



ADAPTATION FUND

22 May 2014

Adaptation Fund Board

Request for budget revision, project extension, change in disbursement schedule and approval of Direct Project Services, and approval of report on project implementation: UNDP (Mauritius)

Following the recommendation of the secretariat after its review of the request for budget revision, project extension and request for approval of Direct Project Services submitted by the United Nations Development Programme (UNDP) for the project “Climate Change Adaptation Programme in the Coastal Zone of Mauritius” contained in document AFB/B.23-24/1, and taking note of the letter of endorsement submitted by the Designated Authority for Mauritius, and following the recommendation of the secretariat after its review and clearance of the first annual project performance report provided by (UNDP), the Adaptation Fund Board decides to:

- a) Approve the budget revision, one year project extension and change in disbursement schedule, as requested by UNDP in its letter dated 17 March 2014, and annexes therein;*
- b) Approve, on an exceptional basis, the provision by UNDP of Direct Project Services up to the amount of US\$ 3,000.00;*
- c) Approve the second tranche of funds requested by UNDP for the implementation of the project “Climate Change Adaptation Programme in the Coastal Zone of Mauritius” (Mauritius), in the amount of US \$75,509;*
- d) Request the trustee to transfer to UNDP US \$75,509 in accordance with the revised disbursement schedule referred to in (a) above; and*
- e) Request the secretariat to communicate to UNDP that the Board expects that during the project design phase implementing entities take due consideration of all the factors that may impact the project budget and execution arrangements. The Board also expects that execution services provided by multilateral implementing entities are submitted for consideration by the Board at the time of project approval, and that such submissions comply with the Board decisions B.17/17 and B.18/30 on such services. The Board would like to state that the present decision to approve the proposed changes is made on an exceptional basis, in order to avoid putting the project in jeopardy.*

Decision B.23-24/5



ADAPTATION FUND

AFB/B.23-24/1
6 May 2014

Adaptation Fund Board

**REQUEST FOR BUDGET REVISION, PROJECT
EXTENSION AND REQUEST FOR APPROVAL OF DIRECT
PROJECT SERVICES: UNDP (MAURITIUS)**

Background

1. The Adaptation Fund Board (the Board) in its fifteenth meeting, approved the project “Climate Change Adaptation Programme in the Coastal Zone of Mauritius”, proposed by the United Nations Development Programme (UNDP) in Mauritius (decision B.15/19). As mandated by the decision, an agreement was prepared and signed between the Board and UNDP. Following the Fund’s standard legal agreement template the agreement states:

4.03. Any material change made in the original budget allocation for the Project by UNDP, in consultation with the Executing Entity, shall be communicated to the Board for its approval. “Material change” shall mean any change that involves ten per cent (10%) or more of the total budget.

2. UNDP submitted the first annual project performance report (PPR) for the project in 10 September 2013, and a number of revised and complemented versions and annexes between that date and 11 April 2014. When reviewing the PPR, the secretariat observed that it appeared that a substantial budget reallocation between outputs had been planned. Along secretariat’s requests for additional information from UNDP by both email and through teleconferences, UNDP has clarified that the shifts between outputs total US\$ 922,653. This represents 11.0 per cent of the total budget and is considered “material change” in accordance with paragraph 4.03. of the project agreement. The secretariat reminded UNDP of the requirement to submit such changes for Board approval, and requested UNDP to complement the formal request, as a minimum, with a revised budget with comparison to the original, a revised results framework with comparison to the original, and an explanation that would clarify both the changes and the reasons why they are necessary, as well as an endorsement of the Designated Authority (DA) of the country.

3. The secretariat has reviewed the formal request submitted by UNDP, and notes that it includes the following information:

- (a) A request to the Board to approve three changes in the project budget:
 - i. A budget revision including shifts between outputs and scheduled disbursement;
 - ii. Extension of the project by one year (from 2017 to 2018); and
 - iii. That UNDP is allowed to provide direct project services worth US\$ 3,000 and to charge that to the execution budget of the project;
- (b) An annex that provides details of these requests, as well as the following enclosures:
 - i. Excel spreadsheet that maps out a) proposed budget changes by year, outcome and output, b) the revised GANTT chart, and c) details on implementation progress of output delivery;
 - ii. Letter of endorsement from DA for budget changes and revised GANTT chart;
 - iii. Letter of agreement between DA and UNDP on provisions of direct project services; and
 - iv. Letter of request from Ministry of Environment and Sustainable Development (the project executing entity) to UNDP regarding direct project services.

