Part I: Project Information

GEF ID
10777

Project Type
FSP

Type of Trust Fund
LDCF

CBIT/NGI
CBIT **No**
NGI **No**

Project Title
Transformational Adaptation for Climate Resilience in Lake Chilwa Basin of Malawi (TRANSFORM)

Countries
Malawi

Agency(ies)
UNDP

Other Executing Partner(s)
Department of Environmental Affairs (DEA) of the Ministry of Natural Resources and Climate Change

Executing Partner Type
Government

GEF Focal Area
Climate Change

Sector
Climate Change Adaptation Sector

Taxonomy

Focal Areas, Climate Change, Climate Change Adaptation, Least Developed Countries, Climate resilience, Livelihoods, Ecosystem-based Adaptation, Private sector, Influencing models, Deploy innovative financial instruments, Strengthen institutional capacity and decision-making, Stakeholders, Private Sector, Capital providers, SMEs, Individuals/Entrepreneurs, Financial intermediaries and market facilitators, Communications, Public Campaigns, Awareness Raising, Beneficiaries, Type of Engagement, Information Dissemination, Partnership, Local Communities, Civil Society, Non-Governmental Organization, Community Based Organization, Gender Equality, Gender Mainstreaming, Women groups, Capacity, Knowledge and Research, Knowledge Exchange, Capacity Development, Learning, Adaptive management, Knowledge Generation, Enabling Activities, Innovation

Rio Markers

Climate Change Mitigation

No Contribution 0

Climate Change Adaptation

Principal Objective 2

Biodiversity

No Contribution 0

Land Degradation

No Contribution 0

Submission Date

1/25/2023

Expected Implementation Start

11/1/2023

Expected Completion Date

11/1/2028

Duration

60In Months

Agency Fee($)

419,540.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
CCA-1	Reduced vulnerability and increased resilience through innovation and technology transfer	LDCF	580,000.00	6,451,000.00
CCA-2	Mainstreaming climate change adaptation and resilience for systematic impact	LDCF	3,836,210.00	15,000,000.00
		Total Project Cost($)	**4,416,210.00**	**21,451,000.00**

B. Project description summary

Project Objective

To reduce the vulnerability of communities surrounding Lake Chilwa to the adverse effects of climate change by strengthening the resilience of livelihoods through Ecosystem-based Adaptation (EbA) and financing of climate-resilient enterprises.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 1. Enhancing financing and investment in adaptation options and climate-resilient enterprises in the Lake Chilwa basin, with potential for upscaling to other regions of Malawi.	Investment	Outcome 1: Enhanced public and private sector investment in and strengthened market linkages for upscaling sustainable, climate-resilient enterprises to provide communities with alternative sources of income.	Output 1.1. A sustainable climate-finance facility (SCFF) established through the UNDP Growth Accelerator Platform to stimulate private sector investment for MSMEs and strengthen the micro-finance industry for innovation in climate-resilient livelihoods, enterprises, and technologies.	LDCF	705,914.00	2,829,524.00
			Output 1.2. Partnerships established between communities, extension services, CBOs, farmers, wholesalers and private sector enterprises through the development of a market information hub and introduction of technologies that increase access to and strengthen high-value markets			
			Output 1.3. Technical assistance provided to the Malawi National Climate Change Fund (NCCF) to integrate and implement the SCFF initially introduced through the UNDP Growth Accelerator.			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 2: Implementation of EbA and sustainable climate-resilient livelihoods.	Investment	Outcome 2. Reduced vulnerability of communities in target districts to climate change through the implementation of EbA interventions and the introduction of innovative sustainable climate-resilient livelihoods in preparation for scaling up through Outcomes 1 and 3	Output 2.1. An EbA Plan ? with an integrated management framework that identifies climate change vulnerability and ecosystem degradation hotspots ? developed for entire Lake Chilwa Basin, building on Watershed Management Plans (WMPs) developed for each target district under the SFAD-WM project. Output 2.2. Community-based Ecosystem Monitoring and Reporting (M&R) system established in each target district to support enhanced natural resource management and compliance with environmental regulations.[1], [2] Output 2.3. Technical capacity of public and private stakeholders enhanced to identify and prepare climate-resilient business plans and financially viable project packages for support from the SCFF. Output 2.4. Sustainable climate-resilient livelihoods implemented in target communities through the provision of training (including at least 50% women), provision of start-up inputs (such as beekeeping equipment) as well as the development of	LDCF	3,000,000.00	13,800,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
			partnerships with local suppliers and value chain service providers (through technical advisory services). [1]This output is aimed at developing monitoring systems that will ultimately ensure the effectiveness of EbA interventions. The focus on enhanced natural resource management and compliance with regulations have been added to the project design to ensure that the benefits of all EbA interventions are maximised by strengthening the integrity of ecosystems, and thereby providing services to vulnerable target communities that will underpin their climate resilience . [2]These regulations will include those focussed on natural resource management as well as those specifically aimed at promoting climate change adaptation. The M&R system will support compliance with laws and regulations related to natural resources management in general, but simultaneously promote compliance and alignment with frameworks developed for climate change adaptation. This will ensure that maladaptation does not occur and that there are synergies between different regulatory frameworks. A description of relevant environmental regulatory frameworks that govern the use of natural			

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
			resources in the Lake Chilwa basin is presented in the Project Document under Section *II.8. National strategies and plans.*			
Component 3: Strengthening the enabling environment for upscaling of initiatives aimed at climate-resilient development across Malawi.	Investment	Outcome 3. Strengthened enabling environment for district- and community-level institutions to plan, implement and monitor Ecosystem-based Adaptation (EbA), in readiness for receiving funding under the SCFF	Output 3.1. Knowledge management hub established to document and disseminate best practices on EbA, livelihoods diversification, and market information. Output 3.2. National awareness programme on EbA and climate resilient investment opportunities undertaken in collaboration with private sector. Output 3.3. Framework Climate Resilience Investment Plan (FCRIP) for sustainable climate-resilient livelihoods and value chains developed for each target district in Lake Chilwa basin (as well as two other districts in different ecosystems), building on the WMPs developed through the SFAD-WM project.	LDCF	304,000.00	3,504,000.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 4: Monitoring and Evaluation		4.1: Project Monitoring & Evaluation implementation meets UNDP Standards	Project M&E plan fully implemented	LDCF	197,449.00	296,000.00
				Sub Total ($)	**4,207,363.00**	**20,429,524.00**

Project Management Cost (PMC)

LDCF	208,847.00	1,021,476.00
Sub Total($)	**208,847.00**	**1,021,476.00**
Total Project Cost($)	**4,416,210.00**	**21,451,000.00**

Please provide justification

C. 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($)
Recipient Country Government	Ministry of Natural Resources and Climate Change	In-kind	Recurrent expenditures	4,550,000.00
Recipient Country Government	Zomba District Council	In-kind	Recurrent expenditures	500,000.00
Recipient Country Government	Phalombe District Council	In-kind	Recurrent expenditures	300,000.00
Recipient Country Government	Machinga District Council	In-kind	Recurrent expenditures	650,000.00
Recipient Country Government	Ministry of Finance	In-kind	Recurrent expenditures	4,000,000.00
Recipient Country Government	Ministry of Finance	Public Investment	Investment mobilized	9,451,000.00
GEF Agency	UNDP	Grant	Investment mobilized	1,750,000.00
GEF Agency	UNDP	In-kind	Recurrent expenditures	250,000.00
			Total Co-Financing($)	**21,451,000.00**

Describe how any "Investment Mobilized" was identified

The total financing for the project is US$25,867,210. This is financed through an LDCF grant of USD 4,416,210, and US$1,750,000 in cash co-financing to be administered by UNDP, and US$250,000 In-kind contribution which will be utilised to support UNDP?s oversight role. An additional co-finance of US$19,451,000 has been committed by Government?s Ministry of Natural Resources and Climate Change, Ministry of Finance and District Councils as responsible parties. The Government co-finance includes parallel programmes and projects being implemented by the GoM?s Ministry of Finance, government personnel, equipment and office space. UNDP, as the GEF Implementing Agency, is responsible for the oversight of the GEF resources and the cash co-financing transferred to UNDP bank account only. The

parallel programmes include as co-finance includes: 1 Malawi Climate Resilient and Sustainable Capture Fisheries, Aquaculture development and watershed management project (2020 - 2025) Total budget: $18,812,767 Co-finance: $940,638.15 2 Enhancing the Resilience of Agro-Ecological Systems (ERASP) (2017-2023) Total budget: $7,000,000 Co-finance: $350,000 3 African Forest Landscape Restoration Initiative (Ongoing) Total budget: $23,500,000 Co-finance: $1,175,000 4 Private Sector Development Project (2025 - 2023) Total budget: $29,000,000 Co-finance: $1,450,000 5 Programme for Rural Irrigation and Development (PRIDE) Total budget: $80,400,000 Co-finance: $2,020,000 6 Malawi Watershed Services Improvement Project (MWASIP) - 2020 - 2026 Total budget: $150,000,000 Co-finance: $3,515,361.85

D. 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($)	Fee($)	Total($)
UNDP	LDCF	Malawi	Climate Change	NA	4,416,210	419,540	4,835,750.00
			Total Grant Resources($)		**4,416,210.00**	**419,540.00**	**4,835,750.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **true**

PPG Amount ($)

150,000

PPG Agency Fee ($)

14,250

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
UNDP	LDCF	Malawi	Climate Change	NA	150,000	14,250	**164,250.00**
			Total Project Costs($)		**150,000.00**	**14,250.00**	**164,250.00**

Meta Information - LDCF

LDCF true
SCCF-B (Window B) on technology transfer false
SCCF-A (Window-A) on climate Change adaptation false

Is this project LDCF SCCF challenge program?
false

This Project involves at least one small island developing State(SIDS). false

This Project involves at least one fragile and conflict affected state. false

This Project will provide direct adaptation benefits to the private sector. true

This Project is explicitly related to the formulation and/or implementation of national adaptation plans (NAPs). false

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This Project has an urban focus. false

This Project covers the following sector(s)[the total should be 100%]:*

Agriculture	**25.00%**
Natural resources management	**50.00%**
Climate information services	**0.00%**
Coastal zone management	**0.00%**
Water resources management	**25.00%**
Disaster risk management	**0.00%**
Other infrastructure	**0.00%**
Health	**0.00%**
Other (Please specify:)	**0.00%**
Total	**100%**

This Project targets the following Climate change Exacerbated/introduced challenges:*

Sea level rise false

Change in mean temperature true

Increased climatic variability true

Natural hazards false

Land degradation true

Coastal and/or Coral reef degradation false

Groundwater quality/quantity false

Core Indicators - LDCF

CORE INDICATOR 1

Total

Male

Female

% for Women

Total number of direct beneficiaries

0

0

0

0%

CORE INDICATOR 2

Area of land managed for climate resilience (ha)

0.00

CORE INDICATOR 3

Total no. of policies/plans that will mainstream climate resilience

1

CORE INDICATOR 4

Male

Female

% for Women

Total number of people trained

5,000

2,000

3,000

60.00%

To calculate the core indicators, please refer to Results Guidance

OBJECTIVE 1

Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaption

OUTCOME 1.1

Technologies and innovative solutions piloted or deployed to reduce climate-related risks and / or enhance resilience

View

OUTCOME 1.2

Innovative financial instruments and investment models enabled or introduced to enhance climate resilience

View

OBJECTIVE 2

Mainstream climate change adaption and resilience for systemic impact

OUTCOME 2.1

Strengthened cross-sectoral mechanisms to mainstream climate adaption and resilience

View

OUTCOME 2.2

Adaptation considerations mainstreamed into investments

View

OUTCOME 2.3

Institutional and human capacities strengthened to identify and implement adaptation measures

View

OBJECTIVE 3

Foster enabling conditions for effective and integrated climate change adaption

OUTCOME 3.1

Climate-resilient planning enabled by stronger climate information decision-support services, and other relevant analysis, as a support to NAP process and/or for enabling activities in response to COP guidance

View

OUTCOME 3.2

Increased ability of country to access and/or manage climate finance or other relevant, largescale, pragmatic investment, as a support to NAP process and/or for enabling activities in response to COP guidance

View

OUTCOME 3.3

Institutional and human capacities strengthened to identify and implement adaptation measures as a support to NAP process and/or for enabling activities in response to COP guidance

View

Part II. Project Justification

1a. Project Description

describe any changes in alignment with the project design with the original pif

No major changes in alignment with the project design of the original PIF have been made, with the exception of some details under Outcome 1 that have been revised, as shown in Table 1. These changes were made to provide greater clarity and also to reflect contextual changes that took place in the country since the approval of the PIF ? primarily related to the sustainable climate financing facility and the practical implications of establishing funding windows for climate-resilient livelihood development. Further detail on each of the proposed project Outputs and how/if they have been revised during the PPG phase is presented in the sections lower down.

Table 1. Changes in alignment with the project design with the original PIF.

Outcome/Output as written in the PIF	Outcome/Output revised during PPG	Changes made
Outcome 1. Enhanced public and private sector investment in and strengthened market linkages for upscaling sustainable, climate-resilient enterprises to *provide communities with alternative sources of income.*	*Outcome 1. Enhanced public and private sector investment in and strengthened market linkages for upscaling sustainable, climate-resilient enterprises to* *provide communities with alternative sources of income.*	No changes have been made to this Outcome.

Output 1.1 A sustainable climate-finance facility established to stimulate private sector investment for MSMEs, with a new CCA funding window opened under the MICF, as well as provision of technical assistance and strengthening of the micro-finance industry for innovation in climate-resilient livelihoods, enterprises and technologies.	Output 1.1. sustainable climate-finance facility (SCFF) established through the UNDP Growth Accelerator Platform to stimulate private sector investment for MSMEs and strengthen the micro-finance industry for innovation in climate-resilient livelihoods, enterprises, and technologies.	Consultations with the UNDP CO Private Sector Investment team revealed that the UNDP Growth Accelerator Platform would be a more appropriate structure for the SCFF. Originally, the SCFF was envisioned to be a larger financing facility under the Malawi Innovation Challenge Fund (MICF) mechanism. Since PIF approval, the MICF programme is in the process of being closed down and hence not available for partnership with TRANSFORM project. The project will now partner with Growth Accelerator (GA) programme of UNDP Malawi, which is ongoing and will continue during the duration of the TRANSFORM project. However, due to the structure of GA platform, SCFF is now essentially a single window of call for proposals from private sector entities that will be launched by GA platform for TRANSFORM project.
Output 1.2. Partnerships established between communities, extension services, CBOs, farmers, buyers and private sector enterprises, including through the development of a market information hub and the introduction of technologies that will increase access to, and strengthen, high-value markets.	Output 1.2. Partnerships established between communities, extension services, CBOs, farmers, wholesalers and private sector enterprises through the development of a market information hub and introduction of technologies that increase access to and strengthen high-value markets	Minor changes have been made to the wording of this Output. Significant detail has been added to the design. Specifically, the Output now includes the operationalisation of the funding windows opened under Output 1.1, as well as support for private sector entities to establish sustainable briquette production units, climate-resilient agricultural and fisheries value chains, and ecotourism ventures. In addition, the Output also includes interventions aimed at enhancing access to microfinance, insurance and social protection measures to support the activities aimed at strengthening value chains described above.

Output 1.3. Technical assistance provided to the Malawi National Climate Change Fund (NCCF) to integrate and implement the SCFF initially introduced through the MICF.	Output 1.3: Technical assistance provided to the Malawi National Climate Change Fund (NCCF) to integrate and implement the SCFF initially introduced through the UNDP Growth Accelerator.	As described above, the SCFF will no longer be established under the MICF, but rather the UNDP Growth Accelerator. Under Output 1.3, technical assistance will be provided to the NCCF for its capitalisation and absorption of SCFF assets. Growth Accelerator provides same platform as originally envisaged under MICF at PIF stage, with the added advantage of Growth Accelerator targeting smaller businesses better than MICF.
Outcome 2. Reduced vulnerability of communities in target districts to climate change through the implementation of EbA interventions and the introduction of sustainable climate-resilient livelihoods.	*Outcome 2. Reduced vulnerability of communities in target districts to climate change through the implementation of EbA interventions and the introduction of sustainable climate-resilient livelihoods.*	No changes have been made to the wording of this Outcome.

Output 2.1. An EbA Plan ? with an integrated management framework that identifies climate change vulnerability and ecosystem degradation hotspots ? developed for entire Lake Chilwa Basin, building on Watershed Management Plans (WMPs) developed for each target district under the SFAD-WM project.	An EbA Plan ? with an integrated management framework that identifies climate change vulnerability and ecosystem degradation hotspots ? developed for entire Lake Chilwa Basin, building on Watershed Management Plans (WMPs) developed for each target district under the SFAD-WM project.	No changes have been made to this Output.
Output 2.2. Community-based Ecosystem Monitoring and Reporting (M&R) System established in each target district to support enhanced natural resource management and compliance with environmental regulations.	Output 2.2. Community-based Ecosystem Monitoring and Reporting (M&R) System established in each target district to support enhanced natural resource management and compliance with environmental regulations	No changes have been made to this Output.

