

**PILOT PROGRAM FOR CLIMATE RESILIENCE
BUSINESS DEVELOPMENT FOR RESILIENCE PROGRAM
COVER PAGE FOR PROJECT FUNDING APPROVAL REQUEST**

1. Country/Region:	Uganda	2. CIF Project ID#:	<i>(Trustee will assign ID)</i>	
3. Type of CIF Investment:	Public <input checked="" type="checkbox"/>		Private <input type="checkbox"/>	
4. Project/Program Title (same as in CCH):	Promoting Climate Resilient Urban Infrastructure in Lake Victoria Water and Sanitation Project – Phase III			
5. Indicate Track*:	Track 1 C			
6. Sector/Theme:	Water Development and Sanitation			
7. Project Lifetime:	2 Years			
8. Is this a private sector program composed of sub-projects?			No	
9. Funding Request from PPCR (in USD) including PPG:	Grant:	USD 725,000		
	Non-Grant:	0		
	Total:	USD 725,000		
	Amount allocated for PPG:			
Financial Product		USD	EUR^[b]	
Grant		725,000		
Fee on grant				
MPIS		35,000		
		USD 760,000		
Public sector loan – Senior loan				
First loss guarantees				
Second loss guarantees				
Equity				
Senior loan				
Senior loans in local currency hedged				
Subordinated debt / mezzanine instruments with income participation				
Subordinated debt/mezzanine instruments with convertible features				
Convertible grants and contingent recovery grants/loans				
Other (please specify)				
Total		USD 760,000		
10. Implementing MDB(s):	African Development Bank			
11. Other MDB Involvement:	<i>MDB:</i>	<i>Type of Involvement:</i>		
12. National/[Regional] PPCR Focal Point, if applicable:	Ms. Margaret Athieno Mwebesa Commissioner Climate Change Department, Ministry of Water and Environment, margathieno@yahoo.com			

13. National/[Regional] Executing Agency ¹ for project:	Ministry of Water and Environment Urban Water Supply and Sewerage Services Department	
14. MDB PPCR Focal Point and Task Team Leader (TTL):	<i>Headquarters-PPCR Focal Point:</i> Gizaw, Kidanua Abera Climate Finance Officer, Climate and Green Growth Department, African Development Bank, k.gizaw@afdb.org	TTL: Mr. Andrew Mbiro (AfDB) Water and Sanitation Officer a.mbiro@afdb.org Co-TTL: Emmanuel Olet Water Development Officer e.olet@afdb.org
15. Project Description and Justification for Funding:		
<p>1. Provide project description</p> <p>The proposed technical assistance seeks to enhance the resilience of the selected towns (Greater Gomba, Greater Bugadde and Greater Rakai small towns) under the Phase III of the Lake Victoria Water and Sanitation Project, by mainstreaming climate adaptation into water and sanitation supply systems to ensure all-year round access and services. Urban areas in Uganda are confronting escalating water and sanitation-related challenges compounded by climate change and projected growth. The risks and associated costs of climate change are linked to structural inequalities, which leave communities exposed and vulnerable. Often, the infrastructure in fast-growing settlements is precarious, and inhabitants often live in vulnerable situations.</p> <p>Uganda completed its Strategic Program for Climate Resilience (SPCR) and agreed to priority investment projects under the Pilot Program for Climate Resilience (PPCR) projects in 2017. The 5 priority thematic areas for its SPCR include (i) Climate resilient agriculture, (ii) Urban and rural resilience and infrastructure, (iii) Resilient landscapes /water catchment management (including wetlands), (iv) Hydro-meteorological services, and (v) Strengthening institutional capacity in addressing climate change issues. Proper formulation and implementation of actions under these priority SPCR themes will contribute to building climate resilience, reduce poverty and improve inclusive socio-economic growth.</p> <p>Significant technical assistance is required to ensure that the investment areas endorsed for the country’s climate resilience vision achieve an adequate level of sectoral readiness. The Bank is prepared to support these activities in order to advance the priorities of Uganda’s SPCR in the water sector.</p> <p>2. Elaborate how the proposed project is consistent with the strategic objectives of BDRP and eligible activities under a particular track (Track1A, 1B, or 1C) as described under the Options paper.</p> <p>Phase III of the Lake Victoria Water and Sanitation Project, responds to priorities (ii), (iii), (iv) and (v) in the Strategic Program for Climate Resilience (SPCR). The Lake Victoria Water and Sanitation Project aims to ensure access of the population to climate resilient urban water and sanitation infrastructure by mainstreaming adaptation measures across the project cycle for sustainable socio-economic transformation. Improved access and utilization of water resources by all under the principle of leaving no one behind contributes to Uganda’s development targets under the Vision 2040 and the SDG 6. Climate change is causing changes in seasonal rainfall patterns, resulting in more frequent and more serious droughts and floods, which affects the functionality of WSS systems. Better management of uncertainties related to the impacts of weather extremes; variability is key to enhanced functionality of the water supply and sanitation systems. The project will enhance adaptive capacity by strengthening the regulatory framework to improve preparatory and contingency planning for extreme events.</p>		

¹ This can be a Government agency or a private sector firm.