4. Separately, following an additional request from the secretariat, UNDP submitted an annotated results framework.

Secretariat's analysis of the requests

5. Upon review of the package, the secretariat observed that this request does not affect the total amount of funding already approved for the project, only the allocation of funds among outputs (budget) and over project duration (disbursement schedule). The secretariat also observed that the main reason for the need of a budget revision was explained to be that the cost of consultancy services for preparation of feasibility studies, and design and supervision of works for implementation of coastal adaptation measures at the two coastal sites had turned out to be significantly higher than what had been budgeted for these purposes in the approved fully developed project document, and because of that the bidding exercise arranged by the executing entity had not been successful. Majority of the proposed budget shifts consist of reducing budget allocation for works (Output 1.3), policy and regulation improvement (Component 4) and knowledge management (Component 5), and increasing allocation for technical assessment and design (Outputs 1.1 and 1.2), monitoring system assessment (Output 2.1) and early warning system (Output 2.2). The extension of the project and the reallocation of funds over the project duration in a revised disbursement schedule have been explained to result from extended procurement processes.

6. UNDP confirmed that the budget reductions do not lead to changes in delivered outcomes and outputs, and that the original results framework would still be applicable. The request letter and the annotated results framework that UNDP submitted following a request from the secretariat, explain how this is possible at the output level, as the reduction in some of the budget lines will be compensated by in-kind contributions from the government and JICA, and better efficiency of the delivery plan, e.g. utilizing more national consultants instead of international ones.

7. The secretariat notes that while it is regrettable that the approved project document had been developed based on partly overly optimistic budget assumptions, the changes proposed by UNDP are reasonable and the approach to compensate output budget reductions by increased efficiency is commendable. The request for an extension of the project duration by one year is in line with the project delays policy adopted by the Board through decision B.21/16, as (i) no additional funds are required; (ii) the project's originally approved scope will not change through the extension alone; and (iii) UNDP has provided reasons and justifications for the extension.¹ Also, the reallocation of funds resulting from the delay seems reasonable. Also, the DA has been notified of an extension request, as required. As the extension request appears to be a sound proposal, in the secretariat's view it can be supported.

8. The project execution activities ("direct project services"), which UNDP has requested to be allowed to undertake, are related to conducting procurement using the UNDP procurement platform rather than the country system. The executing entity had initially requested UNDP to do so, explaining that using the country system under the

¹ The approved project delays policy is included in the Report of the Twenty-first Meeting of the Adaptation Fund Board, Annex VI.

Public Procurement Act would lead to substantial delays. The secretariat notes that with regard to this request, in principle the Board decisions to set limitations to execution by implementing entities (decisions B.17/17 and B.18/30) would apply. However, given that the requested budget shift is very small (US\$3,000), and as UNDP is proposing this change together with the executing entity and having involved the designated authority in the process, approving the request to allow UNDP to undertake the execution services with a cost of US\$ 3,000 on an exceptional basis would presumably be a better option than the alternative, i.e. facing delays resulting from lengthy government procurement processes.

9. The secretariat, while recommending the approval of these changes, would like to inform that Board that based on formal and informal exchanges with UNDP, the agency may be submitting similar requests for budget amendments in other projects, and it would be advisable to consider the broader implications of the proposed decision.

Recommendation

10. The draft decision B.23-24/1 is circulated together with this document. In addition to approving the changes proposed by UNDP, the draft decision would also approve the second tranche of funds, in the amount of US \$75,509 as proposed by UNDP in the revised disbursement schedule.

Annexes:

1. The request to the Board to approve three changes in the project budget, dated 17 March 2014, submitted by UNDP through the secretariat, including an annex on that provides details of the request
2. Excel spreadsheet that maps out a) proposed budget changes by year, outcome and output, b) the revised Gantt chart, and c) details on implementation progress of output delivery
3. Letter of endorsement from DA for budget changes and revised Gantt chart;
4. Letter of agreement between DA and UNDP on provisions of direct project services;
5. Letter of request from Ministry of Environment and Sustainable Development for direct project services;
6. Annotated results framework

Annex 1



17 March 2014

Dear Ms. Levaggi,

Re: Adaptation Fund financed 'Climate Change Adaptation Programme in Coastal Zone of Mauritius' (the 'Project'): Request for budget revision, project extension and request for approval of Direct Project Services

We refer to the above Project and the associated grant agreement entered into between the United Nations Development Programme ('UNDP') and the Adaptation Fund Board ('AFB').