Output 2.3. Technical capacity of communities, extension services, CBOs, farmers, buyers and private sector enterprises enhanced, to identify and prepare climate-resilient business plan s and project packages that are financially viable, for support from the SCFF established under Outcome 1.	Output 2.3. Technical capacity of public and private stakeholders enhanced to identify and prepare climate-resilient business plans and financially viable project packages for support from the SCFF.f	Minor changes have been made to the wording of this Output to improve ease of reading and comprehension. No significant changes however have been made to the design of the Output.
Output 2.4. Sustainable climate-resilient livelihoods implemented in target communities through the provision of training (including at least 50% women), provision of start-up inputs (such as beekeeping equipment) as well as the development of partnerships with local suppliers and value chain service providers (through technical advisory services).	Output 2.4. Sustainable climate-resilient livelihoods implemented in target communities through the provision of training (including at least 50% women), provision of start-up inputs (such as beekeeping equipment) as well as the development of partnerships with local suppliers and value chain service providers (through technical advisory services)	No changes have been made to this Output.

Outcome 3. Strengthened enabling environment *for district- and community-level institutions to plan, implement and monitor Ecosystem-based Adaptation (EbA), in readiness for receiving funding under the SCFF*	*Outcome 3. Strengthened enabling environment* *for district- and community-level institutions to plan, implement and monitor Ecosystem-based Adaptation (EbA), in readiness for receiving funding under the SCFF*	No changes have been made to this Outcome.
Output 3.1 Knowledge management hub established to enable documentation and dissemination of best practices on EbA and livelihoods diversification, as well as market and product information.	Output 3.1. Knowledge management hub established to document and disseminate best practices on EbA, livelihoods diversification, and market information.	Minor grammatical changes have been made to the wording of this Output.
Output 3.2. National awareness programme? on EbA and climate resilient investiment opportunities undertaken in collaboration with private sector.	Output 3.2. National awareness programme on EbA and climate resilient investment opportunities undertaken in collaboration with private sector	No changes have been made to this Output.

Output 3.3. Framework Climate Resilience Investment Plan (FCRIP)for sustainable climate-resilient livelihoods and value chains developed for each target district in Lake Chilwa Basin (as well as two other districts in different ecosystems), building on the the WMPs developed through the SFAD-WM project.	Output 3.3. Framework Climate Resilience Investment Plan (FCRIP) for sustainable climate-resilient livelihoods and value chains developed for each target district in Lake Chilwa basin (as well as two other districts in different ecosystems), building on the WMPs developed through the SFAD-WM project	No changes have been made to this Output.
Output 3.4. Guidance for locally-driven climate resilience investment planning developed and disseminated to all districts in Malawi.	Output 3.4. Guidance for locally driven climate resilience investment planning developed and disseminated to all districts in Malawi	No changes have been made to this Output.

1a.1. Global environmental and/or adaptation problem, root causes and barriers

1a.1.1 Problem description

In the Lake Chilwa basin in southern Malawi, local communities are increasingly affected by the impacts of climate change. Since the 1960s, considerable changes in climate conditions have occurred across

Malawi[1]1. These observed changes are summarised below (detail is provided in the Section 1.4 of the Project Document[2][2]).

? **Temperature**: Increasing average temperature a general increase in average annual temperatures across the country (Figure 1 below): Between 1960 and 2006, average annual temperature increased at an average rate of ~0.2?C per decade, resulting in an overall increase of 0.9?C during this period[3]3.

? **Precipitation**: Increasingly variable precipitation patterns, characterised by erratic rainfall, more frequent and prolonged dry spells, and a delayed and shorter rainy season (Figure 2). Concurrently, the frequency and intensity of storms, tropical cyclones and anti-cyclones has increased, which coincides with the increased occurrence of high-intensity rainfall events[4]4.

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[1] GOM. Third National Communication to the UNFCCC. Available at https://unfccc.int/sites/default/files/resource/TNC%20report%20submitted%20to%20UNFCCC.pdf

[2] In the Project Document, a detail is provided on climate change at regional level (Southern Africa), national level (Malawi) and local level (Lake Chilwa).

[3] GOM. Third National Communication to the UNFCCC. Available at https://unfccc.int/sites/default/files/resource/TNC%20report%20submitted%20to%20UNFCCC.pdf

[4] Ibid.

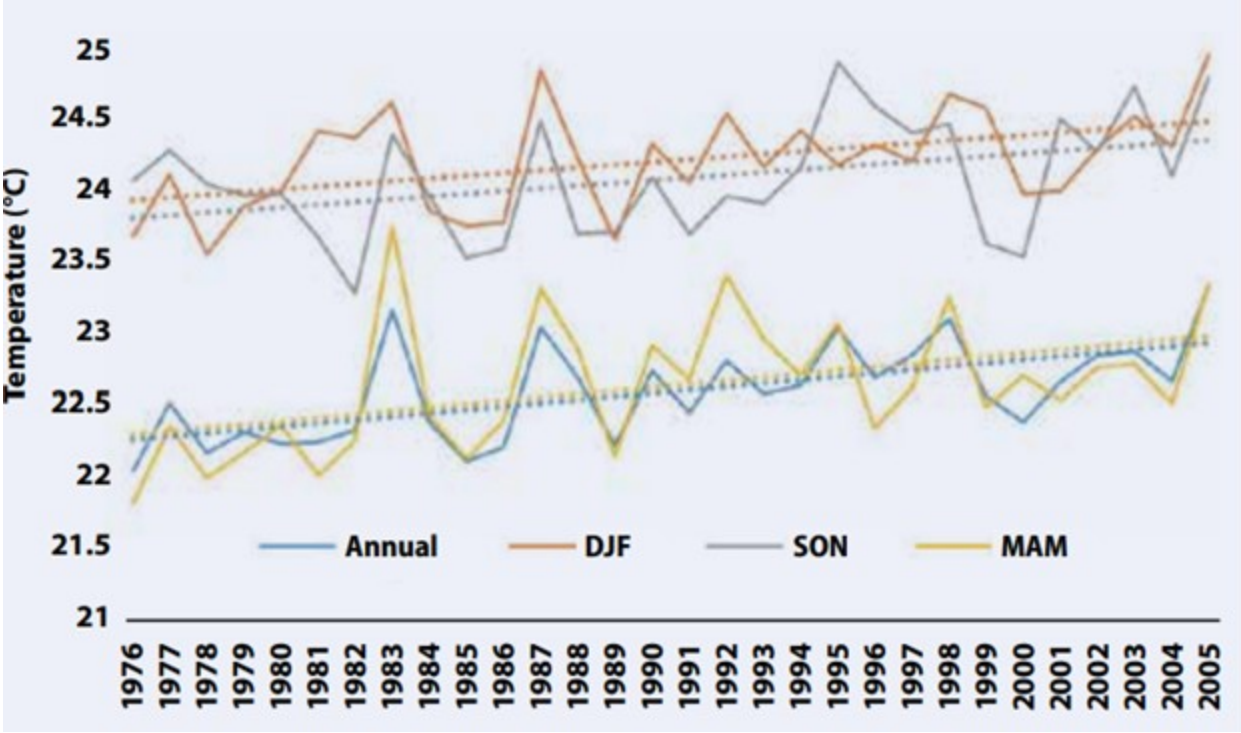

Figure 1. Observed annual and seasonal temperature across Malawi (1976?2005) [1]. The figure shows the linear increasing trend of 0.02?C per year across three seasonal periods, namely March?May and September?November.

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[1] Climate and Development Knowledge Network. 2017. Future climate projections for Malawi. Available at: https://futureclimateafrica.org/wp-content/uploads/2017/10/2772_malawi_climatebrief_v6.pdf

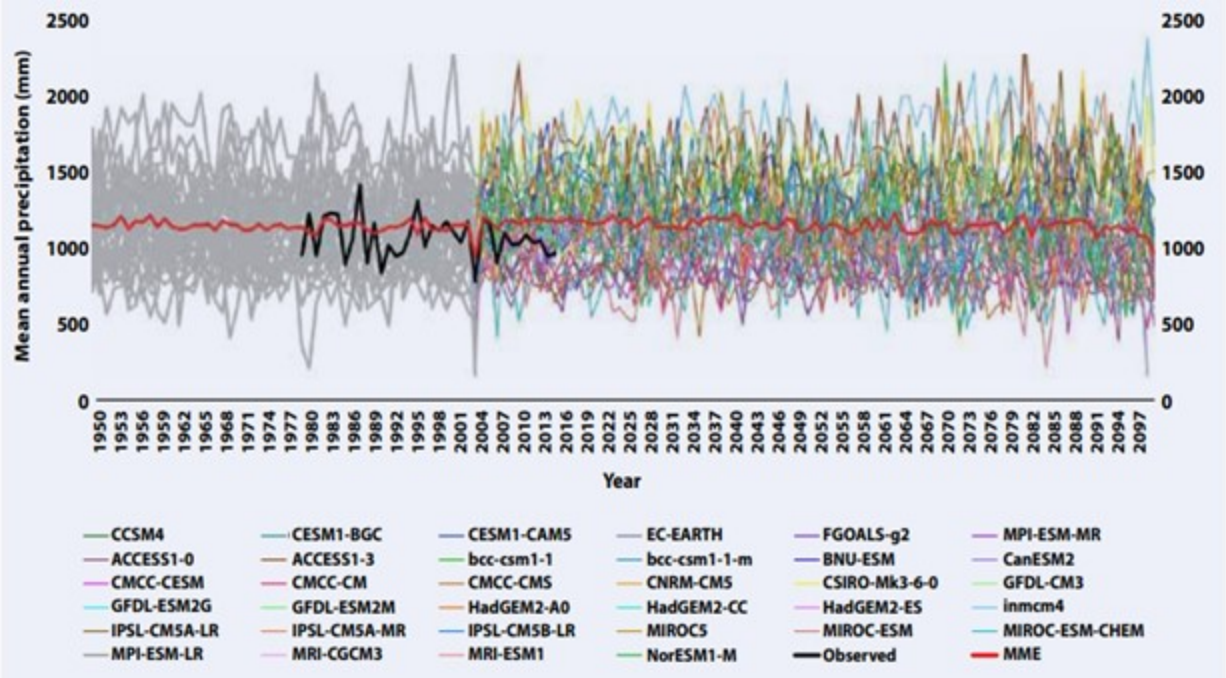

Figure 2. Time series of annual rainfall in Malawi for the 34 CMIP5 models. The black line shows the observations for the period 1981?2016, while the bold red line shows the ensemble mean for the period 1950?2099[1].

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[1] Climate and Development Knowledge Network. 2017. Future climate projections for Malawi. Available at: https://futureclimateafrica.org/wp-content/uploads/2017/10/2772_malawi_climatebrief_v6.pdf

These climatic changes have been particularly acute in the Lake Chilwa basin where they have contributed to a rise in the intensity and frequency of climate hazards such as droughts, floods and heatwaves associated with: i) a decline in the capacity of ecosystems in the basin to regulate the hydrological cycle; ii) a decrease in Lake Chilwa?s water levels; and iii) a reduction in the productivity of fisheries and rainfed agriculture. Climate change is negatively impacting the Lake Chilwa basin in southern Malawi, acting as a threat multiplier that combined with non-climate drivers of ecosystem decline collectively weaken the resilience of communities who rely on natural resource-based livelihoods such as agriculture and fisheries.

The climatic changes described above are projected to intensify under future climate conditions. This will include further changes in temperature as well as precipitation. In the south of the country temperatures are projected to increase by up to 2.8oC by 2070, while temperatures in lakeshore areas, including Lake Chilwa, will rise by up to 3oC by 2100 under a high-emissions scenario[1]. Regarding precipitation, there is limited certainty regarding projected changes in average annual rainfall (**Figure 2**). However, there is a considerable degree of certainty that rainfall variability and shifting seasonal rainfall

patterns will increase under future climate change conditions[2]. Specifically, there is strong agreement between GCMs (85%) that the overall number of rainfall days will decrease[3] while the amount of rainfall per rain day (rainfall intensity) will significantly increase[4]. More information on projected changes in rainfall in different parts of Malawi under different climate scenarios is shown in Table 1 below.

Table 1. Precipitation scenarios for different regions of Malawi[5]5.

Location	**Near Century Period:2011?2040.**	**Mid Century Period: 2041?2070**	**End Century Period: 2071?2100**
Lower Shire Valley	800 mm?1000 mm: mean rainfall.	January rainfall to increase by 8% while summer will be drier by 3% to 5%.	Rainfall to decrease by about 15%.
Shire Highlands	1000 mm?1200 mm: mean rainfall.	Winter rainfall to increase by 15% while summer rainfall will decrease by 10%.	Summer rainfall to decrease by 25%.
Central Areas	800 mm?1100 mm: mean rainfall.	October to December rainfall to decrease by 10% to 22%.	October to December rainfall to decrease by 20% to 56%.
Lakeshore Areas	March to April rainfall will increase by 5% to 25%.	Winter rainfall will decrease by 65%.	There will be a general decrease in rainfall by 60%.
Northern Areas	Increase in rainfall by 3% to 8% during the period January to April.	October to December rainfall to decrease by 10% to 36%.	Rainfall to decrease by 56%.

[1] GOM. Third National Communication to the UNFCCC. Available at https://unfccc.int/sites/default/files/resource/TNC%20report%20submitted%20to%20UNFCCC.pdf

[2] GOM. Third National Communication to the UNFCCC. Available at https://unfccc.int/sites/default/files/resource/TNC%20report%20submitted%20to%20UNFCCC.pdf

[3] See figure 18 on page 31 of the Project Document.

[4] Climate and Development Knowledge Network. 2017. Future climate projections for Malawi. Available at: https://futureclimateafrica.org/wp-content/uploads/2017/10/2772_malawi_climatebrief_v6.pdf

[5] GOM. Third National Communication to the UNFCCC. Available at https://unfccc.int/sites/default/files/resource/TNC%20report%20submitted%20to%20UNFCCC.pdf

As climate change impacts intensify, these communities are pushed beyond the limits of traditional coping mechanisms, instead resorting to maladaptive practices that degrade ecosystems that regulate the

hydrological cycle. These maladaptive practices include the expansion of agricultural fields into marginal areas to offset declining crop productivity, and the exploitation of forest resources for fuel wood and charcoal production. The increasing demand of the basin?s growing population for energy and agricultural land is causing perpetuating unsustainable land management strategies. Such practices include the expansion of agricultural fields into marginal areas to offset declining crop productivity, and the exploitation of forest resources for fuel wood and charcoal production. This degradation results in areas of bare and compacted soil that do not have the structural ecological integrity to regulate the flow of water, causing a reduction in groundwater recharge and the baseflow of rivers and streams feeding into the lake ? particularly during droughts and dry spells. Although Lake Chilwa has historically dried periodically through natural processes, the frequency of drying has increased in recent decades because of the decreased baseflow and increased evapotranspiration ? particularly during heat waves. Moreover, the increased rates of surface water runoff associated with degradation, combined with increases in the intensity of rainfall events as a result of climate change, have exacerbated the prevalence and impacts of flooding in the basin, causing considerable damage to infrastructure and agricultural land, as well as extensive erosion and the loss of valuable topsoil. Ultimately, climate change severely impacts the health and wellbeing of vulnerable communities in the Lake Chilwa basin, reducing income and food security and driving the negative cycle of degradation. Without intervention, these challenges are expected to become heightened under future climate change conditions, further decreasing the climate resilience of local communities. A comprehensive overview of the abovementioned challenges is illustrated in the Problem Tree below (Figure 3). This figure is complemented by a solution tree and a complete Theory of Change diagram showcasing the project?s approach to overcoming these challenges (detail presented in Section III of the Project Document).

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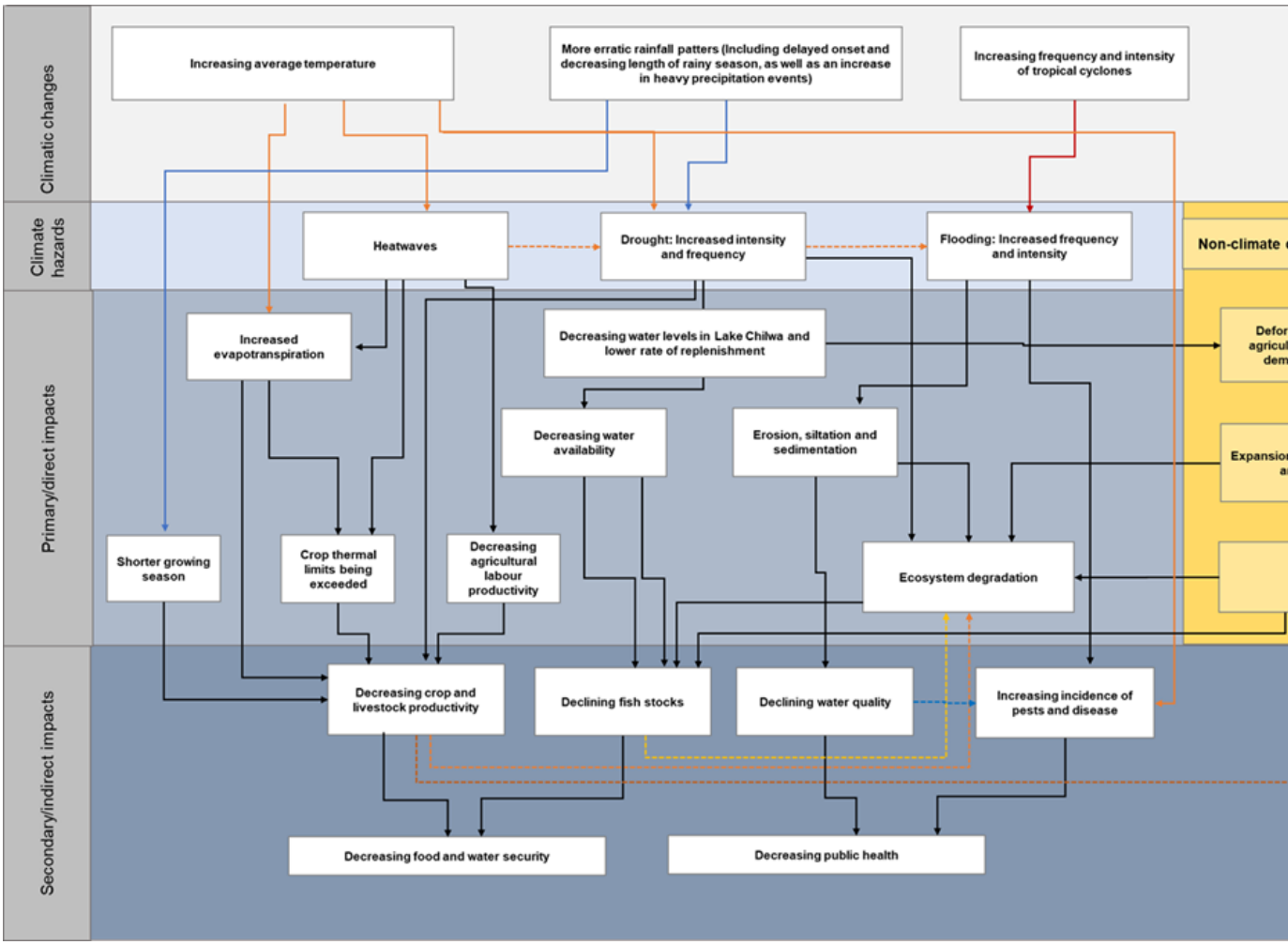

Figure 3. Problem tree describing the climate and baseline drivers of decreasing community climate resilience. The three orange blocks show the baseline problems of land-use change, human population demands and overfishing and how they interact with climate change impacts through ecosystem degradation.

