

Scaling up local adaptation and climate-risk informed planning for resilient livelihoods

Part I: Project Information

GEF ID

10100

Project Type

FSP

Type of Trust Fund

LDCF

Project Title

Scaling up local adaptation and climate-risk informed planning for resilient livelihoods

Countries

Mozambique,

Agency(ies)

UNDP,

Other Executing Partner(s):

MITADER (Ministry of Land, Environment and Rural Development)

Executing Partner Type

Government

GEF Focal Area

Climate Change

Taxonomy

Focal Areas, Climate Change, Climate Change Adaptation, Livelihoods, Climate resilience, Community-based adaptation, Mainstreaming adaptation, Least Developed Countries, Climate Change Mitigation 0, Climate Change Adaptation 2, National Adaptation Plan, Private sector, Adaptation Tech Transfer, Influencing models, Strengthen institutional capacity and decision-making, Stakeholders, Local Communities, Communications, Awareness Raising, Behavior change, Civil Society, Community Based Organization, Private Sector, Individuals/Entrepreneurs, SMEs, Financial intermediaries and market facilitators, Type of Engagement, Consultation, Information Dissemination, Partnership, Participation, Gender Equality, Gender results areas, Capacity Development, Access to benefits and services, Access and control over natural resources, Gender Mainstreaming, Gender-sensitive indicators, Capacity, Knowledge and Research, Enabling Activities, Knowledge Generation, Seminar, Training, Innovation, Climate Finance (Rio Markers)

Duration

72

In Months

Agency Fee(\$)

848,580

Submission Date

10/4/2018

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
CCA-1	LDCF	7,350,000	37,500,000
CCA-2	LDCF	909,420	5,000,000
CCA-3	LDCF	673,000	500,000
Total Project Cost (\$)		8,932,420	43,000,000

B. Indicative Project description summary

Project Objective

Strengthen the capacity of rural agro-pastoral communities and sub-national governments to plan for and adapt to climate change

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
1. Adaptation measures included in the district level Local Adaptation Plans (LAPs) implemented to	Investment	Enhanced capacities of agro-pastoral communities to adapt to climate change strengthening their livelihoods, indicated by: (i)	1.1. Agro-pastoral systems and livelihoods in 7 districts (5 with already approved Local Adaptation Plans-LAPs and 2 with LAPs developed under	LDCF	7,007,067	37,500,000

advance
climate-resilient
livelihoods
(Implementation
of LAPs)

increase in the
income level of
targeted
communities; (ii)
value-addition
and market
access for
promotion of
climate resilient
livelihoods; (iii)
diversified
livelihoods of
target
communities

Baseline and
targets to be
determined
during PPG.

Estimated budget
of US\$ 1,000,000
per target
district.

Outcome 2) made
more resilient
through training
and
investments in
small-scale water
harvesting/
irrigation systems
/water
conservation
measures and
small
infrastructure,
crop
diversification
and seed
dissemination to
farmers
(introduction of
drought-resistant
varieties); and
capacity
development for
climate-smart
agricultural
technologies and
practices
including climate-
resilient crop
development, soil
management and
range of SLM
(Sustainable Land
Management)

measures. This output will rely largely on farmer associations for training and facilitating access to the technologies and innovations identified as part of the project. Specific investments will be guided by the LAP for each districts chosen during the PPG.

1.2. Community livelihoods diversified and resilient value-chains and markets strengthened. The support will include: promotion, value addition and support for development of climate-resilient value chains based on market

analysis;
establishment of
small-scale
community agro-
processing
centers; and
assessment and
application of
clean energy
supply for the
agro-processing
centers and
diversification of
activities
(apiculture,
handicraft,
aquaculture, etc.);
enhanced market
access for rural
communities,
through improved
marketing
infrastructure
through
development of
post-harvest
storage and
packaging and
processing and
sales facilities and
capacity.

1.3. Access to
finance in support

			of climate-resilient livelihoods increased through evidence-based scale-up of micro-finance schemes/ methodologies (credits, saving groups, etc.)			
2. Institutional and community capacity strengthened at district and provincial level for climate-risk informed sub-national planning and budgeting for resilient communities (Capacity building to mainstreaming adaptation into planning and budgeting at	Technical Assistance	Institutional and community capacities strengthened for integrating climate change risks and adaptation options into sub-national level planning and budgeting, indicated by: (i) increased capacity for district/provincial level officials and communities to utilize climate-	2.1. At least 5 new LAPs and at least 3 Provincial Adaptation Plans elaborated in highly vulnerable areas based on priority and based on the target districts chosen under Outcome 1 for provinces; 2.2. Capacity of district and provincial officials and communities enhanced to integrate LAPs	LDCF	1,500,000	5,500,000

subnational
level)

risk assessment
and cost-benefit
tools (or other
kind of economic
assessments) in
targeted districts
for the
agriculture
sector;

(ii) capacity of
communities to
access financial
support for
climate resilience
from district-
level financial
facilities;

(ii) adaptation
measures
integrated into
sectoral planning
at sub-national
level

Baseline and
targets to be
determined
during PPG

priorities into
local
development
planning and
budgeting.

2.3. Enhanced
capacity of
districts/provinces
through technical
assistance on
development of
screening and
M&E & MRV
procedures/tools
to facilitate access
to district-level
financial support
for climate-
resilience efforts
led by
communities.

2.4. Codification,
generation and
dissemination of
community-based
knowledge and
lessons learned on
LAPs and
Provincial
Adaptation Plans
elaboration
processes through

knowledge products, seminars, MITADER website, and exchange visits organized to promote linkages between communities, districts, provincial and national-levels on adaptation planning and implementation. (could also involve South-South learning exchanges).

	Sub Total (\$)	8,507,067	43,000,000
Project Management Cost (PMC)	LDCF	425,353	0
	Total Project Cost (\$)	8,932,420	43,000,000

For multi-trust fund projects, provide the total amount of PMC in Table B and indicate the list of PMC among the different trust funds here:

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
Government	MITADER/DNDR (Promotion of rural markets Programme (PROMER), Local Economic Development Programme (ProDEL), Development European Fund / European Commission (FED/CE), Sweden)	Grant	Investment mobilized	24,000,000
Government	MITADER/DNDR (Promotion of rural markets Programme (PROMER), Local Economic Development Programme (ProDEL), Development European Fund / European Commission (FED/CE), Sweden)	In-kind	Recurrent expenditures	6,000,000
Government	Social and Economic Plan & Budget for the District (PESOD)	Grant	Investment mobilized	2,000,000
Government	Social and Economic Plan & Budget for the District (PESOD)	In-kind	Recurrent expenditures	500,000
Government	Development District Fund	Grant	Investment mobilized	5,000,000
GEF Agency	UNDP (GCF Readiness NAP)	Grant	Investment mobilized	3,000,000
GEF Agency	UNDP and UN Environment (SUNRED2)	Grant	Investment mobilized	2,500,000
Total Project Cost(\$)				43,000,000

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Describe how any "Investment Mobilized" was identified

The government co-financing is drawn from a mix of donor-funded projects and national budget allocations. At this stage, figures are indicative and the part corresponding to recurrent expenditures to cover operational expenses is estimated at 20% overall. Some of the activities funded by this co-financing contribute directly to activities identified in this PIF or that this PIF seeks to complement. This is especially the case for the PESOD funding, which is meant to support the development of Local Adaptation Plans. The Development District Fund is a government loan scheme with low interest rate for districts' beneficiaries.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
UNDP	LDCF	Mozambique	Climate Change		8,932,420	848,580
Total Project Cost(\$)					8,932,420	848,580

E. Project Preparation Grant (PPG)

PPG Amount (\$)
200,000

PPG Agency Fee (\$)
19,000

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)
UNDP	LDCF	Mozambique	Climate Change		200,000	19,000
Total Project Costs(\$)					200,000	19,000

Part II. Project Justification

1a. Project Description

Briefly Describe

- a. The global environmental and/or adaptation problems, root causes and barriers that need to be addressed;
- b. The baseline scenario or any associated baseline Programs;
- c. The proposed alternative scenario with a brief description of expected outcomes and components of the Program;
- d. alignment with GEF Focal Area and/or Impact Program Strategies
- e. Incremental/additional cost reasoning and expected contributions from the baseline, the GEF TF, LDCE, SCCF, CBIT and co-financing;
- f. global environmental benefits (GEF TF) and/or adaptation benefits (LDCE/SCCF); and
- g. Innovation, sustainability and potential for scaling up.

1) Systems descriptions

Geographical and Socioeconomic Context

Mozambique stretches for 2700 km along Africa's southeast coast. The country is generally a low-lying plateau that is broken up by 25 rivers that flow into the Indian Ocean. Mozambique is a Least Developed Country (LDC) with a high poverty rate of 55%, and with most of the poor living in rural areas[1]. For two decades, Mozambique's economy has grown on average by over 7% per annum; however, there was a significant deterioration in the current account balance during 2015 and 2016, triggering a large currency devaluation (above 40%) that exposed the country's economic and financial fragility. While, recently, mining, energy, transport, services, and tourism sectors have been growing, the country is still primarily characterized as an agricultural economy. Agriculture contributes to about 24% of the national GDP and engages roughly 80% of the total population (90% of rural households). About 60% of the land is classified as managed land, including agriculture and permanent pastoral lands. Biomass is a predominant source of energy accounting for about 78% of the energy supply. High population growth (estimated at 2.44%) is compounding the various challenges for the country that already relies heavily on foreign aid.