On behalf of the Government of Mauritius ('GoM'), UNDP is writing to request approval from the AFB at its 23rd meeting in March 2014 for the following:

1. Budget revision and one year Project extension: the letter of endorsement from the Adaptation Fund Designated National Authority in Mauritius as well as an Excel sheet with the revised financial figures are enclosed;
2. Provision by UNDP of Direct Project Services: a Letter of Request by the GoM and a Letter of Agreement between the GoM and UNDP are enclosed.

The revised financial figures were presented to the Ministry of Environment and Sustainable Development (MoESD) on 18 November 2013 and discussed at the 6th Project Board held on 20 December 2013. To ensure full awareness and approval of the DNA a meeting was held between MoESD and Ministry of Finance and Economic Development on 18 February 2014, followed by the signature of the endorsement letter by the DNA on 24 February 2014.

Ms. Marcia Levaggi
Adaptation Fund Manager
Adaptation Fund Board Secretariat
MSN P-P-400
1818 H Street NW
Washington DC 30433
USA



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Please note that, as per revised expenditure plans, an additional \$71 845 will be required in 2014.

A description of the requested changes, along with the above referenced documents, is annexed to this letter. We kindly request that this request and the associated documents be transmitted to the AFB.

Thank you for your collaboration.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Gold'. The signature is fluid and cursive, with a large initial 'S' and a long, sweeping tail.

Stephen Gold
Office-in-Charge
UNDP/GEF



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ANNEX – DETAILS OF APPROVAL REQUEST

Request for approval of i) budget amendment, ii) project extension and iii) provision by UNDP of Direct Project Services (DPS)

Enclosures to this annex are as follows:

1. Excel spreadsheet that maps out a) proposed budget changes by year, outcome and output b) the revised GANTT chart and c) details on implementation progress of output delivery.
2. Letter of endorsement from AF DNA for budget changes and revised GANTT chart.
3. Letter of agreement between AF DNA and UNDP on provision of DPS
4. Letter of request from Ministry of Environment and Sustainable Development for DPS

A. Budget amendment

At the level of outcomes, budget will need to be re-allocated from Outcomes 4 and 5 to Outcomes 2 and 3 in order to be able to deliver all parts of the project. Outcome 3 budget remains the same. Budget shifts from Outcomes 4 and 5 to Outcomes 1 and 2 amount to \$391, 400. This represents 4.6% of the total grant. This change is lower than the 10 percent threshold change in relation to the total project budget approved by the Adaptation Fund Board, as reflected in the project agreement paragraph 4.03:

4.03. Any material change made in the original budget allocation for the Project by UNDP, in consultation with the Executing Entity, shall be communicated to the Board for its approval. "Material change" shall mean any change that involves ten per cent (10%) or more of the total budget.

The proportion of budget financing 'concrete' adaptation measures (Outcome 1) is higher, increasing from 77% to 79.5%. Budget reductions are possible for Outcomes 4 and 5 because of greater efficiencies afforded by (i) synergies created with complementary projects (ii) in kind contribution from JICA, (iii) larger time contributions from Government and (iv) efficient planning of consultant time.

At the level of outputs, it is important to note that none of the outputs will be dropped. The project team will deliver everything committed to as documented in the project document. Budget shifts are mostly from the policy and knowledge management outputs to the design of coastal protection measures and an early warning system.

Budget shifts are required principally because the costs of design of the technical assessments and design of the coastal protection measures and the early warning monitoring system are



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above original estimates. A first procurement exercise was carried out to test the market. Bids came in too high. A second procurement exercise is currently underway. The tenders have a reduced scope and greater government co-financing. The total budget shifts at the level of outputs is \$922,653. This represents 11% of the total project grant.

B. Project Extension

A 1 year extension will be required due to extended procurement processes. The Government procurement procedure requires two mandatory steps(Expression of Interest and Request for Proposals) for larger scale strategic procurements, which is the case for Consultancy Services for Outcome 1 and 2. The two-steps procurement exercises for Outcome 1 and 2 launched respectively in December 2012 and January 2013 could not lead to contract award because the financial offers received at second stage (RFP) were higher than the earmarked budgets. Table 1 sets out the procurement process undertaken for Outcome 1 by the Government.

The GANTT chart has been revised to reflect the 1-year extension.

C. Direct Project Services requested by Government

UNDP has been requested by the Government to manage the highly strategic procurement for Outcome 1 through a Letter of Agreement signed by the AF Delegated National Authority and a Letter of Request from the Ministry of Environment and Sustainable Development. Direct Project Services of \$3000 will be charged by UNDP to the Project Execution Budget. Letter of Agreement and Letter of Request for this service are enclosed. These have been requested on an exceptional basis and the costs will be part of the execution costs budget of the Project.