1a.1.2 Root causes of landscape degradation (non-climate drivers of vulnerability)

The primary baseline problem underpinning community vulnerability to climate change in the Lake Chilwa basin is a gradual decline in ecosystem services delivery ? particularly those related to the hydrological cycle. The observed changes in hydrological cycles have been attributed to several factors, many of which are related to the loss of ecosystem services. The core of this problem is the degradation of forest and wetland ecosystems, which in turn is impacted by several underlying factors ? all of which are being exacerbated by climate change. The baseline drivers (immediate, underlying and root causes[1]) of this landscape degradation are summarised in Figure 1 below.

Figure 4. A summary of the immediate, underlying and root causes of decreasing ecosystem services in the Lake Chilwa basin.

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1a.1.3 Barriers to be addressed

Despite ongoing efforts to address the environmental, social and economic challenges associated with climate change, several barriers remain to achieving the long-term preferred solution in the Lake Chilwa basin. These barriers are outlined below.

Barrier 1: Limited technical and financial capacity among communities for the adoption of alternative livelihoods

The clmate-resilient alternative livelihood options being developed at small scale in the Lake Chilwa basin could potentially be scaled up. However, their adoption has been limited by the low financial capacity among communities, which prevents their adoption of alternative, climate-resilient livelihoods.

In particular, communities in the basin do not have the financial resources to invest in adaptation initiatives, with inadequate access to loans, insurance or social protection to financially sustain their operations. Moreover, the limited access to finance is further compounded by the low level of financial literacy among communities in the basin, which constrains their income potential and prevents them from effectively engaging in the development of sustainable, climate-resilient livelihoods. Overall, the limited financial capacity of vulnerable communities in the Lake Chilwa basin reinforces the impacts of several other barriers to adaptation, and poses a challenge to the realisation of the preferred long-term solution.

Barrier 2: Limited knowledge and skills among subsistence farmers and fisherfolk of value-addition practices for agricultural and fisheries products.

Most livelihoods in the Lake Chilwa basin comprise subsistence agriculture and fishing, with minimal knowledge and information available to promote their expansion. Specifically, local communities do not have the skills to develop agricultural and fishery value chains or maximise the value of their products ? including post-harvest value-addition practices, such as food processing and storage. This barrier is compounded by the constrained financial resources described in Barrier 1, which limit the uptake of value-addition practices. The low adoption of value-addition services is illustrated by the high rate of post-harvest losses in lake catches and staple agricultural crops. Communities? limited knowledge on preventing these losses compromises the quality of harvested products, reducing the market value of commodities and the likelihood of purchase by other value chain actors. There remains a general need to increase the availability of knowledge on climate change adaptation in the basin, not only for use by subsistence farmers and fisherfolk, but for decision makers and local leaders as well. Existing projects are already generating climate change data from the basin, although its accessibility remains limited.

Barrier 3: Limited social accountability systems and community capacity to enforce environmental regulations.

The Government of Malawi (GoM) has gazetted protected fishery areas by declaring conservation and harvest reserves in designated areas across the country. These reserves offer a range of protection, from complete prohibitions against the removal of any organism to other regulations such as seasonal closures or restrictions on the removal of specific species. Other protected areas have been created on a smaller scale in areas such as Lake Chilwa by local communities as part of co-management arrangements with local GoM institutions. These protected areas are either temporary ? as is the case of fish sanctuaries established in Lake Chilwa tributaries during periods of lake recession ? or semi-permanent, where fisherfolk take control of the protection. However, protected areas have generally failed to gain the necessary support of local communities as they are perceived to be top-down government directives. Both central and local government have limited resources to effectively monitor and enforce the national guidelines and, as a result, encroachment into protected areas remains a considerable challenge, as does noncompliance with environmental regulations. The limited extent of monitoring and enforcement means social accountability is not experienced by the users of natural resources. From individuals to the community-level, a low likelihood of punishment for non-compliance with environmental regulations

means a greater likelihood of the overexploitation of resources. Consequently, this leads to growing pressure on aquatic resources and in Lake Chilwa in particular, overfishing has partly been the result of limited management and enforcement capacity. The GoM has introduced a licensing system that only allows a fixed number of participants in the fisheries sector. While the system has limited the entry of large-scale operators, it has been less effective with artisanal and subsistence fisherfolk ? who are commonly the main inhabitants of lakeshore communities. The primary challenge in enforcing licensing arises from the difficulty to administer the system with a dispersed and often mobile fisherfolk fleet.

Barrier 4: Limited technical and institutional capacity among communities for environmental and natural resource management, as well as implementing EbA measures.

Limited technical and institutional capacity for self-regulation and natural resource management in local communities prevents their meaningful participation in the management of fisheries, forests and wetlands. Central to the persistence of this barrier is the: i) limited technical capacity of district-level institutions to coordinate and support community-based climate adaptation; and ii) widespread prevalence of knowledge gaps, particularly on relevant, locally appropriate skills and techniques in EbA planning. As a result, there is an insufficient transfer of knowledge between stakeholders, with institutional fragmentation preventing meaningful community engagement on the ground.

As lake, forest and wetland resources decline because of climate change and continued overexploitation, community livelihoods are becoming increasingly unproductive. Moreover, as the population density in the area increases[2], more households are having to share fewer resources. Despite the existence of structures at the village level intended to enhance natural resource management (including BVCs and VNRCs),

While structures exist at village level to enhance natural resource management, such as BVCs and VNRCs, community engagement with associated catchment-level initiatives that ensure the effectiveness of gazetted legislation for fisheries in particular is limited. This prevents local communities from self-regulating and reduces compliance with existing regulations. There is a general scarcity of technical knowledge (both among communities and extension services) on implementation of these practices for starting the new ventures. The management of natural resources is also adversely affected by communities? limited capacity to plan, implement, monitor, evaluate and maintain EbA interventions. In turn, this exacerbates resource degradation as unsustainable land-use practices continue in the absence of effective EbA.

Barrier 5: Limited access to finance and markets for climate-resilient products by MSMEs and the informal sector.

Currently, communities within the Lake Chilwa basin have limited access to commercial finance from banks and microfinance institutions. There are many factors contributing to this barrier, including the perception among MFIs that demand for financial products in these areas is low, and that the costs of providing credit to communities in remote rural areas are therefore too high. Since the microfinance industry in Malawi has not yet matured and has primarily been concentrated in the northern parts of the country, the number of individuals and MSMEs in the south with a credit record is low compared with the north, increasing the perception by MFIs that investment in these areas is too costly and risky. The limited access to finance and markets for climate-resilient products is restricting the ability of MSMEs to expand their operations, improve packaging and marketing of their produce, and thereby accessing markets for the sale of their harvested fishing and agricultural commodities. This constrains their ability to adopt alternative, climate-resilient livelihoods as they are unable to benefit from local and regional demand for high-quality commodities such as pre-packaged agricultural products and dried or cured fish. As a result, the development of micro-, small- and medium-sized enterprises (MSMEs), particularly those dependent on natural resources, is constrained within the project target area. In addition to limited access to finance, communities also have insufficient access to insurance products ? including crop insurance, and potentially also disaster risk insurance, although this does not yet exist in Malawi. Given the vulnerability of MSMEs in the basin to climate hazards, insurance provides a buffer for these enterprises to sustain their operations after the occurrence of an extreme event ? particularly sudden-onset events such as storms and floods. Detail on the contributing factors to limited finance and market access is presented in Annex 24: Technical detail and implementation guidance.

Barrier 6: Limited investment and support from private sector and other value chain actors towards adaptation, as well as generally limited private sector engagement with small-scale producers.

Within the Lake Chilwa basin there is minimal interaction between the commercial entities across the value chain and local, small-scale producers such as smallholder farmers and fisherfolk. As described under Barrier 5 above, this results from producers? inability to access markets for the sale of their commodities, products and services. Given the limited capacity of producers to engage in value-adding activities (such as post-harvest processing), commercial entities are not attracted to investing in associated value chains, as they are perceived not to be lucrative.

1a.2. Baseline scenario and associated baseline projects

Several recent and ongoing initiatives within Malawi have been designed to address baseline developmental challenges, climate hazards and barriers. These initiatives, however, do not adequately account for the additional impact presented by future climate change conditions, which limits their long-term effectiveness. Despite this limitation, these initiatives represent a baseline to which the proposed LDCF project will provide additional finance to address climate change and promote adaptation. The proposed TRANSFORM project will build on existing initiatives aimed at coping with current climate

change and using natural resources sustainably and with equity within the Lake Chilwa basin and result in innovative outcomes to ensure a transformative shift in concessional funding for climate-resilient development in Malawi. Specifically, TRANSFORM will leverage LDCF resources for the implementation of initiatives aimed at catalysing private sector financing to develop climate-resilient value chains, enhanced market linkages, and thereby incentivising business and investment opportunities for climate resilience in the project target areas. The table below provides a summary of the baseline projects the proposed project will build on, as well as the project outcomes that will provide climate change additionality.

Table 2. Baseline projects and initiatives in alignment with the proposed project.

Project title	Implementation period	Cost	GEF Agency/Executing entity	Project summary	LDCF project additionality to the baseline
GEF/LDCF-financed projects					

Malawi climate-resilient and sustainable capture fisheries, aquaculture development and watershed management project (SFAD-WM)	2020?2025	US$ 18,986,210	MoAIWD/AfDB	This project is providing support toward sustainable fisheries in Malawi through community led and climate-smart watershed management. It is a sub-component of a larger AfDB project being implemented in Malawi targeting several ecosystems. The key components of the project are: i) sustainable capture fisheries and watershed management; ii) aquaculture development; iii) fish value chain strengthening; and iv) project coordination, monitoring and evaluation.	The proposed LDCF project will build on interventions of the SFAD-WM through: i) developing EbA plans for the Lake Chilwa basin, building on Watershed Management Plans (WMPs) developed under SFAD-WM to identify climate change vulnerability and ecosystem degradation hotspots and outlining EbA interventions for climate-resilient livelihoods (Outcome 2); ii) capacity building for EbA interventions (Outcome 2); iii) increasing market access and value chain enhancement for fishing and agricultural commodities (Outcome 2), as well as enhancing the scalability of interventions under SFAD-WM through the establishment of a private sector funded climate financing facility (Outcome 1); iv)

					establishment of a knowledge management hub for storing and managing lessons learned and best practices for upscaling beyond the Lake Chilwa basin (Outcome 3).
Non-GEF projects					

Enhancing the Resilience of Agro-Ecological Systems (ERASP)	2015?ongoing	US$ 94,552,963	MoAIWD/IFAD	The project aims to improve the sustainable management and governance of ecosystems to ensure continued provisioning of ecosystem goods and services in Malawi. Additionally, ERASP will safeguard the long-term productive potential of critical food systems in response to the changing social and economic needs of rural populations. This will be achieved through joint natural resource management at landscape level by developing catchment management plans and establishing catchment management committees, provisioned for under Malawi?s Water Resources Act.	The proposed TRANSFORM project will build on this project by: i) enhancing the productivity of agricultural landscapes and fisheries in Malawi through the development of the EbA plan under Component 1; ii) avoiding duplication by ensuring that the plans for natural resource management under the TRANSFORM project are developed for different areas in the country, subsequently benefitting communities not exposed to the ERASP project (Outcome 3); iii) making use of a knowledge management hub for planning, implementing and monitoring EbA (Outcome 3).

African Forest Landscape Restoration Initiative (AFR100)	2020?ongoing	US$ 23.5 million	MoNRCC/FAO	In 2016, under the African Forest Landscape Restoration Initiative, Malawi committed to restoring 4.5 million ha of forest by 2030.The restoration interventions under this project will be implemented as part of the ?Large-scale Forest Landscape Restoration in Africa?, a regional project that will target four countries ? Rwanda, Kenya, Cameroon and Malawi ? for forest landscape restoration.	The proposed GEF TRANSFORM project will complement this initiative by contributing to the restoration of forests and other ecosystems critical to livelihood and food security in Malawi, thereby enhancing the climate resilience of vulnerable local communities. This will be achieved through the development of the EbA plan which will ensure that future reforestation in the Lake Chilwa basin and the rest of Malawi is coordinated at landscape level, and that investments in EbA are implemented in an integrated, cross-sectoral manner.

Private Sector Development Project (PSDP)[6]	2013?2022	US$ 29,242,412[7]	UNDP/IFAD	This project will contribute to transforming the private sector in Malawi through economic diversification, job creation, and greater economic opportunity for resource-poor communities. In addition, a more responsive policy and institutional environment for agricultural and manufacturing value chains will be developed by ensuring the establishment of the value chains at policy level. The operational approach is described using two instruments: i) UNDP?s Inclusive Markets Development (IMD); and ii) a ?Challenge Fund? ? which provides financing and economic stimulus packages for businesses in Malawi. Direct support will be provisioned to businesses for accessing concessional	The proposed project will promote the transformation of fishing and agricultural markets for both subsistence fishermen and farmers by improving Malawi?s agricultural and processing value chains (Outcome 2) by updating post-harvest processing technologies (Outcome 2) increasing private sector engagement (Outcome 1). An innovative feature of the proposed project is community responsibility for both management and monitoring of their natural resources, promoting sustainability of interventions by enhancing compliance with relevant environmental laws and regulations (Outcome 3).

				finance and technical assistance provided to support agricultural and manufacturing value chain enhancement.	

UNDP Growth Accelerator[8]	2019?ongoing	Between US$ 10,000?US$ 40,000 per entrepreneurial venture[9].	UNDP/mHub (lead technical organisation) /Growth Africa (supporting technical organization)	The UNDP Growth Accelerator programme is a business acceleration programme for youthful high-impact post-revenue businesses looking to grow and scale, developed by UNDP?s Private Sector Development Programme (PSDP). The programme supports entrepreneurs in co-financing, mentorship and technical assistance.	This programme is the platform upon which the Sustainable Climate Finance Facility in the proposed TRANSFORM project will be developed. The SCCF will stimulate public and private sector investments for MSMEs, with a new CCA funding window opened under Component 1 for energy (briquette production), ecotourism, and staple food grains/high-value food products. The proposed project will build on the work of the Growth Accelerator by upscaling the initiative through the provision of technical assistance and strengthening of the micro-finance industry for innovation in climate resilient livelihoods, enterprises and technologies (Output 2).

Build Malawi Window[10]	2021?ongoing	Target capitalization of US$ 35 million; 8.25 million raised.	Bamboo Capital Partners' BUILD Fund	The Build Malawi Window is aimed at helping Malawi realize its development Vision 2063 by providing opportunities for the country's economy to grow in a green and inclusive manner. The Build Malawi Window will support businesses with loans, equity and technical assistance. It provides technical assistance to businesses both before and after investment to improve quality of their growth and SDG impact as well as reduce associated risks and costs. The programme aims to: i) create 3,000 jobs (30% minimum for women and youth); ii) integrate 75,000 small-scale producers into investees? supply chain; iii) increase participating small-scale producers? income by 30%; iv) expand fiscal space with	The proposed project will enable upscaling of the BUILD Fund Malawi through the SCCF by stimulating public and private sector investments for MSMEs. The proposed project will also create jobs, increase small-scale producers? income and strengthen supply chains (Outcome 1).

				aggregated income taxes of US$ 19.3 million; and v) strengthen 15 supply chains. The BUILD Fund is operational after being incorporated in Luxembourg under the Bamboo Capital Partners' BUILD Fund architecture and capitalized with the first loss tranche. The Fund has pre-screened companies is expected to execute its first investments in 2022[11].	