Climate change and vulnerability

Mozambique has been ranked the third most vulnerable country to climate change in Africa. Climate change projections for Mozambique anticipate impacts through temperature and precipitation pattern changes, increased frequency and intensity of extreme weather events, and sea level rise (SLR). Climate scenarios developed for Mozambique's First National Communication (FNC), and later confirmed by INGC (National Institute of Disaster Management) in 2009, indicate that by 2075, average temperatures may rise between 1.8°C and 3.2°C and precipitation may decrease by 2-9%. Projected changes in precipitation patterns include erratic rainfall, intense precipitation in short times, and extension in rainy season and drought. Climate change is expected to increase the intensity and frequency of extreme weather events such as extraordinary floods in specific prone locations classified as 'risk zones', cyclones and strong winds, and prolonged droughts. Floods and cyclones are the most frequent disasters, although drought affects by far the largest number of people and has the greatest direct impact on livelihoods. The WB (2013) estimates that 41% of the country's coastal area is vulnerable to natural disasters affecting 380,000 people. Projected sea-level rise is expected to result in erosion and submersion of coastal areas, saltwater intrusion, desertification and reduction in arable lands.

Extreme events result in the loss of human lives, crops, livestock and wildlife; the destruction of social and economic infrastructure; increased dependency on international support; food price increases; harm to human health and the environment; and the destruction of ecosystems. For instance, the 2000 cyclones and floods displaced more than 500,000 people and reduced GDP growth from 8% in 1999 to 1.5%. Droughts have also caused a significant damage to livelihoods and the economy with economic costs estimated at over USD4 million per event. Climate change impacts due to reduced rainfall, decreased recharge of aquifers, increased evapotranspiration, and saltwater intrusion can lead to a reduced availability of water for various uses including for agriculture, forestry, and human and animal consumption. Erosion and saltwater intrusion could also reduce soil fertility affecting agricultural productivity.

The agriculture sector is one of the most severely affected by current and projected climate change impacts. For instance, in 2015 and due to the extension of the country and different climate conditions, the country faced at the same time, droughts in the South and floods in the North: 70 districts and 9 provinces have been affected. Preliminary data indicate a total of 528,878 ha were affected, representing 11% of the total seeded area and close to 264,000 producers were impacted²⁴. Erratic rainfall is projected to result in a reduction in agricultural revenue by 25% with further reduction in income by about 20% for main crops affecting food security of the households.

[1] 2015, AfDB, OECD and UNDP, African Economic Outlook: Mozambique, www.africaneconomicoutlook.org

[2] Agrometeorological Bulletin, n°4, 08/03/2016, MASA

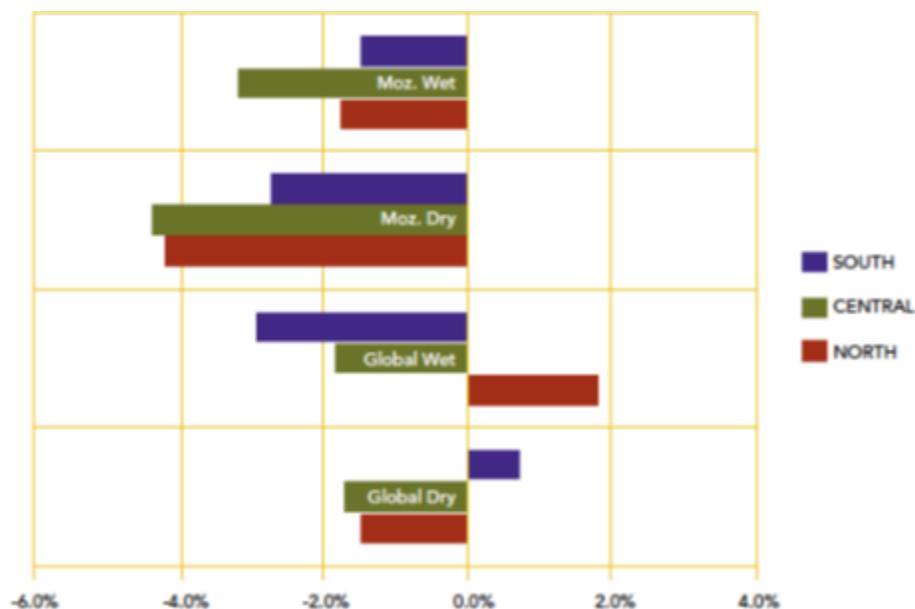


Figure 1: Effect of climate change in productivity of main crops (cassava, sorghum, soya, sweet-potato, yam, wheat, peanut, maize, “meixoeira” and potato)[1]

Mozambique is extremely vulnerable to these impacts due to lower adaptive capacity, high dependence on climate-related sectors, and its geographical location. The country is highly exposed due to its location in the zone of inter-tropical convergence with the 2700km coastline along the Indian Ocean, which is an active region for tropical cyclones and the existence of extensive lowlands below sea level. Vulnerability is compounded by low socio-economic development as characterized by low literacy rates, large population living under poverty, limited investments in modern technology, weak socio-economic and market infrastructure such as roads and dams, and subsistence farming for a large majority of the rural population most dependent on climate-sensitive livelihoods.

In Mozambique, women and girls are among the groups most affected by poverty. The climatic changes that cyclically ravage the country thwart the Government's efforts in the fight against poverty. In this context, climatic changes impact directly on women's roles, namely the carrying out of their tasks in agriculture and food, accessing water and seeking firewood, and, consequently, in the health of the family and community members. The impact of the climatic change degrades the environment, giving place to, among others, floods and barren land, water "salinization" and contamination, soil erosion, infrastructure destruction. Due to the role that the woman carries out within the family, she and her daughters have to walk long distances to find clean water, firewood, etc., using time that could otherwise be spent in school and in their personal development. The delay in the arrival of the rainy season and the scarcity of rains forces the woman to seek alternatives to feed the family since, without rain, one cannot cultivate farms. Therefore, the more climate change impacts experienced, the greater will be the hardships on women.^[2]

Long-term solutions

The long-term solution to minimizing and mitigating the adverse consequences of climate change and to increase resilience of the rural agricultural livelihoods in Mozambique is to ensure (i) strengthened, climate-resilient agro-pastoral systems so that they continue to provide income and livelihoods to the communities reliant on these; and, (ii) effective institutional frameworks to support adaptation to a changing climate through climate-risk informed planning and budgeting for adaptation and investments. In particular, it is critical that communities have sufficient capacities to adopt climate-resilient practices, enhance productivity and value-add, and diversify livelihoods. The government and communities will also need sufficient capacity to systematically assess and integrate the risks and opportunities of climate change to effectively plan, budget, sustain and continue to adapt to the changing climate.

There are key barriers to achieving this long-term solution:

[1] World Bank (2010) Economics of adaptation to climate change: Mozambique

[2] Strategy and Action Plan for Gender, Environment and Climate Change

Barriers	Elaboration
<p>1. Limited understanding of the climate risks and opportunities at the local level</p>	<p>Mozambique has high illiteracy rates (32% in men and 68% among women) and a large population living in poverty (54.7% in 2009). High levels of poverty, limited investment in technology, and weaknesses in infrastructure and social services have resulted in: low awareness and capacity to respond to climate risks among the most vulnerable populations, severe shortage of skilled and professional staff within the environment sector, limited knowledge and technical know-how about climate risk management.</p> <p>Even though Mozambique is a highly impacted country in terms of extreme weather events, there is still a lack of understanding, mainly among communities and at the local level, on climate risks and opportunities. Current interventions are highly centralized and support from the Central level is usually required for any climate-related intervention.</p> <p>The project will build individual and organizational capacities at all levels, particularly focusing on sub-national levels: through exchange of experiences and knowledge management, communities will be able to learn from the experience and transform climate risks into opportunities to improve their resilience and income generation.</p>
<p>2. Poor intersectoral coordination at sub-national level to plan and practice integrating climate change concerns and adaptation in local development planning process</p>	<p>While the NCCAMS aims to address this, there is still limited capacity for informed decision making and managing uncertainty at the various levels. While the government invests substantial efforts in supporting rural development including agriculture and irrigation expansion, expansion of markets, and funding for rural investments, the various development efforts are carried out independently by different sectoral agencies, and climate change concerns are not well integrated into local level planning resulting in suboptimal planning and implementation which leaves people vulnerable to climate change impacts and jeopardizes any development gains. There are weak institutional arrangements and low capacities at the district and central levels to assess climate risks and opportunities and mainstream adaptation into the planning and budgeting processes of the development sectors.</p> <p>There is weak intersectoral policy coordination which results in fragmented and unclear policies. Mozambique has undergone a relatively politically stable period, but there has been, over the years, major restructuring of government ministries. Many policies are under development or review with insufficient inter-sectoral coordination to ensure</p>

