards; (iii) in co-operation with relevant sector Ministries undertake programmes intended to enhance environmental education and public awareness; (iv) render advice and technical support to entities engaged in natural resources management and environmental protection; (v) publishing and disseminating manuals, codes or guidelines relating to environmental management; (vi) establishing and operating a Central Environmental Information System which may bring together any findings, data and statistics generated by both public and private institutions in the course of environmental observation and management; and (vii) managing Environmental Protected Areas that may be established under the EMA, 2004. Activities under the project relate with the functions of NEMC, which in this project will serve as the Implementing Entity thus making sure the executing entity will comply with the standards.

Local Government Authorities

The bulk of implementation of Government functions under the policy of decentralization by devolution espoused in the Local Government Reform Programme (LGRP) and provided for under the Local Government Laws lies with Local Government Authorities. It is recognition of that fact that EMA has given the responsibility of implementation of the Act at the local government level to the same institutions that have been established under the Local Government (District Authorities) Act, 1982 and the Local Government (Urban Authorities) Act, 1982 as amended to effect changes introduced by LGRP. At the local government level, it is the standing committees dealing with environment that have been designated as environmental management committees under EMA. The cross-referencing to the Local Government Acts makes sure that all the existing committees at that level and that will be created in future are automatically committees under EMA. That ensures that there is no discrepancy or gap of the existence of committees responsible for environmental management under EMA and Local Government Acts. In Tanzania, district and village authorities intervene environmental challenges though Village Environmental Committees (VECs). The committees are responsible in formulation and foreseeing various bylaws. Before the bylaws are enacted, they must be approved by the village assembly where all or majority of villagers participate. Involvement of VECs in participatory planning and implementation of the project activities is key to successfully achievement of the goals and achievement as well as sustainability of the outcomes and impacts.

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

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.

Due to its unique setting, the proposed concept will be able to avoid duplication and also maximise results through synergies and lessons learned with other projects. The proposed project will build on, complement, learn from, and augment the results of other projects listed in the table below. Initial screening for potential overlaps has not suggested any issue between existing projects and the proposed pilot in technical, spatial, and/or temporal dimensions. This is particularly the case with regards to the PBCRG system, which is unique to this project. At the stage of full proposal development and consultations, a dialogue with all other relevant climate resilience projects in Tanzania will be further coordinated to ensure best alignment and screen for more parallel initiatives at regional

and global levels.

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.	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 habilitate 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	This GCF project was recently approved but is not	This programme will attempt to strengthen resilience of	The GCF project may have some interesting	Approved Oct 2021

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	Climate Adaptation Technology Deployment Programme (TACATDP)'	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.	Tanzania's agriculture sector by facilitating access to agriculture climate adaptation technologies.	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.	
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

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

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 need 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 will also be used to inform a Phase II of the LoCAL project, when funding will be sought from various sources to scale up the LoCAL system into other districts of Tanzania. 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.*

Consultations with local communities and Local Government Authorities (LGAs) are at the core of the LoCAL initiative: both globally and also for the planned roll-out of LoCAL Tanzania. The preparations of the project have so far involved a broad spectrum of stakeholders at the community and technical levels through working sessions. At the community level, the sessions included engagement with village leaders and representatives from community-based organizations. This was done by contacting key people and working networks from the proposed project areas of Dodoma and Chamwino districts. The technical sessions were attended by participants from Local Government Authorities, (LGAs), Ministries, Departments and Agencies (MDAs), Development Partners on Environment, Civil Society Organisations (CSOs) and the private sector. Comments obtained from the stakeholders have so far been used to prioritise the project areas and to inform the most important local climate vulnerabilities and priorities for CCA activities.

More detailed stakeholders' assessments will be conducted during the preparation of the full proposal. It will involve travelling to and consulting with local government authorities at district, ward and village levels, community groups and individual members, organisations working in the proposed project areas; and will ensure inclusion of different vulnerable groups of the society. Ministerial and Institutional consultations will also be conducted.

Ongoing engagement with target beneficiaries will again be ensured using the PBCRG system. One of the seven PM indicators 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 the project. The better an LGA performs in local consultation and other performance measures in its APA, the more of the Performance-Based Climate Resilience Grant (PBCRG) it will be allocated in the subsequent year. LGAs that do not comply with the APA indicators may stay in the programme if they agree to a set of corrective measures before receiving a new grant allocation. So, not only will there be assurances that minimum conditions are met, but there will be incentives for LGAs to perform to as high as standard as possible in the continued engagement with local stakeholders.

I. *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[54], 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[55]. 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

[54] SLYCAN Trust. 2021. Entry Points for Formulating a National Adaptation Plan for Tanzania
[55] World Bank Group. 2015. Financing Climate-Resilient Growth in Tanzania

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 c~~No co~~-financing from UNCDF and other development partners ~~is~~may be sought in the future ~~being sought at this stage of the project, i, but the im~~mplementation of the LoCAL PBCRG system allows for the delivery of this projects 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.