Titukulane project (USAID)[12]	2019?2024	US$ 75 million[13]	CARE, Emmanuel International, International Food Policy Research institute (IFPRI), National Smallholder Farmers Association of Malawi (NASFAM), Save The Children and WaterAid.	The project aims to facilitate the implementation and ensure effectiveness of the Malawi National Resilience Strategy (NRS). The main objective of the project is sustainable, equitable, and resilient food and nutrition security for ultra-poor and chronically vulnerable households and communities in Mangochi and Zomba districts in Malawi. It has 3 core purposes: i) increased diversified, sustainable, and equitable incomes for ultra-poor, chronically vulnerable households, women and youth; ii) improved nutritional status among children under five years of age, adolescent girls, and women of reproductive age; and iii) increased institutional and local capacities to reduce risk and increase resilience	The proposed TRANSFORM project will build on the Titukulane project by: i) developing district-specific EbA plans and implementing sustainable climate-resilient livelihoods in target communities through the provision of training (including at least 50% women) and start-up inputs (such as beekeeping equipment), and development of partnerships with local suppliers and value chain service providers (through technical advisory services) (Output 2).

				among poor and very poor households in alignment with the NRS.	
Social Support for Resilience Programme Food and Nutrition for Resilience (SoSuRe FUTURE)[14]	2021?2027 (will continue to be in the new programming period 2021-2027)	USD 9 million (for 2021?2023)	European Union, with partners Government of Malawi (Ministry of Gender, Social Welfare and Community Development) Irish Aid, Christian Aid, Concern Worldwide and United Purpose	The objective is to reduce poverty through increasing resilience among the most vulnerable households in Malawi targeting ~68,000 Social Cash Transfer Programme beneficiaries (10% poorest households in Malawi) in Mulanje and Zomba districts.	The proposed TRANSFORM project will enable upscaling of interventions under the SoSuRe FUTURE project by supporting enhanced access to microfinance, insurance and social protection measures under Component 1.

Breaking the cycle of hunger: Building resilience Malawi country strategic plan	2019?2023	US$ 619,800,513	World Food Programme	This plan is a five-year strategy to help Malawi better coordinate national efforts to tackle hunger, improve nutrition and reduce vulnerability to food insecurity and malnutrition ? particularly that related to gender and age ? and to strengthen resilience to recurrent shocks. The plan focuses on the following strategic outcomes: i) crisis response and refugees which is deeply connected to the remaining outcomes; ii) evidence generation and scale-up of shock-responsive social protection; iii) nutrition-sensitive programming addressing malnutrition; iv) a sustainable food systems approach to supporting smallholders, especially women; and v) supply chain and service provision	The proposed TRANSFORM project will build on this plan by enhancing coordination on climate change adaptation in the Lake Chilwa basin, thereby supporting the Plan?s goal of improving coordination of national efforts to address hunger. Second, TRANSFORM will enhance food security in the Lake Chilwa basin while also promoting access to social support measures. The se interventions will complement WFP?s goals developing sustainable food systems. Finally, lessons learned, best practices and other information generated by the WFP project will be collated as part of the TRANSFORM project?s knowledge management hub, thereby enhancing potential for

				activities to build public and private sector capacity to respond to emergencies.	upscaling of both initiatives.
Climate Smart Enhanced Public Works Programmed			National Local Government Finance Committee (NLGFC); World Bank; GIZ	The EPWP is being implemented across 10 distrcit councils (including Phalombe), focusing on integrated watershed management, and covering sub-projects such as land resources conservation, afforestation, environmental protection, road infrastructure, and sustainable livelihoods.	The TRANSFORM project?s activities will be directly linked to the projects implemented under the EPWP. For example, restoration, sustainable livelihoods, value chain and market linkage interventions under TRANSFORM will be complementary to sub-projects in Phalombe district focussing on environmental protection, road construction and afforestation projects implemented under EPWP.

[1] Department of Fisheries. 2019. Sustainable Fisheries, Aquaculture Development and Watershed Management Project: Executive summary. Available at: https://www.afdb.org/fr/documents/malawi-sustainable-fisheries-aquaculture-development-and-watershed-management-project-esmf-summary

[2] GEF. Malawi climate resilient and sustainable capture fisheries, aquaculture development and watershed management project. Available at: https://www.thegef.org/projects-operations/projects/10411

[3] International Fund for Agricultural Development (IFAD). 2017. Enhancing the resilience of Agro-ecological Systems Project (Global Environment Facility ? Integrated Approach Pilot). Available at: https://www.thegef.org/projects-operations/projects/9138

[4] GEF. Food-IAP: Enhancing the resilience of Agro-ecological systems (ERASP). Available at: https://www.thegef.org/projects-operations/projects/9138

[5] The African Forest Landscape Restoration Initiative. Available at: https://afr100.org/content/about-us

[6] UNDP. Private Sector Development Project. Available at: https://www.undp.org/malawi/projects/private-sector-development-project

[7] Ibid. t

[8] UNDP. Growth Accelerator Malawi. Available at: https://growmalawi.org/

[9] Ibid.

[10] UNDP. Build Malawi Window: A specialised structured blended finance vehicle for agribusiness. Available at: https://sdginvest.jointsdgfund.org/proposals/build-malawi-window-specialized-structured-blended-finance-vehicle-agribusiness

[11] UNDP. Build Malawi Window: A specialised structured blended finance vehicle for agribusiness. Available at:https://sdginvest.jointsdgfund.org/proposals/build-malawi-window-specialized-structured-blended-finance-vehicle-agribusiness

[12] USAID. Titukulane project. Available at: https://pdf.usaid.gov/pdf_docs/PA00WM23.pdf

[13] USAID & CARE. Titukulane. Available at: https://careclimatechange.org/wp-content/uploads/2019/03/MLW-Titukulane-2021-Aug.pdf

[14] EU. Social support for resilience programme (SoSuRe). Available at: https://www.gtai.de/resource/blob/25680/3fba3039530900ff73c0a3a3f3f8e3c8/pro201711065019-data.pdf

1a.3. Proposed alternative scenario with brief description of outcomes and components of the project

The TRANSFORM project?s overall objective is to catalyse a sustainable, cross-sectoral transformation of the overarching development trajectory of the Lake Chilwa basin. This will be achieved by shifting away from natural resource degradation and limited livelihood opportunities towards large-scale implementation of EbA and widespread adoption of alternative livelihoods and value chains that build adaptive capacity while contributing to reducing the country?s greenhouse gas emissions. The preferred solution will also enable the lessons learned from the Lake Chilwa basin to be upscaled across the country

through policy and private sector models that create green jobs particularly among small, medium and micro enterprises ? thereby contributing to recovery from Covid-19 economic damages (see Annex 25 for more detail on the project's Covid-19 strategy). The main interventions for achieving the preferred solution in the basin will include: i) enhancing the capacity of communities and institutions to plan, implement and monitor EbA interventions; ii) improving small-scale producers? access to lucrative markets for climate-resilient products and value chains through diversification of product/service offerings and alternative livelihoods, as well as by enhancing access to microfinance, social protection and insurance; and iii) facilitating the adoption of alternative livelihoods. These interventions will see more robust and coordinated relationships between the private sector and small-scale producers, facilitated by concessional financing, improved infrastructure and technologies. The legal formalisation of institutions and the roles of stakeholders in climate change adaptation and capacity-building processes will also emerge from these interventions. The TRANSFORM project?s Theory of Change is shown in Figure 5 below, followed by a description of the three project Components (including their respective Outputs) that will support these project objectives[1].

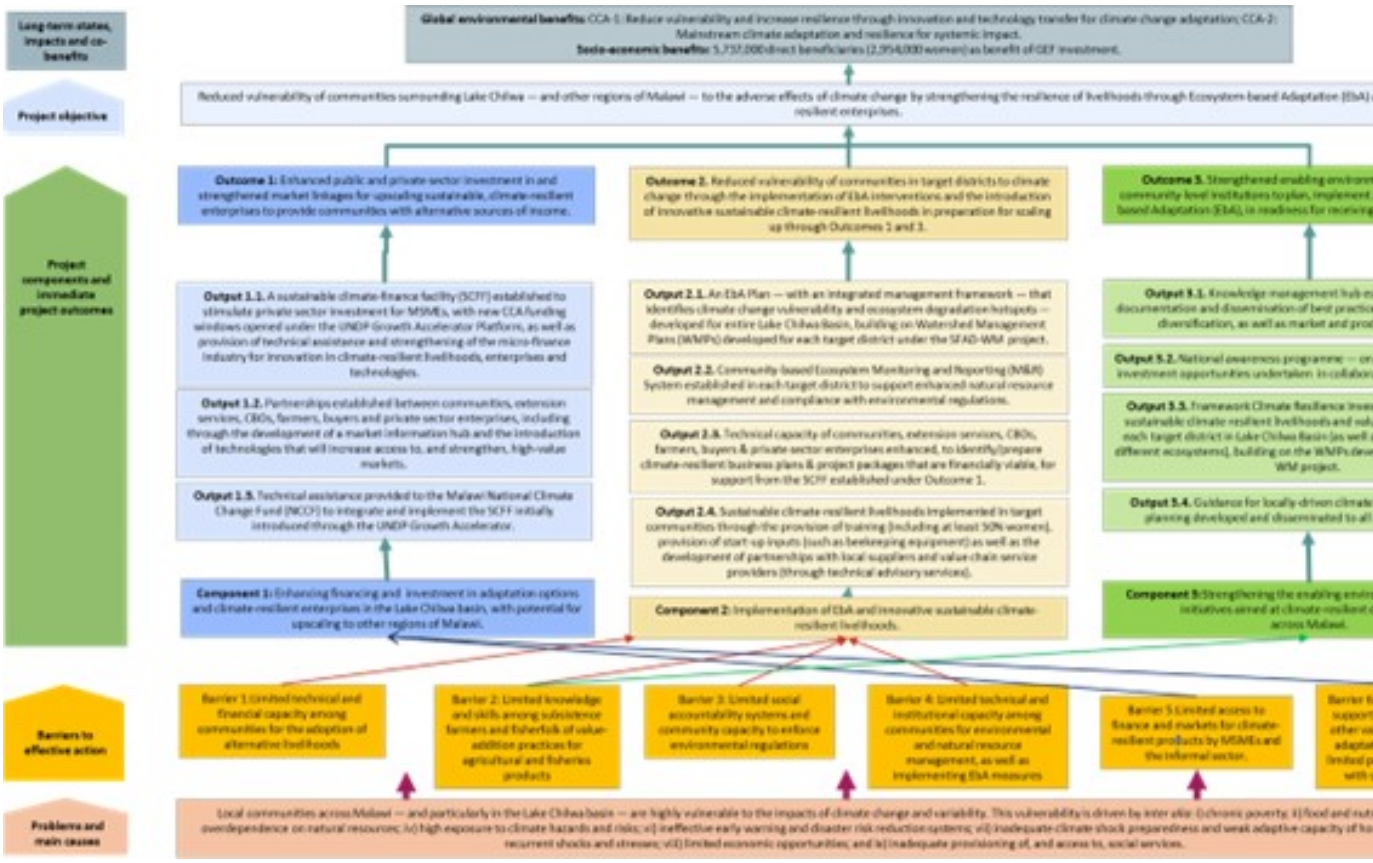

Figure 5. Theory of change diagram. [Please refer to the CEO endorsement document, uploaded to the Roadmap section for original and clear image. We were not able to paste the original size and save here]

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Component 1 ? Enhancing financing and investment in adaptation options and climate resilient enterprises in the Lake Chilwa basin, with potential for upscaling to other regions of Malawi

Under Component 1, TRANSFORM will unlock financing for climate-resilient investments and private sector engagement within the target districts of the project, with indirect benefits for the whole population of the basin, thereby contributing to Outcome 1 of the project, namely *?Enhanced public and private sector investment in and strengthened market linkages for upscaling sustainable, climate-resilient enterprises to provide communities with alternative sources of income?.*

Outputs under Component 1 will include:

? Output 1.1. A sustainable climate-finance facility (SCFF) established through the UNDP Growth Accelerator Platform to stimulate private sector investment for MSMEs and strengthen the micro-finance industry for innovation in climate-resilient livelihoods, enterprises, and technologies.

? Output 1.2. Partnerships established between communities, extension services, CBOs, farmers, wholesalers and private sector enterprises through the development of a market information hub and introduction of technologies that increase access to and strengthen high-value marketsOutput 1.3. Technical assistance provided to the Malawi National Climate Change Fund (NCCF) to integrate and implement the SCFF initially introduced through the UNDP Growth Accelerator.

The Component (in combination with Component 3) will enable future upscaling of adaptation across other parts of Malawi by ensuring the long-term sustainability and replicability of activities implemented under Components 2 ? particularly the EbA and alternative livelihoods across the rest of Malawi. Collectively, the above Outputs will catalyse transformational change in climate resilience in the Lake Chilwa basin by overcoming several barriers to adaptation, in particular limited access to finance and markets for climate-resilient products, and limited investment and support from private sector and other value chain actors towards adaptation. The interventions under Component 1 will enable the inclusion of artisanal producers and aspiring young entrepreneurs (particularly women) in addition to formally registered businesses. These interventions will be complemented by establishing a knowledge management hub under Component 3, which will enable information sharing between stakeholders to inform the development of similar projects in the Lake Chilwa basin. The knowledge management hub developed under Component 3 will primarily be used by local and national level decision-makers when exploring potential development options for enhanced climate resilience, but will also be used to store and disseminate information from the market information hub developed under Component 1 which will benefit entrepreneurs and MSMEs. These complementary hubs will ensure that upscaling of previous investments in the project area and across Malawi will be promoted in a locally appropriate and context-specific manner.

Component 2 ? Implementation of EbA and Sustainable climate-resilient livelihoods

Component 2 of the proposed project will involve the implementation of Ecosystems-based Adaptation (EbA) interventions and livelihoods diversification ? including support for managing and restoring ecosystems and strengthening linkages between vulnerable communities and high value chains. Component will contribute towards Outcome 2 of the project, namely *?Reduced vulnerability of communities in target districts to climate change through the implementation of EbA interventions and the introduction of innovative sustainable climate-resilient livelihoods in preparation for scaling up through Outcomes 1 and ?.*

Outputs under Component 1 will include:

? Output 2.1. An EbA Plan ? with an integrated management framework that identifies climate change vulnerability and ecosystem degradation hotspots ? developed for entire Lake Chilwa Basin, building on Watershed Management Plans (WMPs) developed for each target district under the SFAD-WM project.

? Output 2.2. Community-based Ecosystem Monitoring and Reporting (M&R) System established in each target district to support enhanced natural resource management and compliance with environmental regulations[1]

[1] This output, which formulated during the development of the PIF, is aimed at developing monitoring systems to ensure the effectiveness of EbA interventions. The focus on enhanced natural

resource management and compliance with regulations have been added to the project design to ensure that the benefits of all EbA interventions are maximised by strengthening the functional integrity of ecosystems, and thereby providing the services upon which vulnerable target communities depend for adaptation.

? Output 2.3. Technical capacity of public and private stakeholders enhanced to identify and prepare climate-resilient business plans and financially viable project packages for support from the SCFF.

The interventions implemented under Component 2 will improve resource management in the Lake Chilwa basin, which will enable communities to implement EbA interventions and manage the natural resource base on which they depend in a sustainable manner. Component 2 will include the implementation of on-the-ground on EbA interventions, including nature-based solutions such as catchment and wetland restoration, as well as climate-resilient livelihoods that reduce land degradation and contribute to the strengthening of ecosystems. This will include enhancing technical capacity of local entrepreneurs for the identification and preparation of climate-resilient business plans and project packages, in alignment with the strengthened private sector engagement enabled under Component 1. Finally, EbA plans will be developed for each of the target districts to enable a coordinated response to climate change within districts. Coordination of EbA activities across the three districts will be further strengthened through the inclusion of an integrated management framework that links the three separate EbA plans, thereby ensuring a basin-wide approach to climate change adaptation. Collectively, the interventions implemented under Component 2 will overcome several barriers to adaptation, including: i) limited technical capacity among communities for the adoption of alternative livelihoods; ii) limited technical and institutional capacity among communities for environmental and natural resource management, as well as implementing EbA measures; iii) limited knowledge and skills among subsistence farmers and fisherfolk of value-addition practices for agricultural and fisheries products; and iv) limited social accountability systems and community capacity to enforce environmental regulations. To ensure the long-term sustainability of EbA interventions implemented under Component 2, a system will be developed to monitor natural resource use and compliance with environmental regulations. These interventions will ensure that the ecosystem services upon which local communities depend for climate change adaptation will be maintained and that the positive effects of the projects EbA interventions are maximised.

Component 3 ? Strengthening the enabling environment for upscaling of initiatives aimed at climate-resilient development across Malawi.

Component 3 of the proposed project will The enabling environment required to plan, implement, monitor and finance EbA ? in a gender-sensitive manner ? will be strengthened under Component 3. This strengthened enabling environment will be realised by improving the access of the local communities, private sector entities, policy makers and decision makers to information regarding: i) climate-resilient natural resources management; ii) best practices on the implementation of diversified livelihoods and EbA; and iii) market information ? collected through the information hubs developed under Component 1. In addition, under Component 3, a knowledge management hub will ensure that the lessons learned and the knowledge generated from other projects in the Lake Chilwa basin are stored effectively. This will enable lessons learned and best practices from these projects to be integrated into all future initiatives

in the area. Sustainable financing mechanisms will be enabled through the development of Framework Climate Resilient Investment Plans for sustainable, climate-resilient livelihoods and value chains; these financial mechanisms will be developed in line with existing district planning frameworks and the EbA plan (developed under Component 2). Combined, these proposed interventions will create an enabling environment for the implementation of EbA and further development of established value chains, as well as the replication of project initiatives in other areas of Malawi. More information on the specific contributions of the knowledge management hub to planning, implementation, monitoring and finance is discussed under the Output descriptions below.