	<p>overall policy coherence. Laws, regulations and mandates are inadequate and are often in conflict, resulting in a lack of understanding regarding the limits and responsibilities of individual agencies.</p> <p>To overcome this lack of coordination, led by the MITADER, an Inter-Institutional Working group for climate change (GIIMC) has been established in which members from different ministries participate and discuss about key climate related issues.</p> <p>Also, there is still a culture of working in silos and limited culture of knowledge sharing. There are insufficient mechanisms in place for data and information exchange, which have resulted in a potential mischaracterization of climate change related threats. A Climate Knowledge Center has been established but it is still operationally weak.</p>
<p>3. Limited financial resources and support for investment in enhancing resilience among agricultural livelihoods</p>	<p>The Government of Mozambique is aware that urgent action is needed to address the threats. However, like other Least Developed Countries (LDCs), Mozambique has high adaptation costs relative to GDP. Adaptation costs are especially high, because of the geography of the country with a coastline of >2700 km and the scattered distribution of more than 60% of total population across many little towns and villages. Currently, the country is facing a range of economic constrains and therefore, budgetary resources for the to meet the additional costs of adaptation are limited.</p> <p>While there are baseline programs for agriculture and market development to support rural communities, there is limited financial and human resources to undertake an integrated approach to increase resilience of livelihoods at local levels. Limited access to public services, markets and information, and technologies constrains scale without initial investments to ease barriers. There are also limited financial resources available to fully assess and address the prioritized adaptation needs of target sectors and vulnerable regions of the country. The Local Adaptation Plans are a significant step towards guiding such investments but there are budget and capacity gaps at the district level to implement the risk reduction measures as part of the community and district level development planning.</p>

4. Limited alternative forms of subsistence / diversification of livelihoods	<p>Lack of diversification of local economies is also a barrier. Some of the actions indicated into the NAPA to increase family income are the following:</p> <ol style="list-style-type: none"> 1. Promote simple technologies for the processing and conservation of food and seeds. 2. Encourage the cultivation of cash crops. 3. Promote the financing of small scale businesses. 4. Promote the sustainable use of natural resources. 5. Encourage the diversification of income activities (pisciculture, apiculture, handcrafts etc.).
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1) **Baseline scenario and associated baseline projects**

Mozambique has been undertaking significant efforts to promote development and sustain its growth efforts. This is apparent in a number of sectors and strategies which constitute the baseline of this project.

Economic development and poverty reduction

Despite strong economic growth, reduction in poverty levels has been moderate, declining 14 percentage points to 56 percent between 1997 and 2003 and to 52 percent between 2003 and 2009. The benefit of the economic progress is unevenly distributed across the country. Poverty is concentrated in rural areas and in the Central and Northern regions. Rural areas, where agriculture is the main livelihood option, continue to be most disadvantaged in terms of access to livelihood-related public services, markets, knowledge and infrastructure.

Employment and improved productivity, economic and social infrastructure development, and sustainable management of natural and environmental resources are key pillars of the government's 5-year programme (PQG 2015-2019). The PQG is operationalized through the annual implementation plans: Central-level Social and Economic Plan (PES) and the District-level Social and Economic Plan and District Budget (PESOD).

Under PESOD, annually each District includes their development priorities and a national budget is allocated for its decentralized implementation. For the project targeted districts, an annual national budget of approx USD 50,000 per district will be allocated amounting to USD 2,750,000 million for all 11 districts over the five years of project implementation. The PESOD is prepared by budgetary units at district level, as part of the National Budget, and approved at Council of Ministries. Each budget unit is accountable for this plan and has to report regularly (BdPESOD). At the end of the year, the implementation report is submitted to Assembly. Each district allocates/includes in its annual budget a quantity for agriculture (business as usual) that would be complemented with climate integration using project funds.

The “Local Economic Development Programme” (ProDEL) to be implemented by MITADER / DNDR during 2012-2020 (EUR32.5 million) and supported by the Development European Fund and the European Commission aims to contribute to poverty reduction of rural communities in the provinces of Gaza, Inhambane and Sofala through the support of Local Economic Development (DEL) based on micro, small and medium enterprises. The investments focus on improvement of economic infra-structure for DEL; improvement of coverage and quality of public services for DEL; and Promotion of value chain relevant for DEL.

Agricultural and natural resource management and market development

A key objective for Mozambique is to achieve broad-based growth and rural poverty reduction. As the largest sector of the economy, agriculture employs about 80% of the workforce. Recent studies show that Mozambique’s rural farming households can emerge from poverty if agricultural productivity, especially of cereal crops and livestock, is enhanced. Agricultural development, improved productivity and access to markets provide opportunity to reduce the income disparities between rural and urban areas. Improved crop productivity, livestock development, technology and rural infrastructure, extension, value-addition, promotion of rural credit, and market linkages are identified as key needs for enhancement of agriculture sector.

The GoM is prioritizing the development of rural markets and market access to promote agricultural development. Three projects were completed in recent years in support of the National Investment Plan for the Agricultural sector (PNISA). Those were the project on *“Promotion of rural markets Programme (PROMER)”* (~USD41 million) being implemented by MITADER / DNDR during 2009-2020, the project *“Inclusive markets and finance Programme (PFMI)”* implemented during 2012-2016 by UNDP and UNCDF with a budget of USD 6 million, and the *“Sustainable management of Natural resources for Resilient and Equitable growth and Development (SUNRED)”* program implemented by MITADER and MEF (2014-2017; ~USD 2 million) and supported by UNDP and UN Environment.

2) Proposed alternative scenario, additional cost-reasoning and contributions

The Project objective is to strengthen the capacity of rural agro-pastoral communities and sub-national governments to plan for and adapt to climate change, thus increasing resilience of vulnerable communities' livelihoods under a changing climate.

Based on GoM's vision to build climate resilient communities and integrate climate change actions into planning process through the operationalization of the LAPs, the following alternative scenario is proposed to reduce climate risks through strategic interventions to address the above stated barriers and support agriculture, water, and infrastructure needs to enhance adaptive capacity of communities and develop and enhance institutional capacity for climate change knowledge and mainstream adaptation into planning and budgeting. The project will support 5 districts to implement their defined local adaptation plans, and will support some additional districts/provinces to develop (and implement) their Local Adaptation Plans.

The five targeted districts where LAPs will be implemented will be chosen among the following 11 districts during the PPG:

- I. South of Mozambique: Magude and Moamba (Maputo); Chibuto, Guijá and Massingir (Gaza); Massinga and Vilanculos (Inhambane);
- II. Central: Machanga (Sofala); Machaze (Manica);
- III. North of Mozambique: Angoche and Moma (Nampula);

The following selection criteria was developed and applied in consultations (with MITADER (Climate Change Department – National Directorate of Environment (DINAB) and National Directorate of Rural Development (DNDR)) and MASA (Ministry of Agriculture and Food Security – Department of Rural Extension) to identify the target districts for the project:

- Elaborated and approved LAP by the Local Authority
- Climate vulnerability profile
- Geographical concentration in order to:
 - Increase management efficiency
 - Facilitate monitoring
 - Facilitate exchange of experiences among communities

- Similar problematic
- Areas with previous UNDP/MITADER interventions
- Capitalize on prior experiences, lessons learnt, and potential partnerships

The project aims to achieve the above objectives and associated outcomes through two interrelated components.

Component 1: Adaptation measures included in the district level through Local Adaptation Plans implemented to advance climate-resilient livelihoods

This component will provide direct support to communities and local support structures to enhance climate resilience of the agro-pastoral livelihoods. LDCF resources will support GoM's effort to build the capacities of vulnerable communities and implement risk reduction measures and enhance climate resilience of these communities in the targeted districts. The intervention aims to enhance the productivity and incomes of targeted beneficiaries, with gender-sensitive approach to increasing adaptive capacities and climate resilience of the communities.

The LDCF project will complement the baseline programmes in local economic development and agricultural development by investments in capacities, technologies, and markets for climate-resilient agricultural systems for adaptation and vulnerability reduction, based on the district specific priority measures identified in the respective LAPs.