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, Mpwapwa and Kondoa 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 climate-resilient financing.

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

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 is currently in Phase 1.

- 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.

- 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.

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.

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 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.

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.

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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.

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K. *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 ESA 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 projected will be subjected to 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 Risk 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~~, with further details in Annex 1~~, though this will be further clarified at full funding proposal stage.~~:~~

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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
Compliance with the Law	x	L	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.
Access and Equity		M	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
Marginalized and Vulnerable Groups		M	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
Human Rights	x	L	The proposed project respect and adhere to all relevant conventions on human rights, national and local laws
Gender Equality and Women's Empowerment		M	Although there are risks of social exclusion of women, there are project targets for active participation of women (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. The project will promote and empower women leadership in public spaces and decision-making.
Core Labour Rights	x	L	Labour laws of Tanzania protect the rights of employees (contract or permanent) and contains similar provisions with that of AF Principle 6.
Indigenous Peoples	x	L	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.
Involuntary Resettlement	x	L	There will be no Involuntary Resettlement in this project. All land to be used for project activities will come from village land reserves.
Protection of Natural Habitats		L	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.
Conservation of Biological Diversity	x	L	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
Climate Change	x	L	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.

Pollution Prevention and Resource Efficiency	x	L	The proposed project will not release pollutants, and energy and material resource efficiency will be embedded in project design.
Public Health		M	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.
Physical and Cultural Heritage	x	L	Initial consultations have not identified the presence of physical and cultural sites. However, further assessment will be done to verify this.
Lands and Soil Conservation	x	L	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.

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Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
Compliance with the Law	x	
Access and Equity		x
Marginalized and Vulnerable Groups		x
Human Rights	x	
Gender Equality and Women's Empowerment		x
Core Labour Rights	x	
Indigenous Peoples	x	
Involuntary Resettlement	x	
Protection of Natural Habitats	x	
Conservation of Biological Diversity	x	
Climate Change		x
Pollution Prevention and Resource Efficiency		x

~~*Public Health*~~		~~x~~
~~*Physical and Cultural Heritage*~~	~~x~~	
~~*Lands and Soil Conservation*~~		~~x~~

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.

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.

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~~PO-RALG~~ (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
- 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.

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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 Aannex 13, 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

The Accountant General (AG) will open a special account at the Central Bank for LoCAL. The AG will report to NEMC within 48 hours of receiving the transfers and effecting transfers to District Councils. The PBCRGs will flow from the treasury (LoCAL Special Account at CB) to the pilot LGAs in accordance with their approved annual allocations, determined through the process of annual assessment of LGAs. Development Partner(s) (DPs) or other financing institutions providing the grant shall deposit upfront the full amount of the grant available for the financial year (FY) in the Holding Account maintained at the Bank of Tanzania in the most appropriate currency. The Ministry of Finance and Planning (MoFP) Accountant General's department will notify the DPs once the funds are received into the Holding Account.

Upon approval of the results of the assessment, allocations to LGAs and the annual budget, PO-RALG will prepare schedules for disbursement (TFN 358) to Regional Secretariats (RS) and LGAs development accounts and submit them to MoFP. The MoFP will liaise with the Accountant General to confirm whether funds have been deposited in the account. The Accountant General will confirm availability of funds and transfer the funds to the Consolidated Fund – Revenue Account in local currency (Tshs) and from the Revenue Account to the Development Account, both maintained by the MoFP at the Bank of Tanzania.

On receipt of disbursement schedules from PO-RALG, the MoFP will prepare the Release Warrant (Form TFN 357A) and attach TFN 358 completed by PO-RALG and submit to the Accountant General. The Accountant General will then disburse the funds to the Development Accounts of respective LGAs. A copy of the release warrant together with TFN 358 is sent to the respective RSs, to notify the RSs that funds have been disbursed to LGAs and for what purpose.

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.

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.

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
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 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 monitory will take place building the capacity of community to hold actors to account for project plans.

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.

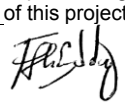
In addition, at investment level, the “Assessing Climate Change Adaptation Framework (ACCAF)”, an ME and QA methodology designed by UNCDF in partnership with WRI, will be applied the programme during design, implementation and evaluation, ensuring the use of a risk-informed investment menu and the alignment 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[2] *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:*

Mohammed Khamis Abdulla, Deputy Permanent Secretary, Vice President's Office	Date*: January, 07, 2022*

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) and subject to the approval by the Adaptation Fund Board, commit to implementing the project/programme in compliance with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
 ***Fredrick F. Mulinda*** Implementing Entity Coordinator	
Date: January, 08, 2022	Tel. and email:+255753240517/ nieaf@nemc.or.tz, kasigazi.koku@gmail.com
Project Contact Person: Sanford Kway	
Tel. And Email: +255754290074/ kwaysanford@gmail.com	