It will integrate traditional knowledge to improve hydro-meteorological and climate services, so that local communities become active participants in adaptation projects. Technical Assistance is also required to mainstream climate action in the entire project cycle. This requires a review of the detailed designs to address climate risks and vulnerabilities on the water and sanitation infrastructure to inform adaptation. Efforts will also be undertaken to align project planning with nationally determined contributions and long-term strategies, so that investment projects are planned with a resilience focus.

3. Justify the rationale for PPCR funding to ensure it is not utilized as a substitute to regular MDB financing or other bilateral funds that are already intended to support technical assistance and capacity building components in MDB projects to ensure success.

This TA will be used to mainstream climate adaptation into the planned water and sanitation investments under the Lake Victoria Water and Sanitation Program III. The proposed project will contribute to the preparation of climate resilient water supply projects under the Lake Victoria Water and Sanitation Project III, under Track 1C through undertaking climate risk assessments, mainstreaming climate adaptation into the baseline program and mobilizing climate finance for climate adaptation measures. Designing resilient WSS system requires (1) an understanding of the system's vulnerability to hazards, given the vulnerability of its components to climate change and/or natural disasters; (2) evaluating components' vulnerability to various hazards and estimating key components' type(s) of failure (and the corresponding minimum hazard level) and potential impact at various hazard levels; and (3) identifying risk mitigation options at the component (i.e., asset) level and selecting the optimum measures. Building flexibility into the design is expected to enhance resilience by selecting components or formulating standards that can easily be altered to accommodate increasingly severe climate change-related hazards.

16. Objective:

The objective of the technical assistance is to enhance the resilience of the selected towns (Greater Gomba, Greater Bugadde and Greater Rakai small towns) under the Phase III of the Lake Victoria Water and Sanitation Project, by mainstreaming climate adaptation into water and sanitation supply systems to ensure all-year round access and services. The project interventions will entail: (i) Climate Risk Assessment for strengthened urban water supply and sanitation infrastructure investments in the selected towns (Greater Gomba, Greater Bugadde and Greater Rakai small towns) (ii) Mainstreaming of climate adaptation into WSS programming and design and (iii) Strengthened knowledge for improved climate informed decision-making for the water supply and sanitation sector at all levels.

<p>17. Is the proposed TA/Project linked to an ongoing MDB project or an MDB project under preparation?</p>	<p>Yes <input checked="" type="checkbox"/></p>	<p>No <input type="checkbox"/></p>
<p>18. If yes, which project is it linked to and what is the project status (i.e., ongoing or under preparation)?</p>	<p>The project is linked to the planned Lake Victoria Water and Sanitation (LVWATSAN) - Phase III project, a pipeline project scheduled for board approval in 2023. The proposed TA will promote climate resilient urban water and wastewater infrastructure. This TA will enable the Ministry of Water and Environment to climate proof the water supply and sanitation systems as well as strengthen catchment management.</p>	

	The baseline project has a 5-year implementation period effective 2024, with financing of UA 24.0 million (\$32.2 million). The TA will contribute to program implementation. It will also contribute to the Bank water strategy (2021-2025) by building resilience for water sector infrastructure, systems, and stakeholders. By doing so it will contribute to clean water and sanitation for all (SDG 6), poverty reduction (SDG 1), hunger reduction (SDG 2), sustainable cities and communities (SDG 11), and action to combat climate change impacts (SDG 13).
19. Expected Date of MDB Approval:	September 2023
20. Expected Outcomes	
a) Enhanced climate resilient designs of water supply and sanitation systems and related planned catchment management interventions b) Increased institutional capacity for climate risk management in Urban Infrastructure in Lake Victoria Water and Sanitation Project – Phase III c) Improved community awareness and uptake of climate-smart water resources management	
21. Key Results and Indicators for Success (consistent with PPCR Core indicators, and including indicators disaggregated for women and men, and if relevant vulnerable and excluded groups including ethnic and racial minorities, persons with disabilities, Indigenous Peoples, etc.)	
Result	Indicator and Targets
Strengthened Climate-Informed Water Supply and Sanitation Project Design	<ul style="list-style-type: none"> Tools and instruments for mainstreaming climate risks into WSS investments (target 2 No) Updated technical feasibility/engineering designs with climate-adaptive technologies (target 1 No)
Strengthened Ministry of Water and Environment capacity in climate risk management for water supply and sanitation infrastructure	<ul style="list-style-type: none"> Number of people trained in climate resilient water and sanitation technologies (target 200, 50% women) Number of officials trained in climate risk management for urban infrastructure (target 100, 50% women)
Communities sensitized to climate change’s impact on water management	<ul style="list-style-type: none"> Proportion of women and/or women’s groups participating in water user committee (Indicative target: At least 50% women) Proportion of beneficiaries (Women/Men) reporting that they are satisfied with the training on catchment protection and water resource usage (Indicative target: At least 50% women).
22. Budget:	
Expenditures²	Amount (USD) - estimates

² Expenditure categories should be provided by the MDBs based on own procedures.