The design and implementation of the measures will be coupled with enhanced preparedness to climate risk, thanks to the capacity building and development effort at the community level. The intervention will support local communities in adopting climate-resilient agricultural and water management practices, to introduce adequate technologies to improve production, and to access markets to sustain climate-resilient livelihoods. Through tailored and participative investments, associated with technical training and involving local youth and women, the project will primarily support the implementation of the Local Adaptation Plans as developed for each of the targeted districts. These plans do include many of the activities prioritized to enhance the adaptive capacities of farming communities through promotion of resilient technologies and practices. As such the PIF only presents certain indicative activities and some of the activities mentioned in the comment are included; for example:

- (i) Climate-resilient water management and conservation practices for farmers and herders including small-scale water harvesting/irrigation systems and promoting technologies and practices such as drip-irrigation schemes and solar water pumping. Water management and conservation practices are also crucial for livestock survival, mainly in those areas highly vulnerable and affected by recurrent droughts. As prioritized in the NAPA, this project will also promote hays for cattle feed as well as small infrastructure for water supply to livestock and to build infrastructures for the collection and conservation of rain water for subsequent use in the drought season (activities include training and infrastructure investments at district level).
- (ii) Climate-resilient agricultural technologies, systems and practices including crop diversification, drought-resistant planning and introduction of drought-resistant crop varieties, and dissemination of these seeds, soil conservation activities and SLM measures (specific activities includes farmer's training, technology transfer and facilities to increase uptake of crops and provision of seeds);
- (iii) Access to finance in support of climate-resilient livelihoods increased through evidence-based scale-up of micro-finance schemes/ methodologies (credits, saving groups, etc.: While microfinance is a tool that helps reducing household vulnerability to several factors, then the possibility of linking the tool to climate risk mitigation can be considerable importance especially when identified by the targeted people as urgent tools for transition to environment resilience. Besides quick access to a large segment of vulnerable people, microfinance institutions have the know-how, information and distribution channels necessary to track and deliver a large number of small transactions than any other financial intermediaries. Another important fact is that microfinance is not just about the provision of small credit or saving for the household but also about advisory services in business development. Usually non- financial services are offered for business development, financial education and others skills acquirement complement to business growth. It is expected through an fund establishment support FSP/MFIs and planned community within the Project, where are included aspects such as: an institutional support fund in the form of grant to finance the technical capacity building (training, equipment, operating support, etc.).

The financial service providers that will be in charge of the implementation will make changes and adjustments to existing products and services and methodology by creating linkage between existing expertise from support services present at local level (SDAE, IIAM, INGC, INAM, etc.) and the financing scheme developed by them. The approach adopted will be to offer financial services using Saving groups methodology to targeted communities along with advices and training in agricultural, pastoral and other activities. All the innovation and experimentation will implicate additional cost for the financial services providers in terms of research, strategic documents and tools development, staffs recruitment and training, news branch opening. Thus, the project will work in order to provide a fund which mains objective will be to provide funding gap to strengthen institutional, organizational and capacity building of the FSPs and help them reaching socially and environmentally sustainable. This Fund will have two separate segments: The first will be dedicated to support soft investment & working capital for small business or enterprises respecting climate change adaptation requirements set up by households in agriculture and pastoral activities while the second segment will be community based for small or soft infrastructures and eco-system protection and enhancement identified in the community investment plan adopted by the communities.

Hence, this will build up on the results from the *Adaptation in the Coastal Zones of Mozambique* project, where microfinance access for adaptation investments contributed to an improved access to financial services by increasing resilience of community households and their understanding of adaptation options. Lessons from this project with a decentralized focus on community empowerment, community investments and microfinance products and services were highly regarded as reported in the project final evaluation recently concluded.

(iv) Capacity of agriculture extension officers will be enhanced to promote SLM and climate resilient agricultural practices (capacity building of government extension officers).

Each district would identify its priority activities during the PPG phase, based on the approved LAPS in which activities aligned with the NAPA and the NCCAMS), and above only indicative activities have been included.

Furthermore, community livelihoods will be strengthened and sources of income for vulnerable people will be enhanced and diversified in the targeted communities. LDCF resources will be used to carry out value chain analyses focusing on several key crops. The analysis will incorporate climate change risks and opportunities and will be contextualized to identify strategies for value-chain development including potential links to markets.

This component will enhance markets and market accessibility in support of rural climate resilient livelihood options. Based on the value chain assessments, specific location and types of marketing support will be determined relevant to local rural channels and infrastructure. The investments for value-addition and value-chain development will include promotion of technical capacity, technologies, and infrastructure required to enhance the capacities of the beneficiaries as Micro-Small Enterprises and increase their productivity and incomes. Activities will include effective combinations of risk mitigation and/or value addition measures such as construction of a storage facility, facilitation of a transport service, provision post-harvest processing, and establishment of small scale community agro-processing centers.

LDCF resources will also be used to promote access to energy related to agricultural productivity and livelihoods diversification. During PPG, a feasibility study will be undertaken to identify energy technologies such as biogas, solar, etc. that could find application in agro-processing, irrigation, and other productive activities to enhance the resilience of the investments for long-term impact.

With support from the UN Environment DTU Partnership (UN Environment collaborative center that support planning and implementation of UN Environment's Climate Change Strategy and Energy Programme), the MITADER-Climate Change Department, is currently carrying out a Technology Needs Assessment (for adaptation and mitigation) with the main objective of identifying and analysing the most appropriate technologies to increase resilience on the agriculture, infra-structure and coastal areas sectors as well as to promote low carbon technologies for the energy and waste sectors. This will be done by selecting technologies for market analysis, analysis of barriers and enabling framework and preparation of the Technology Action Plan. The first phase (identification and prioritisation of technologies) is being finalized and will inform the design of our project and selection of specific technologies during PPG phase. Criteria used to prioritize technologies have been the following: i)

contribution to development goals (poverty, social and environmental); ii) economically competitive; iii) significant reduction potential; and iv) industrial development/employment.

Community members will play a key role in informing the design of the activities envisioned under these Outcomes. Extensive consultations with potential community beneficiaries will be carried out for this purpose, during PPG phase. This process will also serve to identify specific needs of the most vulnerable groups (including women, youth and elderly) and ensure these are addressed during implementation.

Component 2: Institutional and community capacity strengthened at district and provincial level for climate-risk informed planning and budgeting for resilient communities

This component will focus on support for strengthening of institutional framework and capacity at provincial, district and community levels for integrating climate change concerns and adaptation options into planning, budgeting, and resource allocation for community-level adaptation interventions. More specifically, this will be achieved, by introducing the aforementioned concerns into the district level planning process and output and by linking the currently independent planning process with the overall sub-national planning process at district levels.

So far, the country has elaborated LAPs at the level of the district, but no Adaptation Plans at the provincial level has been developed yet. The LDCF project will support the elaboration of provincial APs (based on specific guidelines to be elaborated under the project – which will be used for the elaboration of Provincial Adaptation Plans under this project and under other projects in the near future).

The UNDP supported NAP-GSP programme has provided support for the elaboration of the stocktaking, some training at the central level on NAP process and the elaboration of the NAP-road map. Based on this road map, a Readiness proposal for NAP has been prepared to be submitted to the GCF, which contains the following main areas: i) mandate and coordination at national level; ii) adaptation tools applied to the fisheries sector; iii) monitoring and communication.

LAPs and Provincial Adaptation Plans will feed into, through a bottom-up approach, the NAP process, by providing the experience and needs at the local level which should be properly integrated from the central level on national planning and budgeting systems

LAPs are designed, planned and executed at the sub-national levels, and it is critical to ensure their long-term sustainability by mainstreaming resilience to changing climate conditions into sub-national planning and budgeting processes. The sub-national administrations (district and provincial level) need to have the adequate capacity to identify climate risks and solutions for them and to properly integrate them into plans and budgets. This component aims at building capacities and increasing the preparedness of sub-national authorities to effectively identify, sequence

and combine available resources for climate change adaptation while addressing most urgent priority actions identified in the LAPs. The LDCF funds will cover the incremental cost related to the capacity building/development work needed for the implementation of LAPs and the enhanced preparedness to climate risk through sub-national plans supporting the district and local plans and investments. District and provincial level planning requires guidance on how to respond to the expected impacts of climate change, including how to prioritise and implement adaptation actions. Therefore, this component will focus on institutional capacity at sub-national level (including district and provincial officers) on how to extract/use climate, socio-economic & environmental data and information to adjust policy and investment planning for climate change risk management.

Support will include trainings of sub-national (including district and provincial officers) to integrate climate change in local development planning and budgeting process, through training on, but not limited to, gender-sensitive climate vulnerability assessments, cost-benefit analysis, and assessment of effective adaptation options.

This training will be supplemented with support to districts on development of screening and M&E procedures/tools to support funding allocation and technical assistance for Local Risk Management Committees (*Comités de Gestão de Calamidades*) and/or Local Natural Resources Management Committees (*Comités de Gestão de Recursos Naturais*) and/or local associations on the preparation of climate-resilient initiatives funded through district-level financing facilities (the District Development Fund described in the baseline programs). This training will allow districts to support adaptation investments by the communities linked to the rural development and local adaptation priorities.

Furthermore, this component will support the country's efforts for the implementation of the medium- to long-term priorities for climate change adaptation into national and sub-national level adaptation planning processes (NAP road-map). To do so, the component will promote inter-sectoral coordination at the district level and capacity for climate risk informed planning and budgeting at the district and provincial levels to key officials and communities (that are further linked to national level planning). LDCF resources will be used to put in place a robust institutional coordination mechanism at the district level to ensure a seamless contribution of efforts and non-duplication across the numerous activities which are supporting GoM in a whole of government approach to integrate climate change into planning and budgeting. These efforts will complement and build on the institutional coordination mechanisms for the national level outlined in the NCCAMS. Focus will be on creating an enabling and sustaining environment for the adaptation measures prioritized and implemented under the LAPs with a view to create the foundation for medium and long-term adaptation planning. Specifically, coordination mechanisms at the district level will be strengthened to effectively integrate climate risks into key strategic sectors (ex. Agriculture & water) and to enhance its implementation with linkages to the NAP process.