1a.4. Alignment with GEF focal areas and/or Impact Program strategies

The proposed TRANSFORM project is aligned with two climate change related LDCF Focal Areas detailed in the ?*Updated Results Architecture for Adaptation To Climate Change Under The Least Developed Countries Fund And The Special Climate Change Fund (2018-2022*)?. Details on how the project aligns with these focal areas are provided below.

Focal area CCA-1: Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation

The proposed project will enhance the climate resilience of local communities and enable them to adapt to climate change. This will be achieved through innovative EbA interventions and diversified livelihood options (Component 2), as well as through the implementation of climate-resilient infrastructure. The livelihood activities proposed under the TRANSFORM project have been carefully selected for their climate change adaptation potential (e.g., briquette production that will reduce pressure on forests, which will contribute to improved baseflow in rivers and ultimately the stabilisation of Lake Chilwa's water levels under conditions of recurrent droughts). In turn, livelihoods benefit while reducing deforestation . Crops selected for support under SCFF are drought resistant and will enable farmers to maintain sufficient yields under drought conditions. Simultaneously, the SCFF will connect farmers growing these climate-resilient crops to markets which will increase their incomes and thereby further contribute to reducing pressure on forests and fish stock in the lake.

The introduction of technology for improved agricultural irrigation systems and water-harvesting at the household level will further complement the livelihood interventions introduced under TRANSFORM in addressing the impacts of climate change by building resilience and improving access to water during times of extended droughts. In addition to these livelihood and infrastructure interventions, an enabling environment for the effective implementation of participatory EbA plans and livelihoods under Component 3 will be created through: i) a Framework Investment Plan ? a new and innovative aspect of the proposed project ? for sustainable climate-resilient livelihoods and value chains developed under Component 3; and ii) the subsequent design and operationalisation of the sustainable climate finance

facility under Component 1. Together, these interventions will increase the adaptive capacity of communities in the Lake Chilwa basin and ensure scalability of ecosystem compatible livelihoods.

The increased climate resilience discussed above will be complemented by financial literacy training ? provided to local communities under Component 1 ? and improved access to loans and microfinance for business development. In particular, financial training will enable communities to utilise the financial structures developed under Component 1, access lucrative value chains and thereby improve the climate resilience of their business operations[18]6. Improved knowledge of sustainable climate-resilient business operations ? in combination with enhanced access to loans, savings and finance ? will enable local-level entrepreneurs to develop enterprises that are resilient to the impacts of climate hazards such as droughts and floods, thereby reducing the need to expend limited resources on recovery from these hazards. Farmers and fisherfolk will be able to prepare and respond adequately to extreme climate events, for example by employing climate-resilient agriculture techniques and inputs, thereby enabling food production during dry periods. Access to loans and savings also enable small-scale businesses to expand, which will enhance income generation of local communities and stimulate economic growth across the basin.

Focal area CCA-2: Mainstream climate adaptation and resilience for systemic impact

Cross-sectoral technical capacity for climate change adaptation in Malawi will be developed under Component 2 by including an integrated cross-sectoral management framework within the EbA plans developed under Output 2.1. This framework will enable a coordinated response to natural resource management and climate change adaptation in the Lake Chilwa basin as it will mainstream EbA plans into district planning frameworks. In addition, the proposed linkages between private sector institutions and MSMEs will ensure that climate change adaptation is mainstreamed across the region, specifically as these linkages de-risk investment and increase the climate resilience of MSME operations. Efforts to mainstream climate change adaptation will be further supported by creating an enabling environment for improved climate resilience under Component 2. This environment will be created by providing training to district- and community-level institutions to implement and maintain EbA interventions and climate-resilient livelihoods. As these interventions will be focused on building the capacity of institutions, this approach will contribute to the retention of institutional knowledge on effective adaptive practices within the region.

1a.5. Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF,

LDCF, SCFF, and co-financing

The Government of Malawi views the implementation of a decentralisation policy as an important vehicle for making progress on poverty reduction. This has been captured in several government

documents, including the: i) Vision 2020; ii) Malawi Poverty Reduction Strategy; iii) Malawi Growth and Development Strategy III; iv) National Decentralisation Policy; and v) National Resilience Strategy. These strategies have been elaborated in numerous projects and programmes, such as the Integrated Sustainable Rural Development Programme (ISRDP). The GoM has implemented the National Decentralisation Programme II (2001?2004) to enable the completion of the decentralisation process. To function effectively, a decentralised government requires an effective central government. Currently the ministry responsible for planning and economic development in Malawi plans its activities and budgets by liaising with other sectoral ministries and identifying interventions that are aligned with larger development plans. For example, the development planning system in Malawi is largely based on the results matrix of the Malawi Growth and Development Strategy (MDGS) which indicates that development goals precede the importance of other national goals.

The LDCF funds for the proposed GEF project will contribute towards building the technical and institutional capacity of GoM and district- and community-level institutions, which will enable them to apply effective strategies in climate change adaptation and resilience building in Malawi. At the national level, the LDCF project will co-implement components with programmes such as, *inter alia*, M-CLIMES, DRR4P and National Climate Resilience[19]7 to ensure a seamless climate change adaptation approach, and to strengthen the connection between central government and district council plans and policies. Capacity building for government institutions will be provided to individuals who are responsible for planning, implementation and monitoring of adaptation interventions at the community level. Providing technical training to GoM staff on climate change adaptation and resilience building will allow the GoM to integrate climate change into its routine development planning, budgeting and execution in a more informed and efficient manner.

The project will be supporting local communities to adopt an EbA approach to natural resource management, by focusing on reversing resource degradation through improved national and sub-national adaptation planning, ecosystem restoration and agricultural and fishery management systems. In addition, this will also occur through the transformation of subsistence agriculture and fishing to viable businesses, as well as improving access to commodity markets. This transformation will catalyse mechanisms for providing additional motivation, incentives and resources to communities (for example, through the sustainable climate finance facility under Component 1) to engage in more sustainable natural resource management in the target area. Additionality of the proposed GEF project will also be ensured through an updated, integrated approach that will be taken with regards to the establishment of community-based monitoring and reporting (M&R).

To achieve effective environmental management, compliance with relevant regulations and eventual self-regulation of communities surrounding Lake Chilwa, an M&R system will be established. This will

complement the EbA plans to be developed under the project, therefore enabling enhanced natural resource management and monitoring. Moreover, the M&R system will be designed and operationalised in line with local and district planning frameworks to build on and improve previously established systems for monitoring natural resources. Such community engagement in M&R will discourage perpetuating a ?tragedy of the commons? situation as community members will be reluctant to continue unsustainable practices if aware of the monitoring operations and potential penalties for non-compliance.

This approach will be facilitated by BVCs, who will receive training from extension services to enhance their technical and human resource capacity. Not only will this enable improved enforcement of relevant laws and regulations in addition to M&R, but it will also ensure that an evidence base is established which details the additional impacts of climate change on the Lake Chilwa basin. As a result, M&R will be linked with data collection, analysis and interpretation. This will ensure that when threats to the lake ecosystem are recorded, a distinction will be made by the community M&R teams between baseline and additional threats. Therefore, when reporting takes place, this distinction may be carried forward to the long-term monitoring of available resources, as well as of their potential for overexploitation or unsustainable use. Consequently, communities will be trained on the importance of monitoring baseline degradation or threats to the target areas? natural resource base (such as the use of illegal fishing nets), additional degradation or threats resulting directly from climate change, and how to measure and report these threats to the relevant authorities.

Table 2. Additional cost reasoning for the three components of the proposed project.

Component and additional cost (by fund)	Baseline	Alternative scenario

Component 1: Enhancing market linkages for private sector investment in adaptation options and climate-resilient enterprises. LDCF: US$ 705,914	Small-scale farmers and fishers in Malawi primarily engage in subsistence-based livelihoods. Low yields of crops and poor lake productivity frequently leads to food insecurity and insufficient incomes for communities in the Lake Chilwa basin. There is potential to improve incomes for these farmers and fisherfolk by promoting enhancing market linkages for the sale and value addition of their harvested commodities. However, producers? limited ability to access markets or microfinance to invest in the required inputs constrains the adoption of climate-resilient livelihoods. Access to financial services and commodity markets is particularly restricted for rural women, as a result of the burden of unpaid work and cultural and social norms regarding the roles of women (see Section 3). In the baseline scenario, MSME development will continue to be limited as a result of the low capacity of farmers to take on financial risks or access more lucrative and/or wider value chains. Without investment building capacity for MSME development and improving access to finance and markets, the transition from shifting subsistence agriculture to sustainable, climate-resilient agricultural and fishing livelihoods is likely to remain unviable for many small-scale producers. Access will continue to be particularly limited for women, exacerbating existing gender inequalities in the absence of GEF investment.	The proposed project will engage with private sector partners to increase access to micro-finance, private sector investment and market linkages for small-scale producers. Under this component, GEF resources will be used to incentivise subsistence farmers and fisherfolk to transition to climate-resilient livelihoods and enterprises. To achieve this, impact investment mechanisms (such as the operationalisation of a sustainable climate finance facility) will be developed and market access for local producers will be improved through engagement with *inter alia* private sector partners, microfinance institutions, CBOs and NGOs. This will initiate a transformative shift towards a climate-resilient development pathway that will be induced by: i) enhancing the financial literacy of local businesses in the target districts; ii) providing technical support to these businesses to enhance the climate resilience of their operations; iii) establishing and strengthening linkages with the private sector; and iv) enhancing access to micro-finance. Consequently resource-poor communities relying on subsistence fishing and agriculture will experience a transformative shift to an environment wherein they are able to increase the value of their harvested commodities through processing, reduce post-harvest losses and advance their economic and social status through entrepreneurial

		empowerment and sustainable business activities. In addition, Framework Investment Plans for sustainable climate-resilient livelihoods and value chains will be developed, also in line with existing district planning frameworks and the EbA plans developed under Component 2. These interventions will create an enabling environment for the implementation of EbA and value chain development and for the replication of project initiatives in other watersheds in Malawi.

Component 2: Implementation of EbA and sustainable climate-resilient livelihoods. LDCF: US$ 3,000,000	Unsustainable agricultural and fishing practices, including shifting agriculture and the use of indiscriminate mosquito nets for fishing, contribute to the degradation of natural resources in Malawi. As a result, there is a decline in the delivery of ecosystem goods and services that support rural livelihoods and increased vulnerability to extreme climate events including floods, droughts and landslides. Several initiatives have used EbA and livelihood adaptation in Malawi to address these challenges. However, these initiatives have had limited success in incentivising farmers, fisherfolk and local communities to adopt climate-resilient, livelihoods and EbA approaches, meaning gaps in livelihood, food and income security still exist. Without GEF investment, development and implementation of climate-resilient EbA approaches towards enhancing livelihood resilience will remain a challenge. The success of watershed management initiatives is likely to continue to be limited by the lack of incentives for farmers to adopt sustainable practices and limited support for community-level governance of natural resources. In this scenario, unsustainable agricultural and fishing practices will continue to contribute to natural resource degradation and climate change vulnerability.	Using GEF finance, EbA interventions identified in the EbA plans will be developed and implemented in vulnerability and degradation hotspots. Implementation will be championed by community members and institutions that received training under Component 1, in line with national priorities and strategies. In addition, Component 2 will include the development of a community-based ecosystem monitoring and reporting (M&R) system which will ensure the sustainability and scalability of EbA interventions. Using an integrated, cross-sectoral approach, the project will also facilitate the identification and implementation of viable, community-based adaptation practices which include alternative livelihoods, climate-resilient agricultural practices, and small-scale, nature-based businesses. Such activities are often undertaken by resource-poor members of the community, the majority of which are women and youth. The community-based adaptation practices supported by the project will therefore specifically benefit these vulnerable community members, drawing on best practices and lessons learned from the Adapt Plan project?s promotion of diversified livelihoods. Forests, wetlands and degraded agricultural land in the target area will be restored and protected using GEF investments. This will improve the delivery of ecosystem services, and the productivity of agricultural and fishing livelihoods, thereby reducing natural resource degradation and increasing the climate resilience

		of rural communities and their livelihoods. To further support this and the sustainability of interventions under Component 2, local communities in target districts (including at least 50% women) will be trained on: i) the implementation and maintenance of EbA interventions; and ii) sustainable climate-resilient livelihoods.
Component 3: Strengthening of knowledge and information management for climate-resilient development LDCF: US$ 500,000	To date, there has been limited integration and centralisation of best practices, market information and knowledge generated on climate change adaptation within the Lake Chilwa basin and beyond. to address land degradation, climate change adaptation and livelihood vulnerability in Malawi. In the baseline scenario, in the absence of a central repository of information and knowledge to improve climate resilience across the basin, coordination between ministries and integration of climate change adaptation efforts will continue to be limited. As a result, the national policy support for EbA and enhancing livelihood resilience will remain limited, constraining the implementation of these approaches.	Through GEF investment, the proposed project will include the establishment of a knowledge management hub to improve access by communities and the private sector to knowledge and information on: i) climate resilient natural resources management; ii) best practices on the implementation of diversified livelihoods and ecosystems-based adaptation (EbA) interventions; and iii) market information ? collected in the information hubs developed under Component 1. Component 3 will also enable the storage of lessons learned and knowledge generated from other projects in the Lake Chilwa Basin ? particularly the SFAD-WM project

1a.6. Contributions to the GEF7 climate change adaptation focal area strategy

The proposed TRANSFORM project is aligned with two climate change-related LDCF Focal Areas detailed in the ?*Updated Results Architecture For Adaptation To Climate Change Under The Least Developed Countries Fund And The Special Climate Change Fund (2018-2022*)?. Details on how the project aligns with these focal areas are provided below.

Focal area CCA-1: Reduce vulnerability and increase resilience through innovation and technology transfer for climate change adaptation

The proposed project will enable the enhanced climate resilience of local communities through innovative EbA interventions and diversified livelihood options (Component 2). This objective will be achieved by improving access of communities to climate-resilient livelihoods, such as beekeeping enterprises and mushroom growing, as well as the introduction of technology for improved agricultural irrigation systems and water-harvesting at the household level. In addition, an enabling environment for the effective implementation of these participatory EbA plans and livelihoods under Component 3 will be created through: i) a Framework Investment Plan ? a new and innovative aspect of the proposed project ? for sustainable climate-resilient livelihoods and value chains developed under Component 3; and ii) the subsequent design and operationalisation of the sustainable climate finance facility under Component 1. Together, these interventions will increase the adaptive capacity of communities in the Lake Chilwa basin and enhance their overall resilience to climate change.

The increased climate resilience discussed above will be complemented by financial literacy training ? provided to local communities under Component 1 ? and improved access to loans and microfinance for business development. In particular, financial training will enable communities to utilise the financial structures developed under Component 1, access lucrative value chains and thereby improve the climate resilience of their business operations[20]8. Improved knowledge of sustainable climate-resilient business operations ? in combination with enhanced access to loans, savings and finance ? will enable local-level entrepreneurs to develop enterprises that are resilient to the impacts of climate hazards such as droughts and floods, thereby reducing the need to expend limited resources on recovery from these hazards. Farmers and fisherfolk will be able to prepare and respond adequately to extreme climate events, for example by employing climate-resilient agriculture techniques and inputs, thereby enabling food production during dry periods. Access to loans and savings also enable small-scale businesses to expand, which will enhance income generation of local communities and stimulate economic growth across the basin.

Focal area CCA-2: Mainstream climate adaptation and resilience for systemic impact

Cross-sectoral technical capacity for climate change adaptation in Malawi will be developed under Component 2 by including an integrated cross-sectoral management framework within the EbA plans developed under Output 2.1. This framework will enable a coordinated response to natural resource management and climate change adaptation in the Lake Chilwa basin as it will mainstream EbA plans into district planning frameworks. In addition, the proposed linkages between private sector institutions and MSMEs will ensure that climate change adaptation is mainstreamed across the region, specifically as these linkages de-risk investment and increase the climate resilience of MSME operations. Efforts to mainstream climate change adaptation will be further supported by creating an enabling environment for improved climate resilience under Component 2. This environment will be created by providing training to district- and community-level institutions to implement and maintain EbA interventions and climate-resilient livelihoods. As these interventions will be focused on building the capacity of institutions, this

approach will contribute to the retention of institutional knowledge on effective adaptive practices within the region.

1a.7. Innovativeness, sustainability and potential for scaling up

Innovativeness

The innovativeness of the proposed project is centred around the development of novel mechanisms for enhancing public and private sector investment in interventions aimed at enhancing the climate resilience of vulnerable communities living in the Lake Chilwa basin. The primary feature of the project for achieving this objective is the sustainable climate-finance facility (SCFF) established under Component 1 which will stimulate private sector investment in sustainable, climate-resilient livelihoods, enterprises and technologies, thereby ensuring that local communities have alternative sources of income under current and future climate conditions.

The SCFF will involve opening new CCA funding windows under the UNDP Growth Accelerator Platform aimed specifically at activities that not only directly reduce the vulnerability of communities to the impacts of climate change on their livelihoods, but also create incentives for the local population to reduce their reliance on harmful activities that contribute to the degradation of the natural environment within and around the lake.