Table 1: History of procurement timeline for design of coastal protection measures

| Date | Details |
|-----------------------------|--|
| 1st stage | Expression of Interest for Consultancy Services (Assessment and Design of Coastal Adaptation options for Mon Choisy and Riviere des Galets) |
| 18.10.13 | Draft TOR for Consultancy Services discussed at 3 rd Technical Committee |
| Nov - Dec 13 | Market search |
| 18.12.12 | EOI was launched |
| 23.01.13 | Closing date for submission of bids. 19 Bids were received |
| 04.02.13 | Bid evaluation exercise started |
| 18.03.13 | Bid evaluation completed |
| 21.03.13 | Bid Evaluation Committee Report submitted to Departmental Tender Committee |
| 21.03.13 | BEC Report approved by DTC |
| 26.03.13 | Letter of Notification issued |
| 28.03.13 | Request for debriefing received (Firm 1) |



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| | |
|-----------------------------|--|
| 29.03.13 | Letter of reply issued |
| 04.04.13 | Request for Clarification received (Firm 2) |
| 10.05.13 | Debriefing by DTC (Firm 2) |
| 2nd stage | Request for Proposal for Consultancy Services (Assessment and Design of Coastal Adaptation options for Mon Choisy and Riviere des Galets) |
| 12.04.13 | Draft RFP for Consultancy Services discussed at 6th Technical Committee |
| 24.04.13 | RFP document approved by PSC |
| 26.04.13 | RFP launched by DTC |
| 30.05.13 | 5 bids received at closing date |
| 06.06.13 | Technical Evaluation started |
| 08.07.13 | Technical Evaluation Completed |
| 10.07.13 | Technical Evaluation Report submitted to DTC |
| 10.07.13 | Technical Evaluation Report approved by DTC |
| 16.07.13 | Letter of Notification issued by DTC |
| 22.07.13 | Request for debriefing received (Firm 1) |
| 24.07.13 | Financial Opening of bids by DTC |
| 29.07.13 | Debriefing by DTC (Firm 1) |
| 29.07.13 | Financial Evaluation Started |
| 23.08.13 | Financial Evaluation completed by BEC – Financial offers above project envelope, contract not awarded |

Annex 2

Disbursement plan by Year

| | <i>Upon agreement</i> | <i>Jan 12</i> | <i>Oct 12</i> | <i>Oct 13</i> | <i>Oct 14</i> | <i>Oct 15</i> | | | <i>Total</i> |
|----------------------------------|-----------------------|----------------|----------------|---------------|---------------|----------------|------------------|------------------|------------------|
| <i>As per Original Agreement</i> | <i>Project Funds</i> | 562,330 | 1,616,250 | 3,974,618 | 1,415,236 | 836,396 | | | 8,404,830 |
| | <i>Fee</i> | 285,764 | 28,679 | 82,429 | 202,705 | 72,177 | 42,656 | | 714,410 |
| | <i>Upon agreement</i> | <i>Jan 12</i> | <i>Jan 13</i> | <i>Jan 14</i> | <i>Jan 15</i> | <i>Jan 16</i> | <i>Jan 17</i> | <i>Jan 18</i> | <i>Total</i> |
| Revision Requested | <i>Project Funds</i> | 562,330 | | 71,845 | 834,334 | 1,790,400 | 2,743,163 | 2,402,758 | 8,404,830 |
| | <i>Fee</i> | 285,764 | 28,679 | | 3,664 | 42,551 | 91,310 | 139,901 | 714,410 |
| | TOTAL | 285,764 | 591,009 | | 75,509 | 876,885 | 1,881,710 | 2,883,064 | 2,525,299 |

0.085

Disbursement plan by Outcome

| | Prodoc | Proposed revision | Budget difference | % difference |
|-----------------------|------------------|--------------------------|--------------------------|---------------------|
| 1 | 6,465,700 | 6,680,440 | 214,740 | 3% |
| 2 | 133,705 | 310,365 | 176,660 | 132% |
| 3 | 394,025 | 394,025 | - | 0% |
| 4 | 350,050 | 200,000 | -150,050 | -43% |
| 5 | 561,350 | 320,000 | -241,350 | -43% |
| Budget shift | | | 391,400 | |
| Execution cost | 500,000 | 500,000 | - | 0% |
| Total | 8,404,830 | 8,404,830 | - | 0% |