Finally, this component will support codification, generation and dissemination of community-based knowledge and lessons learned on adaptation planning and adaptation approaches at local and provincial levels through knowledge products, seminars, and exchange visits organized to promote linkages between communities, districts, and national-levels on adaptation planning and implementation. Lessons from this experience will be captured, analyzed and shared at both national and sub-national levels. Also, exchanges at international level will be explored through South-South cooperation and knowledge sharing through the UNDP- Adaptation Learning Mechanism (ALM).

3) Alignment with the LDCF Programming Strategy (2018-2022)

The project proposes interventions to address the three objectives of the LDCF programming strategy with a key focus on reducing vulnerabilities while at the same time contributing to mainstreaming climate change adaptation in the country’s policies and strategies. The project will feed directly into NAP processes by filling an important gap in adaptation planning at provincial level through a comprehensive and country-driven approach aiming to foster enabling conditions for climate change adaptation in Mozambique.

In line with the current LDCF Programming Strategy, the project proposes to identify technologies and innovations that can help increase resilience and reduce vulnerabilities. This includes technologies and innovations for energy production and agriculture, but also financial innovations such as micro-credit and savings group to manage climate risks and facilitate the transfer and uptake of technologies. It also opens the door to further engagement of the private sector through partnerships or investment opportunities, a key pillar of the LDCF Programming Strategy.

4) Summary comparison of baseline and alternative scenarios, and adaptation benefits

The project will support internalising immediate and long-term adaptation measures in agricultural and livelihood development planning, support and practices, equipping the government to integrate support for rural development, agricultural productivity and climate-resilient livelihoods. Baseline practices and an alternative scenario involving global benefits are summarised in the following table.

Baseline practices	Alternative to be put in place by the project	Adaptation benefit
Community Livelihood resilience		
Local economic development and rural development programmes do not fully take into account climate risks, vulnerability, and impact resulting in maladaptation or only short term measures for livelihood enhancement.	Awareness, knowledge, and capacity enhanced among agro-pastoral communities about the need for assessing and integrating climate risks to inform adaptation planning and resilience strengthening – such as climate-resilient agriculture, value-addition, and diversification of livelihoods.	Resilience of agro-pastoral systems enhanced through risk management practices related to water, soil and crops.
Community livelihood investments are carried out in isolation of the agro-pastoral resulting in	Climate resilience is introduced to rural livelihood options through holistic, and system-wide approach to investment in resilient irrigation design, SLM	Community capacity for climate change adaptation strengthened with diversified and more climate change resilient livelihoods, and diversified sources of income and increased incomes in targeted areas.

<p>fragmented approach to resilience building.</p>	<p>measures, and diversification of agricultural production.</p> <p>Clear linkages will be formed between community livelihood support and adaptation benefits, demonstrating synergistic impact.</p>	
<p>Local Agricultural Development</p>		
<p>Small scale farming remains with low levels of agricultural productivity and highly vulnerable to changing climate conditions, having an adverse impact on communities' food security and livelihoods.</p> <p>Lack of agricultural infrastructure (micro-irrigation, environmental-friendly sources of energy and post-harvesting) including limited market access also contributes to high levels of climate vulnerability.</p>	<p>Climate-smart agricultural practices will be introduced to reduce communities' vulnerability and to enhance livelihoods. Climate mainstreaming into agricultural plans and budgets at the district and provincial level, while enhancing local capacities (communities, district and provincial officials), will ensure long term sustainability.</p> <p>Markets and market accessibility, along with tailored financial solutions, will be enhanced in support of rural climate resilient livelihood options. Value chain analyses are carried out focusing on several key products. Over and above the conventional analysis, these will include additional elements such as increased risks of erratic rainfall and temperature during the post-harvest stage or locally-specific bottlenecks in physical access to markets with additional flood/landslide risks.</p>	<p>Climate resilience of rural livelihood options enhanced through investment in resilient irrigation design, soil protection, and diversification of agricultural production.</p> <p>Markets and market accessibility strengthened in support of rural climate resilient livelihood options.</p> <p>Strengthened institutional framework and capacity at local levels for integrating climate risks related to rural livelihoods.</p>

Baseline practices	Alternative to be put in place by the project	Global environmental benefit
Community Livelihood resilience		
<p>Local economic development and rural development programmes do not fully take into account climate risks, vulnerability, and impact resulting in maladaptation or only short term measures for livelihood enhancement.</p> <p>Community livelihood investments are carried out in isolation of the agro-pastoral resulting in fragmented approach to resilience building.</p>	<p>Awareness, knowledge, and capacity enhanced among agro-pastoral communities about the need for assessing and integrating climate risks to inform adaptation planning and resilience strengthening – such as climate-resilient agriculture, value-addition, and diversification of livelihoods.</p> <p>Climate resilience is introduced to rural livelihood options through holistic, and system-wide approach to investment in resilient irrigation design, SLM measures, and diversification of agricultural production.</p> <p>Clear linkages will be formed between community livelihood support and adaptation benefits, demonstrating synergistic impact.</p>	<p>Resilience of agro-pastoral systems enhanced through risk management practices related to water, soil and crops.</p> <p>Community capacity for climate change adaptation strengthened with diversified and more climate change resilient livelihoods, and diversified sources of income and increased incomes in targeted areas.</p>
Local Agricultural Development		
<p>Small scale farming remains with low levels of agricultural productivity and highly vulnerable to changing climate conditions, having an adverse impact on communities' food security and livelihoods.</p> <p>Lack of agricultural infrastructure (micro-irrigation, environmental-friendly sources of energy and</p>	<p>Climate-smart agricultural practices will be introduced to reduce communities' vulnerability and to enhance livelihoods.</p> <p>Climate mainstreaming into agricultural plans and budgets at the district and provincial level, while enhancing local capacities (communities, district and provincial officials), will ensure long term sustainability.</p>	<p>Climate resilience of rural livelihood options enhanced through investment in resilient irrigation design, soil protection, and diversification of agricultural production.</p> <p>Markets and market accessibility strengthened in support of rural climate resilient livelihood options.</p>

post-harvesting) including limited market access also contributes to high levels of climate vulnerability.	Markets and market accessibility, along with tailored financial solutions, will be enhanced in support of rural climate resilient livelihood options. Value chain analyses are carried out focusing on several key products. Over and above the conventional analysis, these will include additional elements such as increased risks of erratic rainfall and temperature during the post-harvest stage or locally-specific bottlenecks in physical access to markets with additional flood/landslide risks.	Strengthened institutional framework and capacity at local levels for integrating climate risks related to rural livelihoods.
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In terms of adaptation benefits, the number of beneficiaries of this project is estimated at 7,000, equal to about 1,000 beneficiaries in each of the target districts (aiming to reach 3,000 women and 4,000 men)(LDCF/SCCF Core Indicator 1). The project will aim to mainstream climate resilience in 10 policies and plans (LDCF/SCCF Core Indicator 3), including Local and Provincial Adaptation Plans, District-level Social and Economic Plan, and District Budget National Investment Plan for the Agricultural sector. The number of people with enhanced capacity to identify climate risk and/or engage in adaptation measure is estimated at 4,000 (2,500 men and 1,500 women)(LDCF/SCCF Core Indicator 4). They are government staff benefiting who capacity has been built, certain communities and households benefiting from the project, staff from the MFIs engaged in the project.

5) Innovation, sustainability and potential for scaling up:

Innovation

The integrated approach being implemented through the project (i.e. combining SFM, smart agriculture, along with climate change adaptation) as a coordinated partnership between different sectors of the government administrations and local stakeholders will provide an innovative example that is expected to generate important lessons for other districts/provinces in the country as well as in other countries. The provision of provincial plans in addition to local adaptation plans is meant to add a additional layer of participation and strengthen the NAP process. Innovative energy and agricultural technologies will be explored and promoted as part of the project based on suitability in the local context.

Potential for scaling up

The project will demonstrate integration of adaptation into development projects, agriculture, plans and budgets can bring a difference into people's life. Exchange of experiences with other districts will stimulate adoption of adaptation techniques and innovations by other communities. The use of the CC mainstreaming tool and value-chain analyses will help the targeted districts identify adaptation investments and livelihood options. This experience and process and effective demonstration of the adaptation benefits could then be replicated and scaled to all the other districts. One new LAPs are elaborated and approved, new districts will include under their priorities adaptation actions to be supported by the national budget, as well as by other external resources. Specific knowledge management measures will be put in place to facilitate exchange of knowledge and lessons learned that can facilitate scaling efforts.