A related innovative feature of the project is the market information hub that will be developed under Component 1. This hub will enable stakeholders to store and share information on climate-resilient enterprise development, thereby enhancing the potential for success of these enterprises into the future. Scalability of project interventions will also be enhanced through the market information hub. Local entrepreneurs will be able to access knowledge to build business plans and to access adaptation finance. This interconnectivity will be one of the innovative elements of the project. Information collected in the market information hub will be housed within a broader knowledge management hub which will be established as part of the project to enable documentation and dissemination of best practices on EbA and livelihoods diversification, as well as market and product information. The establishment of the Knowledge Management Hub is a novel feature of the proposed project, as there is currently no such platform in Malawi. Another innovative feature of the TRANSFORM project will be the deployment of technology for monitoring and planning of ecosystems management, such as GIS-enabled incident-recording/reporting devices and unmanned aerial vehicles (UAVs), such as drones, to provide information not only to communities for natural-resource management, but also to potential entrepreneurs and investors.

Sustainability

Beyond its primary objective of maintaining environmental sustainability in the context of climate change in the Lake Chilwa basin, the proposed project design will also contribute to ensuring

institutional, social and economic sustainability of interventions and their impacts beyond the project lifespan. These project design elements ? elaborated on below ? will ensure that the proposed interventions are maintained and continue to have impacts beyond the lifecycle of the project.

? ***Institutional Sustainability***

The proposed project comprises several interlinked activities for enYsuring the institutional sustainability of its interventions. Training will be provided to district- and community-level institutions on planning, implementing and monitoring EbA interventions, which will ensure their long-term involvement. Within beneficiary communities, institutional needs of local leadership, VNRMCs, BVCs and other custodians of natural capital will be assessed, thereby ensuring that they are adequately capacitated to address the impacts of climate change across the basin. Training will also be provided to BVCs and other village-level organisations on monitoring of land degradation or threats to the target areas? natural resource base (such as the use of illegal fishing nets), as well as on how to measure and report these threats to the relevant authorities. Institutional sustainability will also be ensured through the development of an EbA Plan for entire Lake Chilwa Basin. This plan will include an integrated management framework that will enable a coordinated approach to EbA across the three target districts. Activities under Component 3 in particular will ensure institutional sustainability by strengthening the enabling environment for district- and community-level institutions to plan, implement and monitor Ecosystem-based Adaptation (EbA)

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? ***Social Sustainability***

The social sustainability of project interventions has been ensured by emphasising stakeholder participation in the project design. The project has been developed through extensive consultations with relevant stakeholders, including local communities. For the selection of appropriate adaptation actions in target communities, community-based resilience analysis (CoBRA) will be used, which will ensure stakeholder buy-in into any interventions implemented on the ground. To enable the long-term sustainability of these interventions in the target areas, workshops will be held in the three target districts to engage with local community members, leaders, private sector entities and other relevant stakeholder on the use of the knowledge management hub developed under Component 3. Social sustainability will be further ensured by undertaking a national awareness programme on EbA and climate resilient investment opportunities to raise interest in these topics and to ensure continued involvement of stakeholders at all levels.

? ***Economic and financial Sustainability***

The economic sustainability of the proposed project interventions has been ensured by targeting critical areas for value chain development that will contribute to enhancing community climate resilience and reducing unsustainable natural resource use while also providing long-term economic opportunities for communities.

A Component of TRANSFORM that will greatly contribute to economic sustainability of the project interventions is investment in value addition and improved market access for livelihoods. As part of the project business identification, development and management training programmes will be delivered to

communities and MSMEs in target communities, thereby ensuring that sustainable, climate-resilient development is catalysed across the Lake Chilwa basin.

Scalability

The scalability of the TRANSFORM project has been a core consideration throughout the project development process. The transformational approach to climate change adaptation that the project promotes is based on a key lesson learned from previous projects such as the Adapt Plan and Bridging Project, namely the need to focus on the entire lake basin as an interconnected ecosystem that should be managed in an integrated way, at landscape level. The proposed project has been designed specifically to achieve this objective, with the TRANSFORM project providing a blueprint for upscaling to areas within the Lake Chilwa basin not specifically targeted by the project, as well as to other parts of Malawi. The scalability of the project has been ensured by building into the project design mechanisms to secure long-term availability of two critical resources needed to enable climate change adaptation in Malawi, namely financial resources and knowledge. First, the SCFF that will be developed under the project will enable development of sustainable livelihoods across the basin. Beyond the TRANSFORM project itself, the SCFF will also enhance the scalability of interventions under projects such as SFAD-WM. In addition, the SCFF will include provision of technical assistance provided to the Malawi National Climate Change Fund (NCCF) to integrate and implement the SCFF. The NCCF will be a mechanism that will ensure the long-term availability of financial resources for climate change adaptation across Malawi. The Fund will support enhanced market access and value chains development which will enhance the sustainability of livelihoods and thereby increase their attractiveness to financers.

Regarding the availability of knowledge and information to enable climate change adaptation across the country, the knowledge management hub developed under Component 3 will primarily be used by local and national level decision-makers when exploring potential development options for enhanced climate resilience, but will also be used to store and disseminate information from the market information hub developed under Component 1 which will benefit entrepreneurs and MSMEs beyond the Lake Chilwa basin. This will ensure that upscaling of previous investments in the project area and across Malawi will be promoted in a locally appropriate and context-specific manner. As part of the knowledge management hub, technical methodologies will be developed for capturing information on best practices and lessons learned on EbA within the Lake Chilwa basin. These methodologies will be used for adaptive management of the knowledge management hub, and capacity to refine interventions in future projects, which will enhance their scalability to other parts of Malawi. Guidance for locally-driven climate resilience investment planning developed under TRANSFORM will be disseminated to all districts in Malawi, thereby ensuring that the best practices and lessons learned from the project inform future interventions across the country.

[1] Immediate causes are the recognizable and quantifiable effects of ecosystem degradation. Underlying causes refer to resource use practices and social and economic dynamics that drive the immediate causes. Root causes are linked to the underlying socio-economic drivers that are related to the macroeconomy, demography, and power structures.
[2] Please refer to Section 1b. Project Map and Coordinates for detailed information on population and population density figures for each target district.

[3] Department of Fisheries. 2019. Sustainable Fisheries, Aquaculture Development and Watershed Management Project: Executive summary. Available at: https://www.afdb.org/fr/documents/malawi-sustainable-fisheries-aquaculture-development-and-watershed-management-project-esmf-summary

[4] GEF. Malawi climate resilient and sustainable capture fisheries, aquaculture development and watershed management project. Available at: https://www.thegef.org/projects-operations/projects/10411

[5] International Fund for Agricultural Development (IFAD). 2017. Enhancing the resilience of Agro-ecological Systems Project (Global Environment Facility ? Integrated Approach Pilot). Available at: https://www.thegef.org/projects-operations/projects/9138

[6] GEF. Food-IAP: Enhancing the resilience of Agro-ecological systems (ERASP). Available at: https://www.thegef.org/projects-operations/projects/9138

[7] The African Forest Landscape Restoration Initiative. Available at: https://afr100.org/content/about-us

[8] UNDP. Private Sector Development Project. Available at: https://www.undp.org/malawi/projects/private-sector-development-project

[9] Ibid. t

[10] UNDP. Growth Accelerator Malawi. Available at: https://growmalawi.org/

[11] Ibid.

[12] UNDP. Build Malawi Window: A specialised structured blended finance vehicle for agribusiness. Available at: https://sdginvest.jointsdgfund.org/proposals/build-malawi-window-specialized-structured-blended-finance-vehicle-agribusiness

[13] UNDP. Build Malawi Window: A specialised structured blended finance vehicle for agribusiness. Available at:https://sdginvest.jointsdgfund.org/proposals/build-malawi-window-specialized-structured-blended-finance-vehicle-agribusiness

[14] USAID. Titukulane project. Available at: https://pdf.usaid.gov/pdf_docs/PA00WM23.pdf

[15] USAID & CARE. Titukulane. Available at: https://careclimatechange.org/wp-content/uploads/2019/03/MLW-Titukulane-2021-Aug.pdf

[16] EU. Social support for resilience programme (SoSuRe). Available at: https://www.gtai.de/resource/blob/25680/3fba3039530900ff73c0a3a3f3f8e3c8/pro201711065019-data.pdf

[17]

[18] Improved access to credit and savings allows MSMEs to maintain or enhance their livelihood productivity (for example by buying climate-resilient seed), and insurance provides a buffer against climate impacts.

[19] Please refer to Section 6: Coordination.

[20] Improved access to credit and savings allows MSMEs to maintain or enhance their livelihood productivity (for example by buying climate-resilient seed), and insurance provides a buffer against climate impacts.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

The project will be implemented in the three districts of Zomba, Phalombe and Machinga, in the south-eastern part of the country. Within the three districts, the total population is 1,911,612[1] (Figure 6). Machinga District has a total land area of 3,582 km2, with a total population of 735,438 and a population density of 205 people per km2. Phalombe District has a total land area of 1, 323 km2 and a population of 429,450, with a population density of 325 people per km2. Zomba District has a total land area of 2,363 km2 and a total population of 746,724. It has a population density of 316 people km2. Figure 1 below shows the project map, indicating the target districts in the Lake Chilwa basin. A detailed map of each district is presented in Annex A of the Project Document (uploaded in the Roadmap section).

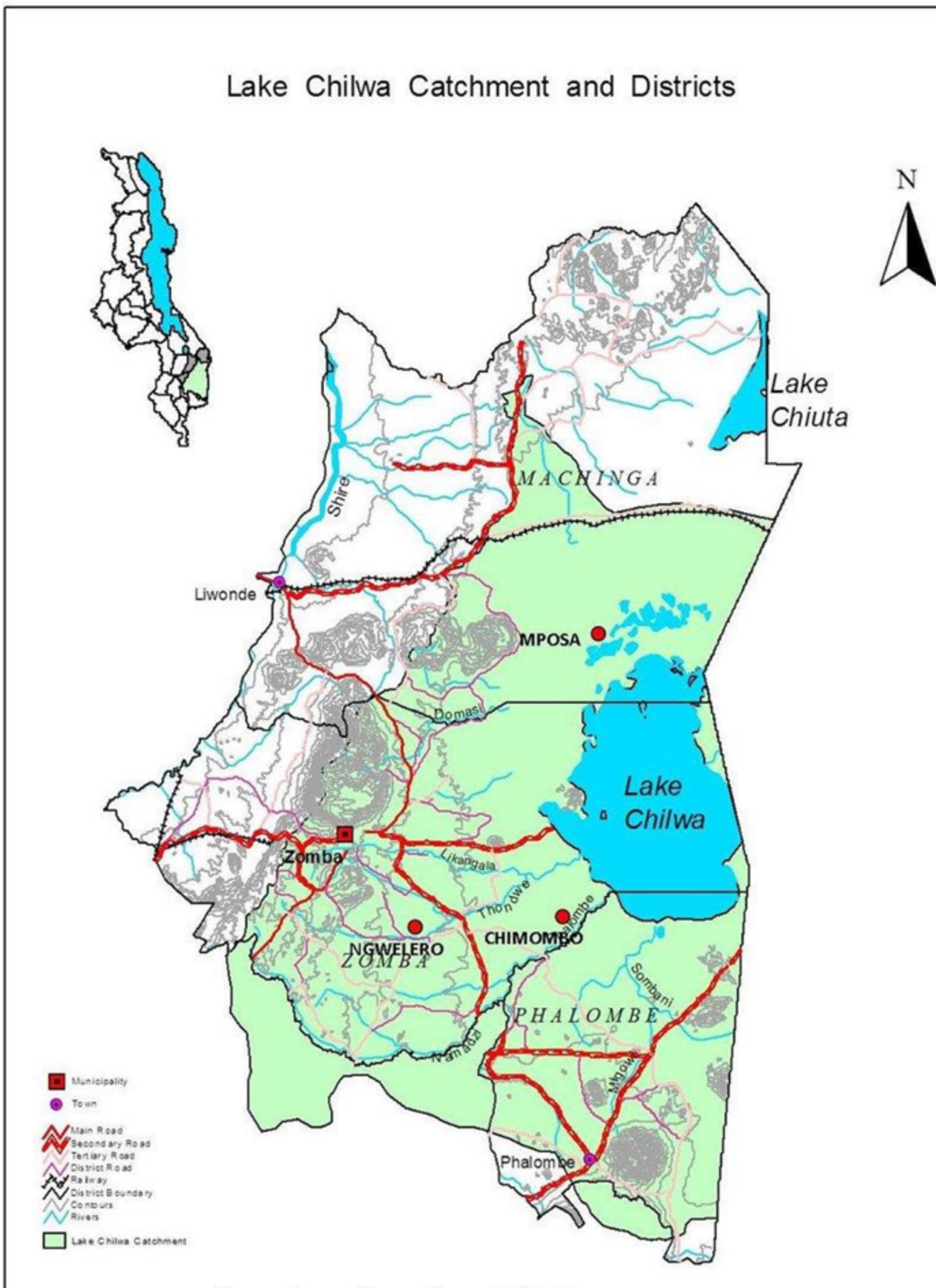
Lake Chilwa Catchment and Districts
N
Lake Chiuta
MACHINGA
Shire
Liwonde
MPOSA
Domasi
Lake Chilwa
Zomba
Likangala
Thondwe
Lilombe
CHIMOMBO
NGWELERO
ZOMBA
Sombani
PHALOMBE
Namadzi
Mbawa
Phalombe
Municipality
Town
Main Road
Secondary Road
Tertiary Road
District Road
Railway
District Boundary
Contours
Rivers
Lake Chilwa Catchment
10 0 10 20 30 Kilometers

Figure **6:** Project map indicating the target districts in the lake Chilwa basin.

Table 3. Project locations with geo-referenced information

Site	geonames.org ID	Brief description
Phalombe	https://www.geonames.org/1105842/phalombe-district.html S 15?40?00? E 35?40?00	Phalombe District has a total land area of 1,323 km2 and a population of 429,450 with a population density of 325 people per km2.
Machinga	https://www.geonames.org/927642/machinga-district.html S 14?56?45? E 35?34?25?	Machinga District has a total land area of 3,582 km2 with a total population of 735,438. It has a population density of 205 people per km2.
Zomba	https://www.geonames.org/923292/zomba-district.html S 15?25?48? E 35?25?06?	Zomba District has a total land area of 2,363 km2 and a total population of 746,724. It has a population density of 316 people per km2.

[1] NSO Population and Census Report, 2018

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

N/A

2. Stakeholders

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

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

Please provide the Stakeholder Engagement Plan or equivalent assessment.

Please see the document, uploaded to this section.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

To accelerate and enhance the resilience of local communities in the Lake Chilwa basin, a cross-sectoral, community-based approach is required. Throughout the project design, the proposed project has upheld a participatory approach and conducted stakeholder consultations for all activities, in addition to those that necessarily require the engagement and participation of community members, such as capacity-building, awareness-raising, and resilient livelihood development. Extensive consultations were held in early 2022 during an in-country mission by the project development team to Malawi, as well as in the subsequent months following the mission. During the mission, consultations were held with stakeholders at all levels, including: i) national; ii) district; iii) and community-level. In addition, several high-level workshops were held during the PPG phase, including an extensive government engagement workshop and validation workshop, both of which were aimed at gathering additional information for project design, validating the existing project structure, identifying any additional barriers and preparing government MDAs for the project. The primary objectives of the consultations held during the PPG phase were to: i) provide information on the proposed project to relevant stakeholders, particularly those living in target communities; ii) seek feedback on primary issues and concerns at all levels; iii) provide the opportunity for alternatives or objections to be raised; iv) source accurate information and refine project interventions developed during PIF stage; v) gather relevant information on environmental and social safeguards, as well as gender, to ensure the project is effective in its implementation and results. A list of key stakeholders consulted during project design is shown in the table below, with an additional table provided lower down showing relevant stakeholders and their proposed role in the implementation of the project.

Table 2. Stakeholders consulted during the design of the TRANSFORM project.

Stakeholder Group	**Description of stakeholders**
National Government, ministries, and agencies	? Ministry of Natural Resources and Climate Change (MoNRCC); Department of Disaster Management Affairs (DoDMA); Department of Economic Planning and Development and Public Service Reforms; Ministry of Agriculture, Water Development and Irrigation; Ministry of Local Government and Rural Development; Environmental Affairs Department (EAD)
County Governments	? Zomba District Council, Phalombe District Council; Machinga District Council
National CSOs and NGOs	? Leadership for Environment and Development (LEAD); Lake Chilwa Basin Trust; United Purpose; Care International; CADECOM; Red Cross; NASFAM; Civil Society Agriculture Network (CISANET); World Vision; Total Land Care; Emmanuel International; Action Aid International; National Youth Network on Climate Change; Civil Society Network on Climate Change (CISONECC); and Save the Children.
Local communities	? Fisherfolk, small traders, artisans, farmers, etc. Sometimes organised through traditional organisational methods, or women groups, youth groups, e.g., Local Fisheries Management Authorities, Village Natural Resources Management committees, Beach Village Committees, Fisheries Associations.
Gender-related stakeholders	? Agricultural Cooperatives and Associations; Village Savings and Loans Associations; Youth Groups on Environment; Water Users Associations

Financial institutions	? Malawi Microfinance Network (MAMN); Village Savings and Loan (VSL) Schemes
Research institutions	? Forestry Research Institute of Malawi (FRIM)
International organisations	? United Nations Agencies UNDP Country Office and other UN agencies, World Food Programme (WFP), USAID and other multilateral agencies.
Micro-, Small- and Medium-Enterprises (MSMEs)	? Wholesalers, processors, retailers and traders ? Small and Medium Scale Enterprise Development Institute (SMEDI), ? Malawi Rural Development Enterprise Fund

The project's consultative process involved series of discussions with representatives from the GoM, as well as entities involved in the provision of micro-finance and other financing to local communities across the country. Community-level consultations undertaken during project development (particularly during the PPG phase and the in-country mission held in May 2022) ensured the representative involvement and engagement of communities and their ownership of the proposed interventions. Climate change adaptation and resilience interventions in Malawi generally require coordinated and cross-sectoral approaches, involving a range of stakeholders from the public, private and non-governmental sectors, particularly women and youth. Throughout the project design and implementation, the proposed project aims to uphold a participatory approach and conduct ongoing stakeholder consultations for all activities, in addition to those that necessarily require the engagement and participation of community members, such as capacity-building, awareness-raising, and resilient livelihood enhancement. Throughout all phases of implementation, local community representatives will be consulted and engaged in the project activities to ensure that the selected interventions do not interfere with the religious or cultural importance of the sites, and that the socio-economic benefits of the projects are maximised. The project will be implemented through a multi-stakeholder approach and include government agencies, development partners, international research forums and relevant NGOs. Local-level EbA interventions will be analysed and lessons learned and best practices will be collated from monitoring, evaluation and learning (MEL) reports. The extracted information will be used to inform upscaling of the EbA model as well as enhance the national body of knowledge for climate change adaptation, thereby contributing to the potential for enhanced climate resilience across the whole of Malawi.