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

ANNEXES

Annex 1: Risk Identification and Further Assessment

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
Compliance with the Law	x	L	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.
Access and Equity		M	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
Marginalized and Vulnerable Groups		M	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
Human Rights	x	L	The proposed project respect and adhere to all relevant conventions on human rights, national and local laws.
Gender Equality and Women's Empowerment		M	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. The project will promote and empower women leadership in public spaces and decision-making.
Core Labour Rights	x	L	Labour laws of Tanzania protect the rights of employees (contract or permanent) and contains similar provisions with that of AF Principle 6.
Indigenous Peoples	x	L	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.
Involuntary Resettlement	x	L	There will be no Involuntary Resettlement in this project. All land to be used for project activities will come from village land reserves.

Protection of Natural Habitats	x	L	The implementation of ecosystem-based adaptation 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.
Conservation of Biological Diversity	x	L	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
Climate Change		M	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.
Pollution Prevention and Resource Efficiency		M	The proposed project will not release pollutants, and energy and material resource efficiency will be embedded in project design.
Public Health		M	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.
Physical and Cultural Heritage	x	L	Initial consultations have not identified the presence of physical and cultural sites. However, further assessment will be done to verify this.
Lands and Soil Conservation	x	L	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.

Annex 12: LoCAL Tanzania Investment Menu

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Focus Area	Investment Menu
Agriculture	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
Livestock	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 Natural Resource Management	Land use and resource mapping to support land use planning for climate change adaptation
	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
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
Water	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

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Focus Area	Investment Menu
Disaster Risk Reduction and Climate information	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
Transport	Climate proofing of roads, bridges, paving and drainage systems
	Track strengthening or modifications (i.e. drainage) to resist climate change impacts
Health	Promoting sustainable and climate sensitive health and sanitation infrastructure
	Conducting vulnerability assessment and integrating climate change adaptation action into health plans and programmes
Education	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
Energy	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)
Coastal, Marine Environment and Fisheries	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
	Strengthening fisheries management services and management for resilience creation
Infrastructure Development	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 23: Letter of endorsement by the Government

THE UNITED REPUBLIC OF TANZANIA
VICE PRESIDENTS OFFICE

Telephone Address: "VICE",
Telephone No: +255 026 2329006
Fax Na: +255 026 2329007
Email:km@vpo.go.tz

Government City,
Mtumba Area,
Vice President's Street,
P. O. Box 2502,
40406 **DODOMA.**

Our Ref. **BA.90/201/01/143**

03th January 2022

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

RE: ENDORSEMENT FOR BUILDING RURAL-URBAN CLIMATE CHANGE ADAPTATION NEXUS FOR SUSTAINED LOCAL ECONOMIES DEVELOPMENT IN CHAMWINO DISTRICT AND DODOMA CITY

Kindly refer to the above subject matter,

2. In my capacity as designated authority for the Adaptation Fund in the United Republic of Tanzania, I confirm that the above national project 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 the country.

3. Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by National Environment Management Council and executed by President's Office, Regional Administration and Local Government (PORALG).

Sincerely,

Mohammed Khamis Abdulla
DEPUTY PERMANENT SECRETARY

Annex 34: Project Formulation Grant

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ADAPTATION FUND

Project Formulation Grant (PFG)

Submission Date: **January 10, 2022**

Adaptation Fund Project ID:
Country/ies: **United Republic of Tanzania**
Title of Project/Programme: **Building rural-urban climate change adaptation nexus for sustained local economies development in Tanzania**
Type of IE : **NIE**
Implementing Entity: **National Environment Management Council (NEMC)**
Executing Entity/ies: **UN Capital Development Fund, President's Office–Regional Administration and Local Government (PO-RALG), Target District and Municipal Councils**

A. Project Preparation Timeframe

Start date of PFG	**March 2022**
Completion date of PFG	**June 2022**

B. Proposed Project Preparation Activities ($)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
Desktop literature review	Detailed literature review, a list of reviewed literatures	2500
Stakeholders workshops for validating the project design and inputs for full proposal development	Workshop reports, validated project design, improved design, inputs to the design process	9000
Field visits in the project area for validating project design and obtaining inputs for full project proposal development	Validated project design	7000
Detailed analysis of project components	Well described and detailed Project components	5000
Development of project log frame and results framework	Detailed Project Logframe and Results Framework developed	3000
Detailed project budget development	Detailed and concrete project budget	6000
Environmental Impact Assessment (EIA) of the proposed project	EIA report, EIA review report and Environmental Clearance Certificate	9000
Full project proposal development	Full Project Proposal developed	8000
Printing and binding of full proposal copies for submission	Printed and bound copies of full project proposal for submission	500

Total Project Formulation Grant		50,000

C. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Fredrick Mulinda		January 07, 2022	Samford Kway	+255 754290074	kwaysanford@gmail.com