Sustainability

Actions of this intervention are looking forward sustainability as strengthening national and local capacities as well as capacities of communities are the cornerstone of sustainability actions. In addition to it, by mainstreaming adaptation component into development projects, plans and national budgets, it is the most sustainable way of ensuring annual budgets for its implementation. In addition, the project will pilot and aim to transfer new technologies in the country, which opens the door to further engagement with the private sector and could lead to new partnerships to sustain adaptation benefits long after the project closes. The cooperation with MFIs is meant to also develop the capacity of MFIs staff to develop and roll out new climate-responsive products for vulnerable populations.

Districts	geonames.org ID	Brief description
Massingir	7670767	Southern region of Mozambique (Gaza Province)
Funhalouro	7909780	Southern region of Mozambique (Inhambane Province)
Mabote	7670768	Southern region of Mozambique (Inhambane Province)
Sanga	1027397	Northern region of Mozambique (Niassa Province)
Metarica	7874418	Northern region of Mozambique (Niassa Province)
Angoche	7874406	Northern region of Mozambique (Nampula Province)
Moma	1037222	Northern region of Mozambique (Nampula Province)

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities

Civil Society Organizations

Private Sector Entities

If none of the above, please explain why:

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

The table below summarizes the key stakeholders and their roles in project preparation and implementation, as well as its formulation. The list is non-exhaustive and will be completed/confirmed during the formulation of the fully-fledged Project Document.

Stakeholders	Mandate and relevant roles in the project
Ministry of Land, Environment and Rural Development (MITADER)	MITADER is the central institution responsible for the management, planning, coordination and control of implementation of policies in the following areas: Land management, Forestry, Wild life, Environment, Conservation Areas and Rural Development. Below, the organigram of the institution is shown, counting with 5 National Directorates, among which the National Directorate for Environment (DINAB) is the one responsible for Climate Change issues (Climate Change Department); and the National Directorate for Rural Development (DNDR) created for the promotion of community participation, coordination of all interventions for rural development and decentralization processes.

	<p>MITADER will be the Implementing/coordinating Partner for the project regarding the environment and climate change activities through the involvement of DINAD and DNDR that will coordinate all activities of the project in partnership with other project stakeholder. In addition, MITADER will provide strategic support to FSP in the development of financial and non-financial services by linking them to accurate partner depending on needs (IIAM, SDAE, etc.)</p>
<p>Ministry of Agriculture and Food Security (MASA)</p>	<p>The Ministry of Agriculture and Food Security is the institution responsible for agricultural issues and Extension Services in the country. Through its Rural Development Strategy, it aims at (i) Increased competitiveness, productivity and rural wealth accumulation; (ii) Productive and sustainable management of natural resources; (iii) Growth in human capital, innovation and technology; (iv) Diversification in social capital, institutional efficiency and effectiveness; and, (v) Good governance and market planning.</p> <p>MASA will be the Responsible for the coordination for the development of climate-based extension services and climate smart agricultural practices. MASA will work to strengthen the small farmer's organization in to order to have better access to markets and agricultural and extension services, such as technology packages developed by research, crop and livestock production, post harvesting and natural resource conservation.</p>
<p>Provincial Governments (Maputo, Gaza, Inhambane, Nampula, Sofala and Manica)</p>	<p>The Provincial government is responsible for the elaboration of the Provincial annual plans and budgets (PES). Headed by a Governor, sectoral provincial directorates (DPTADER for Land, Environment and Rural Development, DPASA for Agriculture and Food Security, etc.) ensure implementation of sectoral strategies in the Province, and provide specific support to districts in, for example, the elaboration of LAPs, Development Plans, etc.</p>
<p>District Governments</p>	<p>The District government is the responsible for: i) the elaboration of the District annual plans and budgets (PESOD); ii) management of DDF; iii) elaboration of the District Development Plan; iv) elaboration and approval of LAPs.</p>
<p>Communities</p>	<p>Communities will be the main actor as well as the main beneficiary of this project. Their active involvement since the identification/formulation to evaluation of processes and results will be crucial for the success of this project. Communities will be consulted during PPG phase to inform designing of tailored activities to ensure contribution to communities' needs.</p> <p>Women and young girls will be specially empowered to be active members/actors of change within their communities, while ensuring that all members of community (women, men, boys and girls) are benefited by this intervention.</p>

<p>Non-governmental organizations and/or Financial Service Providers (FSP) / Microfinance Institutions(MFI)</p>	<p>During PPG phase, an exhaustive mapping of NGOs working in target districts in climate change/risk management related issues will be done and, in close coordination with the MITADER and MASA, a pre-selection of some of them as potential responsible parties for the implementation/support of on-the-ground activities will be also carried out.</p> <p>Financial Service Providers: The identified financial Service providers will be responsible for the development of innovative programmes that provide communities with enhanced access to a wide range of innovative financial and non-financial services that are integrated to CC.</p>
<p>UNDP</p>	<p>At the request of the Government, UNDP will serve as the GEF Implementing Agency (IA) for the project. In this role, UNDP will oversee project execution and provide technical quality assurance. The project assurance and support functions will be provided by the UNDP Mozambique Country Office as well as the Regional UNDP-GEF Unit. As GEF Implementing Agency, UNDP will coordinate and monitor the delivery and utilization of GEF funds and co-financing.</p>
<p>Other UN agencies and development donors</p>	<p>Through the Environment and Climate Change Donors Working Group, chaired by the UNDP, other UN agencies as well as development donors will be engaged during the formulation and implementation of the project, to ensure synergies with other on-going or new related initiatives.</p>

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

Inspired by the successful study on *Costing the Gender Gap in Agricultural Productivity in Malawi, Tanzania and Uganda* (2015 UN-Women, UNDP, UNEP, WB) conducted in those countries, and starting along the second semester of 2016, a UN-Women and UNDP-UNEP Poverty and Environment Initiative (PEI) joint research will be carried out, entitled *Closing gender gaps in agricultural productivity through Climate Smart Approaches in Africa*, which will identify country specific gaps and policy options “with the overall goal of influencing agricultural policies, programmes and investment frameworks to be more gender responsive and climate smart. This will in turn contribute to reduced gender gaps, resulting in increased agricultural productivity, enhanced sustainability, and women and men equally benefitting and adopting CSA (Climate Smart Agriculture).” This research will use during PPG phase to inform the formulation of the PRODOC.

A gender analysis will be undertaken during the PPG phase guided by the new GEF policy and the aligned with the GEF Gender Equality Action Plan. Also, key gender-sensitive tools will be applied during the PPG phase to properly address differences, needs, roles and priorities of men and women, using methodological guidance from additional sources, such as the UNDP-Gender, Climate Change and Community-Based Adaptation Guidebook (2010) and others.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources;

improving women's participation and decision-making; and/or

generating socio-economic benefits or services for women.

Will the project’s results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

Whenever possible, the project will seek the participation and support of private sector actors in the country. Through some of the activities, the project will raise awareness on the risks related to climate change, but also the opportunities for the private sector. An area of particular interest is the financial sector, where specific financial service providers have a clear role to play in the development of innovative programmes that provide communities with enhanced access to a wide range of innovative financial and non-financial services that are integrated to climate change.

The first component in particular will emphasize private sector engagement and potential public-private-partnerships will be explored both through the value-chain analysis as well as the ‘energy technologies’ feasibility assessment. The component addresses the scale and sustainability of the investments by ensuring there is sustained participation of communities, enterprise development, and market-oriented approach to climate-resilience. In light of this, the component will also enhance access to finance in support of the various investments for climate-resilient livelihoods including productivity enhancement, value-chain development, market access, as well as energy access. Based on lessons learned from the ongoing LDCF project on adaptation to coastal areas, the project will invest in evidence-based scale of micro-credit and micro-savings models suited to the local needs. During PPG, a feasibility study will be undertaken to identify district and local level access to finance models, stakeholders, and effective strategies.