Disbursement by output

| Output | Prodoc budget | Proposed revision | Budget difference | % difference |
|---------------------------|----------------------|--------------------------|--------------------------|---------------------|
| 1.1 | 205425 | 443260 | 237,835 | 116% |
| 1.2 | 119650 | 619883 | 500,233 | 418% |
| 1.3 | 5755650 | 5232322 | (523,328) | -9% |
| 1.4 | 109000 | 109000 | - | 0% |
| 1.5 | 71175 | 71175 | - | 0% |
| 1.6 | 204800 | 204800 | - | 0% |
| 2.1 | 33155 | 155365 | 122,210 | 369% |
| 2.2 | 100550 | 155000 | 54,450 | 54% |
| 3.1 | 164600 | 164600 | - | 0% |
| 3.2 | 134600 | 134600 | - | 0% |
| 3.3 | 94825 | 94825 | - | 0% |
| 4.1 | 144350 | 50000 | (94,350) | -65% |
| 4.2 | 46025 | 50000 | 3,975 | 9% |
| 4.3 | 72825 | 50000 | (22,825) | -31% |
| 4.4 | 86850 | 50000 | (36,850) | -42% |
| 5.1 | 86050 | 90000 | 3,950 | 5% |
| 5.2 | 131100 | 75000 | (56,100) | -43% |
| 5.3 | 135600 | 60000 | (75,600) | -56% |
| 5.4 | 125550 | 75000 | (50,550) | -40% |
| 5.5 | 83050 | 20000 | (63,050) | -76% |
| Total budget shift | | | 922,653 | |
| Total outputs | 7904830 | 7904830 | 0 | 0 |

Budget revision output level

| | USD | | Output budget difference | Comments on revision |
|---|------------------|------------------|--------------------------|---|
| | ProDoc budget | Revised budget | | |
| OUTCOME 1: Current climate change risks at three coastal sites resolved through design and application of coastal protection measures, using proven technologies. | 6,465,700 | 6,680,440 | 214,740 | |
| Output 1.1 Detailed technical assessment to inform the design of coastal protection measures. | 205,425 | 443,260 | 237,835 | The first procurement exercise undertaken shown that the budget earmarked for output 1.1 and 1.2 is not sufficient. Budget has been increased consequently, based on average estimates. Retendering is ongoing and more information on the actual cost will be available early 2014. |
| Output 1.2.: Technical design of coastal protection measures. | 119,650 | 619,883 | 500,233 | |
| Output 1.3: Successful implementation of coastal protection measures. | 5,755,650 | 5,232,322 | (523,328) | Construction costs have been slightly reduced accordingly. This is the main challenge of the project as visibility is quite low. Accurate cost estimates will be available only after output 1.2 achievement, which will take into account the budget constraint in terms of project budget and Government budget for maintenance in the mid and long term. Government budget dedicated to coastal protection could be mobilized to complement project budget to achieve this output if necessary. Project Output 1.3 is reflected in the AF RF: Outcome 4, output 4. All other outputs are intermediate or supportive outputs to the main project output 1.3. |
| Output 1.4: Development of recommendations on how interventions in other vulnerable areas can be adjusted. | 109,000 | 109,000 | - | |
| Output 1.5: Monitoring programme designed | 71,175 | 71,175 | - | |
| Output 1.6: Installation of monitoring programme | 204,800 | 204,800 | - | |
| OUTCOME 2: Early warning system for incoming storm surge | 133,705 | 310,365 | 176,660 | |
| Output 2.1: Assessment report of the current sea state monitoring systems and recommendations for operational requirements of EWS | 33,155 | 155,365 | 122,210 | The first procurement exercise undertaken and discussions held with the Meteorological Services shown that the budget earmarked for output 2.1 and 2.2 is not sufficient. Budget has been increased consequently, based on average estimates. Retendering is ongoing and more information on the actual cost will be available early 2014. Project Output 2.2 is reflected in the AF RF: Outcome 1, output 2.2. Project Output 2.1 is an intermediate output which is necessary for the delivery of output 2.2. |
| Output 2.2: EWS up and running and effective during future storm events. | 100,550 | 155,000 | 54,450 | |
| OUTCOME 3: Increased capacity to develop infrastructure and conduct livelihoods in the coastal zone of ROM with minimal risk of loss due to CC | 394,025 | 394,025 | - | |
| Output 3.1: Handbook on good CCA practice packaged as training modules developed | 164,600 | 164,600 | - | These three outputs are collectively expected to "strengthen the capacity of national and regional centres and networks to respond rapidly to extreme weather events" - Outcome 2, output 2.1 of the AF RF. |
| Output 3.2: Short course on coastal engineering designed and delivered (twice during programme period). | 134,600 | 134,600 | - | |
| Output 3.3: Course on CBA of coastal adaptation measures designed and delivered (annually over 4 years) | 94,825 | 94,825 | - | |
| OUTCOME 4: Alignment of policy, strategies, plans and regulations with appropriate best practices for adaptation in the coastal zone. | 350,050 | 200,000 | (150,050) | |
| Output 4.1: A national coastal zone adaptation strategy developed | 144,350 | 50,000 | (94,350) | Outputs 4.1, 4.2 and 4.4 will be achieved through the mobilization of 1 international and 1 national consultants. The consultants will be able to build on the legacy of the Africa Adaptation Programme on ICZM, on the ongoing work by JICA on coastal erosion within the same Ministry and on the result of studies conducted under Outcome 1. Output 4.3 will be informed by this consultancy and MoESD staff will be mobilized to ensure output 4.3 achievement and follow up on output 4.1 for Cabinet approval. The four outputs collectively are expected to "Improve the integration of climate-resilience strategies into country development plans" - Outcome 7, output 7 of the AF RF. |
| Output 4.2: A set of recommendations for best practice and institutional adaptation practices suitable for coastal zone | 46,025 | 50,000 | 3,975 | |
| Output 4.3: Creation of a climate change 'clearing house' to guide the climate appropriateness of development projects and have enforcement capacity | 72,825 | 50,000 | (22,825) | |
| Output 4.4: Recommendation for new economic instruments developed. | 86,850 | 50,000 | (36,850) | |
| OUTCOME 5: Effective capturing and dissemination of lessons learned | 561,350 | 320,000 | (241,350) | |
| Output 5.1: Handbook and website content capturing best coastal adaptation practices for RoM. | 86,050 | 90,000 | 3,950 | 1 international consultant will advise on the content of the handbook and website, based on Outcome 1 deliverables and 1 national consultant will develop the handbook and website. |
| Output 5.2: Dissemination of lessons learned regionally | 131,100 | 75,000 | (56,100) | Material will be prepared by the Ministry and disseminated through a regional lessons sharing tour. |
| Output 5.3: Interpretive signs and small-scale models of coastal processes designed and installed at each site explaining the science behind CC and the adaptation measure. | 135,600 | 60,000 | (75,600) | The international consultant mobilized for output 5.1 will design the signs and models. Displays will be installed by the Ministry staff. |
| Output 5.4: Public awareness campaigns designed and delivered involving the media. | 125,550 | 75,000 | (50,550) | This process already started thanks to the Project Management team mobilization to raise the media's interest for the project. A local communication consultant will be recruited to develop TV awareness spots, which diffusion will be organized by the Ministry. |
| Output 5.5: Priority ranking of vulnerable coastal sites established to guide the order of future investments. | 83,050 | 20,000 | (63,050) | This output will be achieved by the Project Technical Committee based on the deliverables of the whole project and other ongoing Coastal Adaptation project led by the Ministry, the Mauritius Oceanography Institute and JICA. |
| EXECUTION COSTS | 500,000 | 500,000 | - | |
| GRAND TOTAL | 8,404,830 | 8,404,830 | - | |