Under the proposed TRANSFORM project, new technologies and practices will be generated through a system that is supported by public and private sector stakeholders. This approach to adaptation will be self-sustaining and responsive to continuous changes in climate conditions. Women and young people form the foundation of this approach given their vulnerability to climate impacts and the role they play in subsistence agricultural and fisheries. Although young people constitute more than 70% of the total population of Malawi, they have limited access and control over land and other natural resources. They are often marginalised in programmes designed to enable climate-resilient livelihoods as they are considered dependants. However, there is growing engagement of the youth in enterprise development and innovation identification in Malawi that the TRANSFORM project will leverage. Young people offer

extensive human resource potential, which will contribute to increasing Malawi?s productive capacity and potential towards sustainable economic growth and development. The equitable participation of women, men and youth will be ensured during both project development and implementation to maximise ecosystem adaptation benefits, promote gender equity and equality and promote long-term sustainability of the proposed interventions. The primary project stakeholders and descriptions of their respective roles and responsibilities are summarised in the table below. During the implementation of the project, representatives of relevant ongoing initiatives and projects will be actively involved in natural resource management to enhance their effective and informed collaboration towards climate resilience.

Climate change adaptation and resilience interventions in Malawi generally require coordinated and cross-sectoral approaches, involving a range of stakeholders from the public, private and non-governmental sectors, particularly women and youth. Throughout the project design and implementation, the proposed project aims to uphold a participatory approach and conduct ongoing stakeholder consultations for all activities, in addition to those that necessarily require the engagement and participation of community members, such as capacity-building, awareness-raising, and resilient livelihood enhancement. Throughout all phases of implementation, local community representatives will be consulted and engaged in the project activities to ensure that the selected interventions do not interfere with the religious or cultural importance of the sites, and that the socio-economic benefits of the projects are maximised. The project will be implemented through a multi-stakeholder approach and include government agencies, development partners, international research forums and relevant NGOs. Local-level EbA interventions will be analysed and lessons learned and best practices will be collated from monitoring, evaluation and learning (MEL) reports. The extracted information will be used to inform upscaling of the EbA model as well as enhance the national body of knowledge for climate change adaptation, thereby contributing to the potential for enhanced climate resilience across the whole of Malawi.

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Table 3. The project stakeholders and their role in the project

Stakeholder(s)	Role in the project
Department of Environmental Affairs (DEA)	Department of Environmental Affairs (DEA) ? under the Ministry of Natural Resources and Climate Change (MoNRCC) will be the Implementing Partner for the project. Consequently, the Ministry will be accountable for project results, as well as for coordination, monitoring and evaluation of project interventions. The Environmental Affairs Department will coordinate and mobilise District Environmental Officers, who will take the operational lead in the target districts. Similarly, the Department of Forestry will support implementation of forestry-related activities. In addition, the Department of Fisheries will also coordinate complementarity between TRANSFORM and the ongoing SFAD-WM project.
Department of Disaster Management Affairs (DoDMA)	The project will collaborate with the Department of Disaster Management Affairs (DoDMA) on risk-reduction initiatives. In addition, the project will also collaborate with DoDMA?s work on identifying areas within the target districts that are particularly vulnerable to the impacts of climate change. This collaborative approach will provide an opportunity for complementarity of efforts, as well as the mainstreaming of disaster risk reduction in district planning and capacity development activities.
Department of Economic Planning and Development and Public Service Reforms	The Ministry of Finance ? through the Department of Economic Planning and Development ? will update existing environmental budgeting guidelines to include climate change adaptation financing. This will ensure the allocation of suitable funds for adaptation efforts in Malawi.
Ministry of Agriculture	Under the Ministry of Agriculture, the Departments of Water Resources and Irrigation will act as the partners responsible for supporting implementation of the related interventions.
Ministry of Water and Sanitation	Under the Ministry of Water and Sanitation, the Departments of Water Resources and Sanitation will act as the partners responsible for supporting implementation of the related interventions.
Ministry of Local Government and Rural Development	The Ministry of Local Government and Rural Development is the focal point for collaborating with District Councils. This collaborative role will include oversight and coordination of district-level training and capacity-building activities to ensure complementarity with other ongoing climate change-related training at local level. Within the Ministry, the Director of Planning and Development will, *inter alia*, supervise gender-responsive project implementation at the district level.

Zomba District Council, Phalombe District Council and Machinga District Council	The District Councils (Zomba, Phalombe and Machinga) will be the responsible partners for the implementation of all project Outcomes. The District Development Plans (DDP) for the target districts (excluding that of Phalombe) were revised in the preceding projects. The TRANSFORM project will upscale best practices to the new target areas and provide support in implementing the DDP. The District Councils will also implement the priority adaptation activities, as well as contribute to project level M&E. At the district level, officials from the departments of environment, forestry, water, irrigation, social welfare and community development will be engaged in the implementation of adaptation initiatives.
United Nations Agencies	In line with the United Nations? (UN) commitment to ?Deliver as One?, the project will collaborate and engage with existing UN Agencies in the target districts ? including World Food Programme (WFP) and Food and Agricultural Organisation (FAO) for complementarity and efficient resource use. Where possible, the project will support joint planning, implementation and monitoring.
NGOs/CBOs	The project will work with active NGOs and CBOs in Malawi, both at a national and district level. These will include: i) Leadership for Environment and Development (LEAD); ii) Lake Chilwa Trust; iii) Action Aid; iv) United Purpose; v) Care International; vi) CADECOM; vii) Red Cross; viii) NASFAM; ix) World Vision; x) Total Land Care; xi) Emmanuel International; xii) Action Aid International; xiii) Save the Children; and xiv) US Aid. Local women?s CBOs will be identified to ensure gender equality remains a focus during capacity building in climate change adaptation and resilience interventions.
Project beneficiaries at a community level	While all residents in the three districts should benefit from the project as a result of ecosystem-based adaptation (EbA) and management interventions, direct beneficiaries of adaptation interventions and resilience building will be ~10,000 households (3,000 households in Machinga, 4,000 households in Zomba and 3,000 households in Phalombe). The project will be implemented in the following Traditional Authorities (TAs): i) Zomba TAs: Mkumbira, Malemia and Kuntumanji; ii) Machinga TAs: TA Mizinga, Chamba and Nchinguza; and iii) Phalombe TAs: Chiwalo, Jenala and Kaduya. Within the three districts, direct project beneficiaries will be prioritised and selected based on vulnerability, adaptation capacity and extent of dependence on natural resources at the household level.
The Lake Chilwa basin Trust	The Lake Chilwa basin Trust is comprised of relevant stakeholders in the basin that support the coordination and planning across sectors and groups in the basin. Besides the local governance structures, the project will continuously consult on proposed interventions and initiatives with the trust and utilise the platform for cross-district coordination.

Forestry Research Institute of Malawi (FRIM)	FRIM conducts forestry-related research to generate novel technologies and provide information for sustainable management, conservation and use of forests/trees and other natural resources. Their stakeholder-oriented approach is aimed at contributing to improving the welfare of the Malawian population. FRIM?s expertise will be leveraged to assist in the design and implementation of interventions including afforestation, agroforestry and non-timber forestry products (NTFPs).
World Fish Centre	The World Fish Centre is an international, non-profit research organisation with a mission to promote sustainable, productive fisheries and aquaculture to improve food and nutrition security, increase income and improve livelihoods, promote economic growth and protect the environment and natural resources. Their knowledge will be complementary to successful implementation of project activities focused on enhancing the resilience of fishing-related livelihoods.
Department for International Development (DFID)	In the last five years, aid from the UK (through the DFID) has played a considerable role in improving health Outcomes in Malawi, contributing to halving child mortality rates and reducing the average number of children per family from six to four. UK aid helps prevent the escalation of humanitarian crises, including hunger and disease brought about by flooding and drought. The proposed LDCF project will leverage the DFID?s on-the-ground networks to connect with target beneficiaries to achieve the project?s objective of increased climate resilience of local communities.
International Fund For Agricultural Development (IFAD)	IFAD is an international financial institution and specialised UN agency based in Italy, operating as the UN?s food and agriculture hub. They invest in rural communities, empowering them to increase their food security, improve the nutrition of their families and increase their incomes. IFAD therefore helps rural communities build resilience, expand their businesses and gain autonomy over their own development ? providing a knowledge and experience platform to draw from when implementing agricultural-related activities.
Malawi Drought Recovery and Resilience Project (MDRRP)	Approved for funding from the World Bank Group from 2016?2021, the objective of the MDRRP is to support the Government of Malawi to meet the immediate food security and livelihood strategy requirements of the communities affected by drought, as well as promote their recovery and resilience. Through a proposed Contingent Emergency Response Component, the project may also provide immediate recovery support to the GoM in the event of an emergency.
Agriculture input suppliers	The project will collaborate with several organisations supplying agriculture inputs within Malawi and in the Lake Chilwa basin. These will include *inter alia* Agri-Input Suppliers Association of Malawi (AISAM), Agro-Input Supplies Limited (AISL), National Smallholder Farmers Association (NASFAM), International Centre for Soil Fertility and Agricultural Development (IFDC) and Enterprise Development and Training Agency (EDTA).

Micro-finance institutions	By collaborating with micro-finance institutions, the project will enable communities surrounding the Lake Chilwa basin to participate in economic activities and improve their livelihoods. The Malawi Microfinance Network (MAMN) comprises several micro-finance institutions in Malawi, including Foundation for International Community Assistance (FINCA) Limited, Malawi Rural Development Fund, MicroLoan Foundation, CARE Malawi, A Self-Help Assistance Program (ASAP) and Malawi Rural Finance Company (MRFC) Limited.

Select what role civil society will play in the project:

Consulted only;

Member of Advisory Body; Contractor; Yes

Co-financier;

Member of project steering committee or equivalent decision-making body;

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

Climate change is causing an increase in the incidence of climate hazards such as droughts and floods across the Lake Chilwa basin and is accelerating an adverse cycle of decreasing climate resilience. The process is causing rural livelihoods ? particularly those of women and other marginalised groups ? to become increasingly unproductive as a result of landscape degradation and the concurrent loss of water-regulation ecosystem services.

The Gender Analysis and Action Plan have two primary objectives. First, to chart a course for the project to understand and act on the fact that women and men are affected by climate change impacts. Second, to ensure gender entry-points (actions) are suggested for the project to equally benefit women, men and all vulnerable populations identified in the target areas. Therefore, the GAP will, serve as the main strategy to mainstreaming gender metrics into the implementation of the project. The GAP builds from the gender analysis and will therefore, ensure that special attention and action is taken to compensate for the existing gaps and inequalities that women currently face.

Recommendations and entry points

The Gender Analysis presented in Annex 11 provides a holistic understanding of how relationships between men and women as well as the youth, affect their ability to participate in and benefit from the opportunities and impacts offered by this project. Based on the gender analysis above, concrete measures to mitigate identified challenges are drawn and reflected in the GAP, with targeted indicators, as well as in the project?s Theory of Change (ToC) and Results Framework. The Gender Action Plan (GAP) will be monitored and adapted as needed using adaptive management. Through this GAP the PMU will ensure gender outputs and activities are well-integrated in the annual workplan and budget. To this end, a Gender Expert/Officer or Environmental and Social Safeguard Specialist should be recruited to support the PMU.

Proposed Gender Action Plan

The Gender Action Plan considers six main pillars as critical for the success of the project and its gender mainstreaming impact, namely: i) policy and regulatory frameworks; ii) capacity building and awareness raising; iii) governance and advocacy; iv) human resources; v) the private sector; vi) gender equality and women?s empowerment (GEWE) partnerships. The actions below provide further detail on how the six pillars are considered in the Lake Chilwa basin.

Conduct gender sensitization and awareness raising

Widespread understanding and training on entrenched cultural beliefs and practices that limits women to certain activities is a key focus area for awareness raising/building within the Lake Chilwa basin. Men must be sensitized enough to embrace the gender concept. When men are well sensitized, it is easier to achieve gender sensitization across entire communities. Identification of gender champions within organisations, communities, organised groups and local government is also key in the awareness campaign, as they are the most decentralised government units.

Conduct gender and inclusion analysis at all levels

Quality analysis is necessary to ensure that equality is maximized. Analysis should begin with gender-disaggregated data collection and include the current gender and equality context as well as the projected impacts of any intervention on members of the Lake Chilwa basin (women and men, boys and girls, transgender peoples, people with disabilities, and marginalised groups). The analysis must then influence, *inter alia*, programme and project design as well as legal frameworks. It is also important to draw on gender analysis frameworks to guide monitoring, evaluation, and learning choices during and after project implementation.

Increase women?s participation in capacity building

All trainings and capacity building activities done within the Lake Chilwa basin should include female participants by using instruments such as quotas, preferential admissions and scholarships where appropriate. Ensure that women`s multiple roles are not prohibiting them from participating in any training. To ensure women?s multiple roles are not limiting their participation, consideration should be given to the: i) timing of workshops and trainings; ii) location of the training; and iii) venue.

Adopt a ?nothing about them without them? approach

To include people who will be affected by the project interventions is about more than just numbers, it is about ?meaningful? participation. This includes: i) training men, women, the youth and people with

disabilities on marginalisation and ways to create a more inclusive community; ii) financial support in the form of*, inter alia*, education grants or physical infrastructure to make spaces more accessible; iii) including long-term engagement with marginalised groups as part of the project?s monitoring and reporting (M&R) processes; and iv) working in partnership with organisations such as women?s, indigenous people, and disabled people?s organisations. Meaningful participation requires targeting the right people to make real transformative impacts that are scalable and replicable. This is achievable by using the lessons learnt from similar past projects as a reference and guidance for the development of this TRANSFORM project.

Promote women?s leadership and empowerment

Develop women?s leadership skills within the Lake Chilwa basin through mentoring and training by creating new platforms and enhancing networking opportunities. Providing internship programmes and job training and placements for women interested and involved in natural resource-based activities in the Lake Chilwa basin to enhance women`s participation in decision-making.

Create a level playing field with respect to access to and control of resources to promote women`s empowerment

Efforts to promote the business operating environment should pay particular attention to the specific challenges of female businesses within the sector. Legal barriers, customary law and cultural practices need to be acknowledged. Facilitating access to gender-sensitive financial mechanisms and procurement announcements for women-owned /led businesses within the Lake Chilwa basin is a substantial step to ensure that access to and control of resources ? both land and water ? are made more gender-inclusive.

Establish and maintain a comprehensive monitoring and accountability framework

Develop a gender-sensitive framework and process to measure the progress and impact of all actions through the collection of gender-disaggregated data; conduct regular trainings for organisations and providing them with relevant tools and techniques to gather information on women and girls and measure and report on gender-sensitive indicators in projects and programs.

Make gender equality and inclusion a core business goal

Inclusive programmes and policies lead to greater economic, environmental, and social sustainability. To make this a reality, non-government organisations (NGOs), civil society organisations (CSOs) and the private sector in Malawi must engage with the government and local communities to ensure they have the right processes, systems, leadership, and resources to enhance women?s participation in the value chain development and business development interventions of the project. To institutionalise inclusive practices ? and to bridge the gap between policy and practice ? gender-inclusive leadership is needed at all levels of these institutions. Community-based women?s organisations, for example, need to be taken seriously and have important roles in all stages of the project planning process to enhance sustainability in the organisation.

Based on the results on the gender assessment undertaken during the PPG phase, the following action plan in Table 1 has been drafted to provide a ?gender lens? during the project?s implementation, ensuring equitable participation and benefit incidence among women and men across the various program components. In the leftmost column are the overarching program objectives and main outputs. In the column entitled ?Gender action? are strategies for ensuring appropriate mainstreaming.

Gender Action Plan (GAP): Strategic Framework

This GAP presents the outcomes, outputs and activities of the project as designed in the project logical framework. The GAP mainstreams gender consideration in each project activity by identifying gender-based gaps, proposes indented gender outcomes, gender-based activities, indicators, responsible institutions and, where applicable, budgets. In accordance with UNDP?s Gender Equality Strategy 2022?2025, at least 15% of all country programme and project budgets should be allocated to advancing gender equality and/or empowering women as their principal objective. Thus, this GAP seeks adherence with the policy, and it is recommended that the project management team ensures the required financial and human resources are made available to support implementation of the GAP.

Table 6. Specific gender actions per output.