5. Risks

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

#	Description of the risk	Potential consequence	Countermeasures / Mngt response	Type (Risk category)	Probability & Impact (1-5)
1	Problems related to involvement and co-operation of stakeholders to provide the project team with data	Incomplete data collection Delay in the completion of the outputs	Clear commitment of the Ministry to data collection and hand over of data. Awareness-raising among the decision-makers. Develop leadership/champions for change. A strong stakeholder involvement plan should be developed during PPG to provide support to the project.	Political and organizational	P=3 I=5
2	Conflicts among stakeholders as regards roles in the project.	Uncoordinated approach to tackling climate change Threat to successful project implementation	Stakeholder involvement detailed clearly in stakeholder involvement plan and stakeholders are held to their roles.	Political and organizational	P=1 I=3
3	Lack of political will to support the project	Endangered project sustainability	Awareness-raising among the decision-makers. Develop leadership/champions for change. A strong stakeholder involvement plan is needed to provide support to the project.	Political	P=2 I=4

			<p>Support will be given to government to organize consultations on project progress at key stages in order to maintain government ownership and interest in the project.</p> <p>Collaboration with other cooperation projects which will help to maintain political visibility.</p>		
4	Poor co-ordination among implementing and executing agency	Leading to delays in deliverables	Clear Project Management arrangements (see Part III).	Organisational	P=1 I=3
5	Limited capacity within relevant ministries/insufficient qualified human capacity.	May limit/delay project implementation/completion.	<p>A major part of the project is to strengthen institutional and regulatory capacity, building on on-going government-UNDP cooperation.</p> <p>Specialist technical input will be contracted in, to work with local technical staff.</p> <p>A CTA will work closely with the Project Manager to ensure smooth and timely delivery of project outputs.</p>	Organsational	P=2 I=3
6	Communities may not adopt resilient practices and enhancement measures.	Threat to implementation and success of project activities.	<p>Raising the awareness of communities of the benefits associated with climate smart agriculture and climate related techniques.</p> <p>The project team will build on experience from other projects undertaking similar activities to promote good practice, and reduce this risk.</p>	Operational	P=2 I=4

7	Lack of commitment from communities	Threat to implementation and success of project activities.	Create community ownership of all pilot interventions through participatory planning.	Operational	P=2 I=4
8	Climate risk reducing finance mechanisms increase indebtedness and vulnerability	Threat to implementation and success of project activities.	Capacity building and technical support programme accompanies any climate risk reducing credit facilities that are introduced. Assessment of applicants for suitability of participation in any potential scheme	Strategic	P=1 I = 3

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

The overall coordination of the proposed project will be led by the MITADER as the Implementing Partner for the project. In particular, the following initiatives are of relevance:

Climate change adaptation and vulnerability reduction: Impact of climate change is recognized as a major barrier to the country's development efforts. In this light, Mozambique produced a **National Adaptation Programme of Action (NAPA)** in 2007. In its NAPA, Mozambique identified key vulnerabilities to droughts (frequent in central and southern regions of the country) and desertification, floods not just from precipitation but also from the existence of a number of river basins, and tropical cyclones affecting the coastal regions. It identified four key priorities: i) strengthening early warning systems; ii) strengthening the capacity of farmers to deal with climate change; iii) reduction of the impacts of climate change along the coastal zone; and iv) water resources management.

In addition, in 2012, Mozambique developed a **National Climate Change Adaptation and Mitigation Strategy (NCCAMS)** covering the period 2013-2025 to respond to climate change. The **Gender, Environment and Climate Change Strategy and Action Plan** approved in 2010 aims at contributing to the reduction of gender inequalities and at promoting the gradual behavioural change both in men and in women, awakening and creating the required sensibility in both regarding the current discrimination in the dealing with social, economic, political and cultural questions related to the environment and Climate Change.

The Project clearly contributes to the preparation/implementation of the INDC, as it is completely aligned with the NCCAMS, as stated in the *Rationale and process for developing INDC on adaptation* (pg. 2), “the INDC formulation process started with the compilation of the strategic action proposed in the adaptation and risk reduction pillar of the NCCAMS”. The adaptation goal of the INDC is “to increase local resilience, fighting poverty and identifying opportunities for adaptation and low-carbon development at community level through its mainstreaming in the process of district planning and budgeting” (pg. 5), as the NAP corresponds to the Adaptation component of the INDC.

The **Action Plan for Agriculture Adaptation to Climate Change (Action Plan)** approved in 2014 covers the period (2015-2020) and targets rain-fed small scale farmers specifically who are highly vulnerable to the increasing climate variability. The plan is structured in 4 main pillars: i) Improve institutional coordination; ii) transform the extension system; iii) intensify the climate smart agriculture; and iv) Monitoring and evaluation. Finally, the NEPAD CAADP (Comprehensive Africa Agriculture Development

Programme) was signed by Mozambique in December 2011. The above Action Plan is aligned with the 4 pillars of this programme: i) Land and Water management, ii) Access to markets, iii) Nutrition and Food Security, and iv) Agricultural Research.

Local Adaptation Plans: (LAPs) According to the NCCAMS, the country has to make efforts to reduce climate risks at the local level, putting in place tools and practical interventions that, aligned with the national strategy, allow enhancement of local communities' medium- to long term adaptive capacity. To operationalize this orientation, the Ministry of Land, Environment and Rural Development (MITADER), in partnership with district governments and development partners, started the process of formulation of Local Adaptation Plans (LAPs). The process entails the assessment of climate vulnerabilities and local capacities to cope with climate change. Based on this analysis, the LAP is developed. Districts and communities agree on their development vision in the context of climate change and identify the needed interventions to achieve this vision. (Methodological guidance for the development of Local Adaptation Plans)

The number of LAPs developed has been included as an indicator in the current 5-year government plan (2015-2019) (*PQG - Plano Quinquenal do Governo*), under priority 5, "Ensure sustainable management of natural resources and environment", and the strategic objective 5.5, "Reduce vulnerability of communities, economy and infra-structure to climate risks and natural disasters".

Once the LAP has been formulated, it is submitted to the District Consultative Council and to the District Government for approval. So far, more than 50 LAPs have been prepared and approved by their respective District Governments. Some of those LAP already approved has been selected for their implementation. Some of the criteria used for this selection process are properly described above.

FAO/MITADER project "**Payment for Ecosystem Services to Support Forest Conservation and Sustainable Livelihoods**" is a US\$3.6 million project with implementation during 2016-2021 focused on **mainstreaming** biodiversity conservation in production landscapes/seascapes and sectors, promotion of conservation and enhancement of carbon stocks through sustainable management of land use, land use change and forestry and reduction of pressures on forest resources and generate sustainable flows of forest ecosystem services.

FAO/MASA project "**Strengthening Capacities of Agricultural Producers to cope with climate change for increased food security through the farmers' field school approach**" is another US\$9 million GEF project with the period of implementation during 2015-2019. The project focuses on four key areas: (i) improved climate resilient agricultural technologies and approaches in the framework of the Strategic Plan for the Agricultural Sector (PEDSA) and its investment plan (PNISA); (ii) Capacity building and promotion of climate resilient agricultural technologies and approaches through Farmer Field Schools (FFS) and other extension approaches in the framework of the PRONEA Support Project (PSP), MDG1c and Food Nutrition and Security for Gaza projects, and other initiatives; (iii) mainstreaming of climate change adaptation practices into agricultural sector policies and programs with emphasis on rural extension/outreach strategies and plans; and (iv) implementation of a sound monitoring and evaluation framework. (increase awareness and knowledge of national, provincial and district-level managers and farmers to

include CCA best practices and measures into on-going rural development programmes. promote the adoption of improved CCA strategies, practices and a broader choice of adapted genetic material, in up to 15 districts covering at least three production systems (staple crops, vegetables, mixed tree/crop/animal production systems) through the FFS network that are assisted by FAO MDG1c and Food Security and Nutrition for Gaza projects and other partner programs; increase institutional capacity and cross-sector coordination for designing and implementing efficient extension/outreach approaches, strategies and mechanisms in support of mainstreaming CCA in the agricultural and animal production sector; and ensure that project implementation is based on results based management and application of project lessons learned in future operation facilitated.)

NAP Global Support Programme for LDCs, or NAP GSP, jointly implemented by UNDP and UNEP. NAP GSP is currently providing technical support/training to Mozambique government officials on the concept of NAP as well as examples of tools and methodologies that can support NAP processes. The GoM launched the NAP process at the end of 2016 and started with formal training at the beginning of 2017 as well as with the preparation of the NAP road-map. It will also guide some of the actions included in this project proposal. By the PPG phase, there will be more information on the national NAP process and road-map. The LDCF project is meant to bridge the gap between local, provincial and national adaptation planning, ensuring a broader and comprehensive approach to NAP-related processes.

This project will also be coordinated with ongoing efforts that Mozambique is leading in terms of mainstreaming environment, climate and poverty into planning at the national level through the UNDP/UNEP/MEF/MITADER project “**SUNRED: Sustainable management of natural resources for resilient and equitable growth and development in Mozambique**”. This is an umbrella project which support national efforts in mainstreaming sustainable management of natural resources, environment and climate change at national level. For example, through this project the GoM carried out a Public Environmental Expenditure Review in 2010, and as a consequence climate budget codes were introduced into the public accounting system to better track climate and environmental expenditures. This effort needs to be translated to sub-national level. Also, this project has developed some training material for integration of NRM, Env and CC into plans and budgets, that will be used by the project proposal for training at sub-national level. Furthermore, through this project, the “Closing gender gaps in agricultural productivity through climate smart approaches in Africa”, conducted with support from UN-Women and UNDP-UNEP Poverty and Environment Initiative, is about to be carried out in Mozambique. Results of this study will also inform the design of this project proposal during the PPG phase.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assessments under relevant conventions

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

The project is in line with national priorities and relevant conventions as described below:

a) Government 5-year Programme (PQG 2015-2019): Approved at the end of 2014. One of the five priorities focuses on the “sustainable and transparent use of environment and natural resources” and includes an explicit focus on reducing local communities’ vulnerabilities to climate change and environmental degradation and transitioning to a green-blue economy. The priority further reflects the need for efficient environmental policies and regulatory frameworks including the incorporation of environment and social aspects in other sector plans and projects.