Annex 3



MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT

Government Centre, Port Louis, Mauritius

CF/50/100/40/11/5/V8

Mrs Marcia Levaggi
Manager
Adaptation Fund Board Secretariat
MSN P-4-400
1818 H Street NW
Washington DC 20433 USA

24 February 2014

Dear Mrs Marcia Levaggi,

Subject: Climate Change Adaptation Programme in Coastal Zone of Mauritius Project
Revised Budget Allocation and Revised Gantt Chart

In my capacity as the Designated Government Authority for the Adaptation Fund, I am pleased to endorse the Revised Budget Allocation and Revised Gantt Chart prepared by the Ministry of Environment and Sustainable Development in collaboration with the UNDP Country Office in Mauritius.

The revised budget allocation together with the proposed Gantt Chart are annexed for your consideration.

Thank you for your usual cooperation and collaboration.

Mr. Dharam Dev MANRAJ
Financial Secretary
Designated Government Authority

Copy: Ministry of Environment and SD

Annex 4



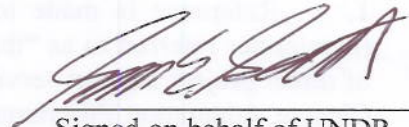
**LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT
FOR THE PROVISION OF DIRECT PROJECT SUPPORT SERVICE**