Consultants for development of climate risk information for integration into the urban water supply and sanitation infrastructure investments and mainstreaming of climate adaptation into water and sanitation programming and design	625,000	
Consultation and workshops	100,000	
Sub total	725,000	
Operational Costs. MDB Project Implementation service Fees	35,000	
Total Cost	760,000	
Co-Financing ³ :	<i>Amount (USD)</i>	<i>Type of contribution:</i>
• Government	3.2 million	Counterpart contribution
• MDB	32 million	ADF Loan
• Private Sector	0	
• Others (please specify)		
Co-Financing Total	35.2 million	
23. Role of other Partners involved in project⁴:		
<p>Government of Uganda-Recipient of the Grant. The Ministry of Water and Environment through Urban Water Supply and Sewerage Services Department as the executing agency will be the lead agency in the implementation of the project. The Department will be responsible for the timely delivery of inputs and outputs and for the coordination of the stakeholders, including other agencies and Local Governments. The Department shall appoint a Project Coordinator who will be in charge of the PMU.</p>		
24. Implementation Arrangements (incl. procurement of goods and services):		
<p>The recipient of the TA Grant is the GoU through the Ministry of Finance, Planning and Economic Development and the Ministry of Water and Environment, Department of Urban Water Supply and Sewerage Services as the executing agency. The project activities shall be managed by the Project Management Unit which shall comprise of the Project Coordinator, Project Engineer, Environmental Health Specialist, Social Scientist, Procurement Specialist and a Senior Accountant. These staff shall be the mainstream staff of the MWE specifically appointed to manage and implement the project. The Project has a Task Force that coordinates activities with the various agencies of the Government and provides guidance to project implementation. Town Project Teams (TPT) and Multi Stakeholder Forums (MSF) shall be formed comprising of key technical staff of the Town Local Authorities, to engage in supervision of the project at local level and facilitate solving challenges faced in project implementation.</p> <p>Procurement will be carried out by the executing agency, MWE, in line with Uganda's Public Procurement Laws and in accordance with the Procurement Policy for the African Development Bank. For each contract to be financed by the Grant, the different procurement methods or consultant selection methods; estimated costs; prior-review requirements; and time frame that have been agreed between the Grantee and the Bank will be provided in the updated Procurement Plan for the project.</p>		

³ This includes in-kind contributions (monetary value), MDB loan or grant, parallel financing, etc.

⁴ Other local, national and international partners to be involved in implementation of the project.

The Ministry of Water and Environment under the Department of Urban Water Supply and Sewerage Services shall coordinate project implementation, manage the specific activities and financial management ranging from planning and budgeting, record keeping, accounting and reporting.

The Monitoring and Evaluation plan will be consistent with that of the pipeline LVWATSAN III project. Reporting of the M&E results will be made to AfDB and the CIF. The MWE, will prepare progress reports on a quarterly basis, which will highlight the progress toward meeting the project's targets as reflected in the result-based logical framework. A terminal evaluation will be conducted before project closure.

25. Stakeholder Engagement

The TA will help enhance water sector stakeholders' awareness and capacity in climate-resilient policy making and investment planning. It will support counterparts in line agencies, utilities, local bodies, and planning, through workshops, seminars, and/or training to build capacity, create an enabling environment, and improve absorptive capacity to (a) balance water related investment and infrastructure needs against future risks and consideration of climate investment options; (b) enhance access to climate finance and (c) promote collaboration between stakeholders.

26. Gender and Social Inclusion Considerations and Expected Results:

The Project includes actions to ensure women actively participate in (i) program-related public consultations and (ii) management decisions of community WASH services. The proposed actions will be closely monitored in the Results Framework by an indicator tracking the proportion of WASHCOMs with at least 50% participation from women. The areas that are affected by perennial flooding will be of utmost importance. The project will also involve local women Engineers and other technical professionals in coordination activities with the lead design experts in the preparation of the climate proofed detailed engineering designs. This will also enable them to gain additional technical know-how on incorporating climate-proofing measures for water supply and other infrastructures.

27. Other Information:

None