Another priority area of the PQG is related to “promotion of jobs, improvement of productivity and competitiveness”. National economy competitiveness is being driven by market agriculture, with strong involvement of small scale farmers with the view to generate jobs, increase incomes and ensure nutrition and food security. As strategy objectives within this Priority, can be found i) increasing of production and productivity in all sector, but specifically in the agricultural sector; ii) promotion of the industrialization; iii) promotion of jobs; iv) promotion local value chains of primary products ensuring integration of local products.

b) NAPA: Approved in 2007. It presents 4 priority actions and the current proposal is addressing the second one: Strengthening capacities of agricultural producers to cope with climate change.

“Agriculture continues to be the most important sector of the Mozambique economy. According to estimates based on the 1997 population census and on the 2001-2005 plan of action to reduce absolute poverty, Mozambique has a little over 17.5 million inhabitants and, according to the same sources, approximately 80% of the economically active population is linked to agricultural production, of which 70% live under extreme poverty conditions. The results of the TIA (Agricultural Research Work) 2002 show that in 2000/2001 the agricultural and livestock sector is dominated by small scale agriculture, constituting 99.7% of the country’s agricultural activities and occupies 96.7% of the cultivated land area. This mainly consists of subsistence agriculture, with little income generation. There is little use of raw-materials such as manure and pesticides, irrigation and mechanized equipment in agricultural production.”

“Rationale of the proposed action: Agriculture in the country is important firstly as a source of food, and secondly as the basis for development. Despite its importance, agriculture is practised on unirrigated lands and with few investments due to the weak financial capacity of the rural communities. Support for agricultural infrastructure, raw-materials, and the construction and/or rehabilitation of irrigation systems will reduce the loss both of animals and crops during the dry season and will consequently increase the capacity of people to deal with climate change.”

c) National Climate Change Adaptation and Mitigation Strategy (NCCAMS): Approved in November 2012, covering the period 2013-2025.

“Its general objective is to “establish the action guidelines to create resilience through climate risk reduction in communities and the national economy, and promoting low-carbon development and the green economy through its integration in the sectoral and local planning process”. The specific objectives are: (i) that Mozambique becomes resilient to the impacts of CC, reducing climate risks to people and property to a minimum, and restoring and ensuring the rational use and the protection of natural and physical capital; (ii) identify and make use of opportunities to reduce GHG emissions that simultaneously contribute to the sustainable use of natural resources and access to financial and technological resources at affordable prices, and reduce pollution and environmental degradation, promoting low-carbon development; and (iii) build institutional and human capacity, as well as explore opportunities to access technological and financial resources, for the implementation of the NCCAMS.”

The strategic actions are grouped as follows: Pillar 1) Adaptation and climate risk reduction; pillar 2) mitigation and low-carbon development and 3) cross-sectoral issues. Some of the strategic actions, listed under these pillars, that will be supported by the project are: “increase the resilience of agriculture and livestock”; “increase the adaptive capacity of vulnerable people”; “improve access to renewable energy”; “develop the level of knowledge and capacity to act on CC”; “promote the transfer and adoption of clean and CC-resilient technologies”.

Elaboration and implementation of Local Adaptation Plans (at the district and municipal level) are included into the NCCAMS as one of the main planning tools for the integration of climate component into local plans.

d) Gender, Environment and Climate Change Strategy and Action Plan: Approved in 2010. This strategy aims at contributing to the reduction of gender inequalities and at promoting the gradual behavioural change both in men and in women, awakening and creating the required sensibility in both regarding the current discrimination in the dealing with social, economic, political and cultural questions related to the environment and Climate Change.

- Strategic Objective 1. Contribution to women’s and local communities’ empowerment through access to technologies and other activities for adaptation and mitigation of climate change, and the sustainable use of natural resources.
- Strategic Objective 2. Ensure gender equality in the process of environmental decision making, formation and empowerment.
- Strategic Objective 3. Ensure that plans, policies, programs, strategies and budgets promote gender equity, access to natural resources and measures of mitigation of and adaptation to climatic changes

- Strategic Objective 4. Ensure that staff and technicians of all Sectors of the environment have an understanding over gender equity and are able to contribute to the purpose of this strategy.
- Strategic Objective 5. Contribute towards MICOA becoming an institution that actively practices and promotes gender equity in the environmental management.

e) Action Plan for Agriculture Adaptation to Climate Change: Approved in 2014 and covers the period (2015-2020) and targets specifically rain-fed small scale farmers, highly vulnerable to the increasing climate variability.

According to this Action Plan, there is a financial gap of around 10,000,000 USD (annex 2 of the Action Plan), however, this figure has clearly been underestimated.

The Action Plan is structured in 4 main pillars: i) Improve institutional coordination; ii) transform the extension system; iii) intensify the climate smart agriculture; iv) Monitoring and evaluation.

In order to intensify Climate Smart Agriculture, the following strategic actions will be pursued: i) demand-oriented extension services; ii) establishment of partnership/service providers for extension services; iii) farmer-to-farmer methodology; iv) involvement of NGOS; v) promotion of market and value chains; vi) promotion of new technologies and climate smart methodologies

8. Knowledge Management

Outline the Knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

The project will ensure that information and knowledge accumulated within the project will be codified and documented for sharing and upscaling efforts. It will do this through annual rigorous project implementation review exercises, mid-term and final project review, as well as publication of discussion papers and communication pieces. In particular, the project is expected to be able to generate a significant amount of new knowledge on the climate change adaptation – ecosystem management/biodiversity conservation interface. Design of the project incorporates a number of features related to strengthening the country's knowledge management system in component 2. The project support collection of lessons learned from mainstreaming of climate change into sub-national and national planning and budgeting process and systems.

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Momede Nemane (Mr.)	GEF operational focal point – CEO of the National Sustainable Development Fund (FNDS)	Ministry of Land, Environment and Rural Development	3/19/2018

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place.

ANNEX B: GEF 7 Core Indicator Worksheet

Use this Worksheet to compute those indicator values as required in Part I, Table F to the extent applicable to your proposed project. Progress in programming against these targets for the program will be aggregated and reported at any time during the replenishment period. There is no need to complete this table for climate adaptation projects financed solely through LDCF and SCCF.

LDCF/SCCF Core Indicators at PIF Stage

[6010] [Mozambique] [26 October 2018]

Select the indicator(s) most relevant to the given project. Enter data for the present stage, not for future stages. Note that the values will be manually transferred to the GEF Portal once possible; addition information (e.g. footnotes) will not be transferable to the Portal, therefore please refrain from providing such content here (better placed in the PIF/CEO ER).

LDCF/SCCF Core Indicator 1: Number of direct beneficiaries (gender-segregated, M/F)

	Number (expected at PIF)	Number (expected at CEO ER)	Number (achieved at MTR)	Number (achieved at TE)
Women	3,000			
Men	4,000			
Total	7,000			

Required of all UNDP-GEF projects. Please note that "direct beneficiaries" in this case are those that directly benefit from adaptation technologies, improved livelihoods, climate-resilient facilities/infrastructure, and those with significantly reduced vulnerability to climatic hazards due to new or

enhanced early warning systems. It does not include recipients of trainings or awareness-raising efforts (which is captured by Core Indicator 4, below). It also does not include an entire community far downstream of an area where a riverbank protection measure has been installed/improved, or the entire group of people who have downloaded an early warning app on their phones (many of whom may not necessarily be vulnerable).

LDCF/SCCF Core Indicator 2: Number of hectares of land under climate-resilient management (hectares)

Ha (expected at PIF)	Ha (expected at CEO ER)	Ha (achieved at MTR)	Ha (achieved at TE)
N/A			

This indicator has been selected due to the large volume of LDCF/SCCF projects in the agriculture and food security sectors. If not relevant to the project, please omit.

LDCF/SCCF Core Indicator 3: Number of policies, plans and development frameworks that mainstream climate resilience

Number (expected at PIF)	Number (expected at CEO ER)	Number (achieved at MTR)	Number (achieved at TE)
10			

Please include regional, national, sub-national and sectoral plans that the project will mainstream adaptation in.

Name or Description of Policy/ Plan/ Framework	Scope	Status (actual at PIF)	Status (actual at CEO ER)	Status (achieved at MTR)	Status (achieved at TE)
Local Adaptation Plans	Sub-national	Not in place			
Provincial Adaptation Plans	Sub-national	Not in place			

District-level Social and Economic Plan and District Budget	Sub-national	Implemented			
National Investment Plan for the Agricultural sector	National	Implemented			

LDCF/SCCF Core Indicator 4: Number of people with enhanced capacity to identify climate risk and/or engage in adaptation measures (gender-segregated, M/F)

	Number (expected at PIF)	Number (expected at CEO ER)	Number (achieved at MTR)	Number (achieved at TE)
Women	1,500			
Men	2,500			
Total	4,000			

This number may include government staff, communities and households, private sector workers, etc.