Dear Mr. Manraj,

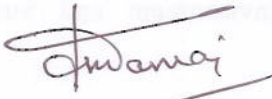
1. Reference is made to consultations between officials of the Government of Mauritius (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of direct project support service by the UNDP Country Office to the nationally managed "Climate Change Adaptation Programme in the Coastal Zones of Mauritius". UNDP and the Government hereby agree that the UNDP Country Office may provide the direct project support service described in the Attachment to this Letter of Agreement, duly signed by the Government and UNDP Country Office, at the request of the Ministry of Environment and Sustainable Development, as described below.
2. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures.
3. The direct project support service to the nationally managed "Climate Change Adaptation Programme in the Coastal Zones of Mauritius" to be provided by UNDP Country Office is detailed in the Attachment to this Letter of Agreement which shall be annexed to the Project Document.
4. The relevant provisions of the UNDP Standard Basic Assistance Agreement with the Government of Mauritius (the "SBAA"), including the provisions on liability and privileges and immunities, shall apply to the provision of such direct project support service. The Government shall retain overall responsibility for the nationally managed "Climate Change Adaptation Programme in the Coastal Zones of Mauritius" through its designated institution, namely the Ministry of Environment and Sustainable Development. The responsibility of the UNDP Country Office shall be limited to the provision of the direct project support service detailed in the Attachment to this Letter of Agreement.
5. Any claim or dispute arising under or in connection with the provision of direct project support services by the UNDP Country Office in accordance with this Letter of Agreement shall be handled pursuant to the relevant provisions of the SBAA.
6. The manner and method of cost-recovery by the UNDP Country Office in providing the direct project support service is described in the Attachment to this Letter of Agreement.
7. The UNDP country office shall submit progress reports on the direct project support service provided and shall report on the costs reimbursed in providing such services, as may be required.
8. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

9. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision, at the request of the Ministry of Environment and Sustainable Development, of the support service described in the Attachment, by the UNDP Country Office, to the nationally managed "Climate Change Adaptation Programme in the Coastal Zones of Mauritius".

Yours sincerely,



Signed on behalf of UNDP
Mr Simon Springett
UNDP Resident Representative
Date: 16/10/13



For the Government
Mr. Dev Manraj
Financial Secretary
Ministry of Finance and Economic Development
Date: 11/10/2013

Attachment

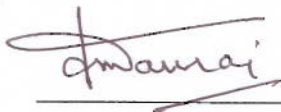
**DESCRIPTION OF DIRECT PROJECT SUPPORT SERVICE TO BE PROVIDED BY
UNDP COUNTRY OFFICE**

1. Reference is made to consultations between Ministry of Environment and Sustainable Development, the institution designated by the Government of Mauritius for implementation of the "Climate Change Adaptation Programme in the Coastal Zones of Mauritius", and officials of UNDP with respect to the provision of direct project support service by the UNDP Country Office to the nationally managed project "Climate Change Adaptation Programme for the Coastal Zones of Mauritius".

2. In accordance with the provisions of the Letter of Agreement signed on ... October 2013 ... and the "Climate Change Adaptation Programme in the Coastal Zones of Mauritius" project document, the UNDP Country Office shall provide support service to the project "Climate Change Adaptation Programme for the Coastal Zones of Mauritius" as described below.

3. Support service to be provided:

| Direct project support service | Schedule for the provision of the support service | Cost to UNDP of providing such support services | Method of reimbursement of UNDP |
|---|---|---|--|
| Complex procurement (above 100,000 USD) of Consultancy Services for preparation of the feasibility studies, design, preparation of bid documents and supervision of works for the implementation of coastal adaptation measures at Mon Choisy and preparation of the feasibility studies of coastal adaptation measures at Rivière des Galets | Between 10 and 15 weeks | 3,000 USD | Directly charged to project execution budget |



For the Government
Mr. Dev Manraj
Financial Secretary
Ministry of Finance and Economic
Development

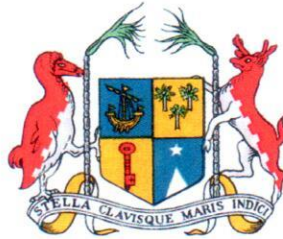


Signed on behalf of UNDP
Mr Simon Springett
UNDP Resident Representative

Annex 5

In reply please quote:

ENV/CLI/FUND/KYOTO/VOL 6



**Ministry of Environment &
Sustainable Development**
Department of Environment
2nd Floor, Ken Lee Tower
Barracks Street
Port Louis
Tel : 203 6200
Fax: 210 6685

23 October 2013

**The Resident Representative
UNDP
5th Floor, Anglo Mauritius House
Intendance Street
Port Louis**

Dear Sir,

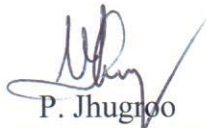
Adaptation Fund Project
Climate Change Adaptation Programme in the Coastal Zone of Mauritius

In the context of the Adaptation Fund Project, one of the major deliverables comprises the implementation of coastal adaptation works at two coastal sites namely, Mon Choisy and Riviere des Galets.

2. This Ministry had conducted a bidding exercise for procurement of consultancy services for preparation of feasibility studies, design and supervision of works for implementation of coastal adaptation measures at the two coastal sites. The overall process, including the expression of interests, request for proposals and evaluation of bids were undertaken in compliance with the Public Procurement Act (PPA).
3. The price of the lowest evaluated responsive bid was substantially above the budgetary allocation in the project document. In these circumstances, a rebid exercise is warranted in line with the PPA. However, this scenario would result in substantial delay in implementation of coastal adaptation works.
4. In view of the lengthy process of such procurement procedures under the PPA, the Project Steering Committee approved on 24 July 2013 that the re-bid exercise be undertaken using the UNDP platform.
5. In light of the above, a letter of agreement has duly been signed between the UNDP and Ministry of Finance and Economic Development to enable this support services from the UNDP.
6. Accordingly, this Ministry is hereby requesting that the procurement of the above consultancy be undertaken as per para. 4 above.

7. A copy of the Terms of Reference, as discussed, for the proposed consultancy services is herewith attached.
8. It is also understood that an all-inclusive fee of USD 3,000 would be payable to the UNDP for the direct project support service.
9. We thank the UNDP for its collaboration in this procurement exercise.

Yours faithfully,



P. Jhugroo
Permanent Secretary

Annex 6

AF results framework: Mauritius

| | Statements | Indicator | Output | Indicator | Scale of output committed to in prodoc | Change in current strategy |
|------------------|---|--|--|--|--|---|
| Objective | To increase climate resilience of communities and livelihoods in coastal areas in Mauritius | Number of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by asset types) | | | | |
| Outcome 1 | Increased adaptive capacity within relevant development and natural resource sectors | Number of physical assets strengthened or constructed to withstand conditions resulting from climate variability and change (by asset types) | Vulnerable physical, natural and social assets strengthened in response to CC. | Number of physical assets strengthened or constructed to withstand conditions results from CC (by asset types). | Physical works properly designed and constructed at each of the three sites | No change |
| Outcome 2 | Reduced exposure at national level to climate-related hazards and threats. | Relevant threat and hazard information generated and disseminated to stakeholders on a timely basis. | assessments conducted and updated at a national level. | Development of an EWS | Early warning system up and running and effective during future storm events, such that no people in vulnerable coastal areas are exposed to storm surges in the future. | No change, potential co-financing identified |
| Outcome 3 | Strengthened institutional capacity to reduce risks associated with climate-induced socio-economic and environmental losses | Number and type of targeted institutions with the capacity to minimise exposure to CC. | Strengthened capacity of national and regional centres and networks to respond rapidly to extreme weather events. | No of staff trained to respond to and mitigate impacts of climate-related events. | By 2016, at least 300 people, at least half of them women, trained. Coastal engineering short course designed and delivered (2x); at least 40 trainees certified. | No change |
| Outcome 4 | Improved policies and regulations that promote and enforce resilience measures. | Number, type and sector of policies introduced or adjusted to address CC. | Improved integration of climate-resilience strategies into country development plans. | Number, type and sector of policies introduced or adjusted to address climate change risks. | National Coastal Zone Adaptation Strategy in place which addresses all perceived climate change risks in the coastal zone over the next 20 years, with clear recommendations for appropriate policies, regulations, and guidelines for adaptation. | No change, potential synergies with completed projects identified |
| Outcome 5 | Knowledge dissemination & management | Effective capturing and dissemination of lessons from the applied activities in the programme. | 1. Handbook, training modules and website content capturing best coastal adaptation practices for Mauritius; 2. Dissemination of lessons learned with other locations in Southern Indian Ocean; 3. Interpretive signs and small-scale models of coastal processes designed and installed at each site; 4. Public awareness campaigns delivered involving the Mauritian media; 5. Priority ranking of vulnerable coastal sites established to guide future CCA investments. | 1. Handbook, training modules and website content produced; 2. Dissemination of lessons learned with other locations in Southern Indian Ocean; 3. Interpretive signs and small-scale models of coastal processes designed and installed at each site; Visitor attendance recorded; 4. Public awareness campaigns delivered to all coastal villages in 23% of beaches at risk in ROM; 5. Priority ranking of vulnerable coastal sites established to guide future CCA investments; three sites for further investments identified using other sources of funding. | Capturing and dissemination of lessons learned. | No change |