Component	Outcome	Output	Gender action	Indicators and targets	Responsible stakeholder
Component 1: Enhancing financing and investment in adaptation options and climate-resilient enterprises in the Lake Chilwa basin, with potential for upscaling to other regions of Malawi.	Outcome 1: Enhanced public and private sector investment in and strengthened market linkages for upscaling sustainable, climate-resilient enterprises to provide communities with alternative sources of income.	Output 1.1. A sustainable climate-finance facility (SCFF) established through the UNDP Growth Accelerator Platform to stimulate private sector investment for MSMEs and strengthen the micro-finance industry for innovation in climate-resilient livelihoods, enterprises, and technologies.	Ensure any and all training workshops for the SCFF have content on products tailored to women/girls led MSMEs.	Target: At least 40% of training program beneficiaries are women disaggregated by age and disability. Indicator: Percentage of staff from national and district financial institutions have capacity to mainstream gender in the finance facility.	UNDP, Project gender officer and Lake Chilwa leadership representatives

		Output 1.2. Partnerships established between communities, extension services, CBOs, farmers, wholesalers and private sector enterprises through the development of a market information hub and introduction of technologies that increase access to and strengthen high-value markets	Ensure partnerships include women, girls and women?s organisations inputs.	Target: Women and girls ideas are sufficiently represented. Indicator: Women and girls are sufficiently represented in the established partnerships.	UNDP, Project gender officer and Lake Chilwa leadership representatives.
		Output 1.3. Technical assistance provided to the Malawi National Climate Change Fund (NCCF) to integrate and implement the SCFF initially introduced through the UNDP Growth Accelerator.	Provide training for the NCCF, relevant national and district-level planners on gender mainstreaming processes to ensure gender considerations are included in the SCFF.	Target: NCCF, national and district level planners understand gender mainstreaming theoretically and practically. Indicator: Percentage of relevant national and district-level planners and decision-makers with capacity to mainstream gender in the SCFF.	UNDP, Project gender officer and Lake Chilwa leadership representatives

Component 2. Implementation of EbA and sustainable climate-resilient livelihoods.	Outcome 2. Reduced vulnerability of communities in target districts to climate change through the implementation of EbA interventions and the introduction of innovative sustainable climate-resilient livelihoods in preparation for scaling up through Outcomes 1 and 3	Output 2.1. An EbA Plan ? with an integrated management framework that identifies climate change vulnerability and ecosystem degradation hotspots ? developed for entire Lake Chilwa Basin, building on Watershed Management Plans (WMPs) developed for each target district under the SFAD-WM project.	Develop gender assessment methodology and tools for identification of vulnerabilities and ecosystem degradation hotspots.	Target: Gender assessment methodology completed by the end of year one of project implementation. Indicator: Developed gender assessment instrument and methodology.	UNDP, Project gender officer and Lake Chilwa leadership representatives
		Output 2.2. Community-based Ecosystem Monitoring and Reporting (M&R) System established in each target district to support enhanced natural resource management and compliance with environmental regulations.	Ensure the M&R system is gender-sensitive and includes gender-disaggregated data. Training should be provided to the relevant actors on the relevant tools and techniques to gather information on women and girls and measure and report on gender-sensitive indicators.	Target: Relevant actors sufficiently understand how to integrate gender considerations in M&R systems. Indicator: Evidence brought by project gender officer that monitoring plans include gender-based indicators.	UNDP, Project gender officer and Lake Chilwa leadership representatives

		Output 2.3. Technical capacity of public and private stakeholders enhanced to identify and prepare climate-resilient business plans and financially viable project packages for support from the SCFF.	Ensure that workshops to build the technical, managerial and regulatory capacity of key institutional stakeholders, includes representatives from women?s groups and women in the Lake Chilwa basin.	Target: 80% of staff of key institutions. At least 30% of people trained are women. Indicators: Number of people trained. Percentage of women taking part in capacity building programmes. Number of capacity building programmes.	UNDP, Project gender officer and Lake Chilwa leadership representatives

		Output 2.4. Sustainable climate-resilient livelihoods implemented in target communities through the provision of training (including at least 50% women), provision of start-up inputs (such as beekeeping equipment) as well as the development of partnerships with local suppliers and value chain service providers (through technical advisory services).	Training workshops should include female participants by using instruments such as quotas, preferential admissions and scholarships where appropriate. Ensure that women`s multiple roles are not prohibiting them from participant in any training (e.g., are the timing of workshops and trainings appropriate; would the location of the training impact women`s participation and does the venue take into consideration women`s need).	Target: At least 40% of participants are women disaggregated by age and disability. Indicator: Training workshop reports include chapter on gender issues discussed at the workshops.	UNDP, Project gender officer and Lake Chilwa leadership representatives

Component 3: Strengthening the enabling environment for upscaling of initiatives aimed at climate-resilient development across Malawi.	Outcome 3. Strengthened enabling environment for district- and community-level institutions to plan, implement and monitor Ecosystem-based Adaptation (EbA), in readiness for receiving funding under the SCFF	Output 3.1. Knowledge management hub established to document and disseminate best practices on EbA, livelihoods diversification, and market information.	Ensure the knowledge management hub includes gender-disaggregated data and training workshops on the use thereof include women from the Lake Chilwa basin.	Target: At least 40% of participants are women disaggregated by age and disability. Indicator: Training workshop reports include chapter on gender issues discussed at the workshops.	UNDP, Project gender officer and Lake Chilwa leadership representatives
		Output 3.2. National awareness programme on EbA and climate resilient investment opportunities undertaken in collaboration with private sector.	Ensure that gender responsiveness and gender-disaggregated data is reflected in information materials for awareness raising in communities. Awareness materials should also include information on gender equality and the prevention of gender-based violence.	Target: At least 30% of women trained and exposed to initiatives. Indicator: Number of people trained and exposed to awareness initiatives.	UNDP, Project gender officer and Lake Chilwa leadership representatives

		Output 3.3. Framework Climate Resilience Investment Plan (FCRIP) for sustainable climate-resilient livelihoods and value chains developed for each target district in Lake Chilwa basin (as well as two other districts in different ecosystems), building on the WMPs developed through the SFAD-WM project	Ensure the financial resources mobilised under the SCFF to support project ideas include project ideas by women and women?s organisations.	Target: Women?s organisations are included in distribution of financial resources. Indicator: Women?s project ideas are adequately represented and considered during decision-making processes.	UNDP, Project gender officer and Lake Chilwa leadership representatives
		Output 3.4. Guidance for locally-driven climate resilience investment planning developed and disseminated to all districts in Malawi.	Project gender officer to support consultation, data collection and inclusion of gender considerations in development of guidance materials.	Target: Gender considerations are mainstreamed in guidance materials. Indicator: Guidance materials include a checklist to guide the incorporation of gender considerations in resilience investment planning in all districts in Malawi.	UNDP, Project gender officer and Lake Chilwa leadership representatives

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; No

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

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

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

Across Malawi, there is limited investment in initiatives that support adaptation-infrastructure and corresponding technologies, constraining the adaptive capacity of vulnerable communities. Several barriers underpin this investment shortfall, including, *inter alia*, limited: i) institutional and technical capacity; and ii) capital investment. Given the constraints on government resources, it is also essential to engage the private sector to unlock addition investment opportunities for adaptation. However, to date, private sector engagement in adaptation planning has been limited. To overcome this, the proposed project will foster strengthened private sector partnerships to support the development of climate-resilient infrastructure at household- and community-levels. Previous projects on climate change adaptation and resilience building in Malawi have emphasised the use of private sector partnerships to ensure effective and efficient implementation of market-based interventions. However, there has been limited progress in engaging the private sector to participate in relevant adaptation activities. This project will bridge that gap by supporting decision-making on planning and investment in EbA and climate-resilient enterprises, risk management, and further encourage the expansion and strengthening of value chains across multiple priority sectors. In the project target area, private sector activity is dominated by small- and medium-sized enterprises (MSMEs), with larger private sector actors ? such as seed companies and retailers ? linked to local communities through complex value chains. These value chains will be harnessed and strengthened by project interventions to ensure investments lead to enhanced adaptive capacity, scaling-up and knowledge-sharing.

In addition to enhancing market linkages, the project will raise awareness of the economic and social benefits of increasing the resilience of communities to catalyse investment from the private sector in

climate adaptation. This will be achieved by ensuring that relevant stakeholders, including the private sector, are aware of the potential climate change risks and impacts on their operations, as well as the range of available interventions to manage climate-related uncertainties. This will include promoting the uptake of household post-harvest storage facilities, value addition technologies, innovative irrigation systems and small-scale agro-processing facilities such as solar dryers. Sustainable construction standards will be promoted to enhance the resilience of infrastructural interventions, while initiate models will be developed to facilitate replication, upscaling and capacity-building at the community-level. To complement this, the project will facilitate collaboration between potential investors and community enterprises to develop technologies and enhance investment in alternative livelihoods ? using evidence from value chain analysis and best practices in the region.

Additional private sector engagement will be ensured through the development of a Sustainable Climate Finance Facility (SCFF) under Component 1. This facility will be used to attract funds from private investors to facilitate investment in innovative climate-resilient livelihoods, enterprises and value chains. Notable Outcomes of the SCFF facility that will induce a transformative shift towards a gender-sensitive, sustainable and climate-resilient development pathway in the Lake Chilwa basin, will include: i) enhancing the climate and financial literacy of artisanal farmers and fisherfolk in the target districts ? with a specific focus on women and youth; and ii) enhancing access to micro-finance through, for example, village banks/savings associations. As a result, already-established MSMEs will be able to de-risk their activities, diversify their product and service offerings, access new and high value markets and attract external investment. Concurrent provision of technical assistance to upskill entrepreneurs and businesses will also ensure additionality and enhance the resilience of relevant enterprises. Concessional capital and/or grant funding will be made available for MSMEs with enhanced technical capacity and financial literacy to improve the resilience of priority sectors to climate change. This will be achieved by using the concessional capital and/or grant funding to implement adaptation-related activities, ensuring increased adaptive capacity across multiple economic sectors. To further increase linkages between artisanal fisherfolk/farmers and the formal banking sector, training/upskilling services will be provided which will increase the number of formally registered enterprises in the basin, enabling them to open bank accounts. Specifically, to enhance the uptake of micro-finance services and access to credit for artisanal farmers and fisherfolk as well as aspiring young and/or female entrepreneurs, training on sustainable and efficient business operations will be provided under Output 2.3.

The above activities with be complemented by the integration of lessons learned and recommendations from value chain analyses conducted under the Adapt Plan project which will be used to identify priority areas for further private sector engagement and support. Where necessary, additional value chain analyses will be undertaken under the proposed GEF project to enhance the lessons learned under Adapt Plan. Finally, considering the complexity in engaging the private sector alongside the informal nature of many MSMEs in Malawi, the project will partner with UNDP?s Private Sector Development Unit, and other private sector linkage platforms to assist with establishing and maintaining partnerships across and within value chains.

Through the private sector engagement strategy, the TRANSFORM project will support investments in adaptation technologies with multiple benefits that extend across communities. By enabling the use of innovative and improved technologies such as drip irrigation systems, as well as increased access to

markets and lucrative value chains, communities surrounding the Lake Chilwa basin will be able to transform their livelihoods from a state of limited adaptive capacity to one that is sustainable and climate resilient. The effectiveness of private sector engagements will be enhanced through the use of the CoBRA adaptation planning tool which will identify appropriate adaptation solutions in the relevant priority sectors that are affected by climate change. For example, in Malawi, the agriculture, water, forestry, energy, and infrastructure sectors have been deemed as highly vulnerable to climate change as well as a priority for adaptation.

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Identified risk	Type	Description	Risk rating, including impact and probability (I and P, rated 1?5)[1]	Proposed mitigation measure(s)
Climate shocks and hazards	Environmental	Extreme weather events (such as droughts, floods and hailstorms) at project sites during implementation may damage or destroy EbA activities implemented through the project.	Moderate; P: 3 I: 4	Beneficiaries will be sensitised and capacitated to complement relevant activities with irrigated agriculture. The project management team will establish mechanisms to ensure that infrastructure meets the relevant standards to withstand extreme weather events. The project will use climate-related information and early warning systems to ensure farming activities are conducted during appropriate periods.

Limited alignment and harmony among district councils	Political	The buy-in of district councils will ensure adequate technical support and effective monitoring of interventions. However, the absence of sufficient buy-in will impact the implementation of the project. Limited harmony of existing coordination mechanisms results in the duplication of initiatives among relevant stakeholders. This also contributes to undermining opportunities for complementarity.	Moderate; P: 2 I: 4	Consultative meetings to be held to raise awareness, align expectations and encourage participation. Strengthen involvement and capacity of district structures in the early stages of project design to ensure alignment among stakeholders. The project will use existing district and national coordinating structures and work with responsible parties to address any coordination gaps. Ensure ownership of national strategies by working within the framework of decentralised government.
Staff turnover within the project and at district council	Organisational and technical	Staff may leave the project team and district council during the project lifespan.	Low; P: 1 I: 2	The project management teams will ensure that staff turnover is conducted in an efficient manner with the appropriate stakeholders. In addition, the project team will ensure project records and information management systems are well-organised despite staff turnover.
Limited government staff capacity to facilitate project activities.	Organisational and operational	High vacancy rate of extension service positions in councils affects project implementation.	Moderate; P: 3 I: 4	Liaise with relevant ministries to identify ways of filling gaps in technical expertise.

Delays in disbursement of funds	Operational	Development partners require appropriate finance mechanisms, and this may result in delays in the disbursement of funds.	Moderate; P:3 I:4	The project management team will ensure that all necessary fiducial processes are established within appropriate timelines, with relevant staff oriented on UNDP finance and administration systems. In addition, existing finance personnel will provide support to the project finance team.
Reluctance to mainstream gender equity	Contextual and cultural	Traditional and cultural stereotypes which limit the participation of women in productive activities and positions of authority may be perpetuated during project design and implementation.	High; P: 4 I: 4	Ensure application of Sendai Guidelines on social inclusion. Conduct relevant gender assessments and include considerations of gender dynamics during project design and implementation. Design sub-activities to ensure proportionate participation of women and youth. Ensure proportionate representation of women and youth in relevant committees.
Rejection of proposed interventions by communities	Contextual and cultural	Limited consultation and involvement of target communities during the design of the proposed project may result in communities rejecting the proposed interventions.	Moderate; P: 1 I: 4	The project management team will ensure early involvement and extensive consultation of target communities during the development and design of proposed project interventions.
Maladaptation of proposed project interventions	Contextual	Proposed interventions may be maladapted if they are not context-specific to each target district.	Moderate; P: 2 I: 4	Ensure in-depth consultative processes with district stakeholders

Implementation disruptions caused by COVID-19	Operational and contextual	Measures put in place by Government may delay implementation of planned project activities and may limit community participation. Also, COVID-19 disruptions on value chains may affect market access by local communities	Moderate; P: 2 I: 4	Build synergies between project activities with COVID-19 recovery. Support project partners (government, local authorities) with diversified communications approaches that can be used under COVID-19 disruptions. Ensure realistic timeframes and budgets are set to take into account COVID-related challenges. Design the project to support broader resilience building.
COVID-19 response measures that are counter-resilience building	Technical	Measures to respond and recover from COVID-19, supported and financed by other actors such as donors, Government, private sector, may promote approaches that are maladaptive, or reinforce reliance on technologies that increase GHG emissions	Moderate; P: 2 I: 3	Design projects to contribute to building back better and greener, and to build resilience and generate greener jobs and incomes. [1] [1] Refer to Annex 25 for more detail on the project's Covid-19 strategy

[1] The risk rating levels include Low, Moderate, Substantial or High (L/M/S/H) and are identified from a Risk Matrix that uses risk impact and probability, rated from 1 (Negligible) to 5 (Extreme).

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

The proposed project will be implemented over a five-year period (2023?2028) and will be executed by the Environmental Affairs Department (EAD), under the Ministry of Natural Resources and Climate Change, in collaboration with *inter alia* the Department of Forestry, and the Ministry of Agriculture, Irrigation and Water Development. National ministries, additional to those directly involved in project implementation, will be consulted regularly to ensure that the project is executed in line with national priorities and to identify areas of complementarity. Regular, community-level consultations with local stakeholders will also ensure that local needs and priorities are addressed throughout project implementation. Staff from target districts will support EAD in conducting these community-level consultations. During the project's inception phase, an inception workshop will be convened to inform stakeholders about the project work plan, project activities and interventions, and the different roles stakeholders will fulfil during project implementation. Community consultations will ensure that intervention activities are validated and enable communities to provide input into the design and implementation of interventions.

Implementing Partner: The Department of Environmental Affairs (DEA) under the Ministry of Environment and Climate Change will be the project?s Implementing Partner (IP) and is accountable to UNDP for managing the project. The Implementing Partner is the entity to which the UNDP Administrator has entrusted the implementation of UNDP assistance specified in this signed project document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of Outputs, as set forth in this document. EAD will be responsible for efficient and effective implementation of project interventions, monitoring, and evaluation. EAD will closely collaborate with UNDP to ensure that project resources are effectively managed and utilised according to UNDP policies and regulations as outlined under NIM. The organisational structure of the IP is shown in Figure 30 below.

The Implementing Partner is responsible for executing this project. Specific tasks include:

? Project planning, coordination, management, monitoring, evaluation, and reporting. This includes providing all required information and data necessary for timely, comprehensive, and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes and is aligned with national systems so that the data used and generated by the project supports national systems.

? Overseeing the management of project risks as included in this project document and new risks that may emerge during project implementation.

? Procurement of goods and services, including human resources.

? Financial management, including overseeing financial expenditures against project budgets.

? Approving and signing the multiyear workplan.

? Approving and signing the combined delivery report at the end of the year; and,

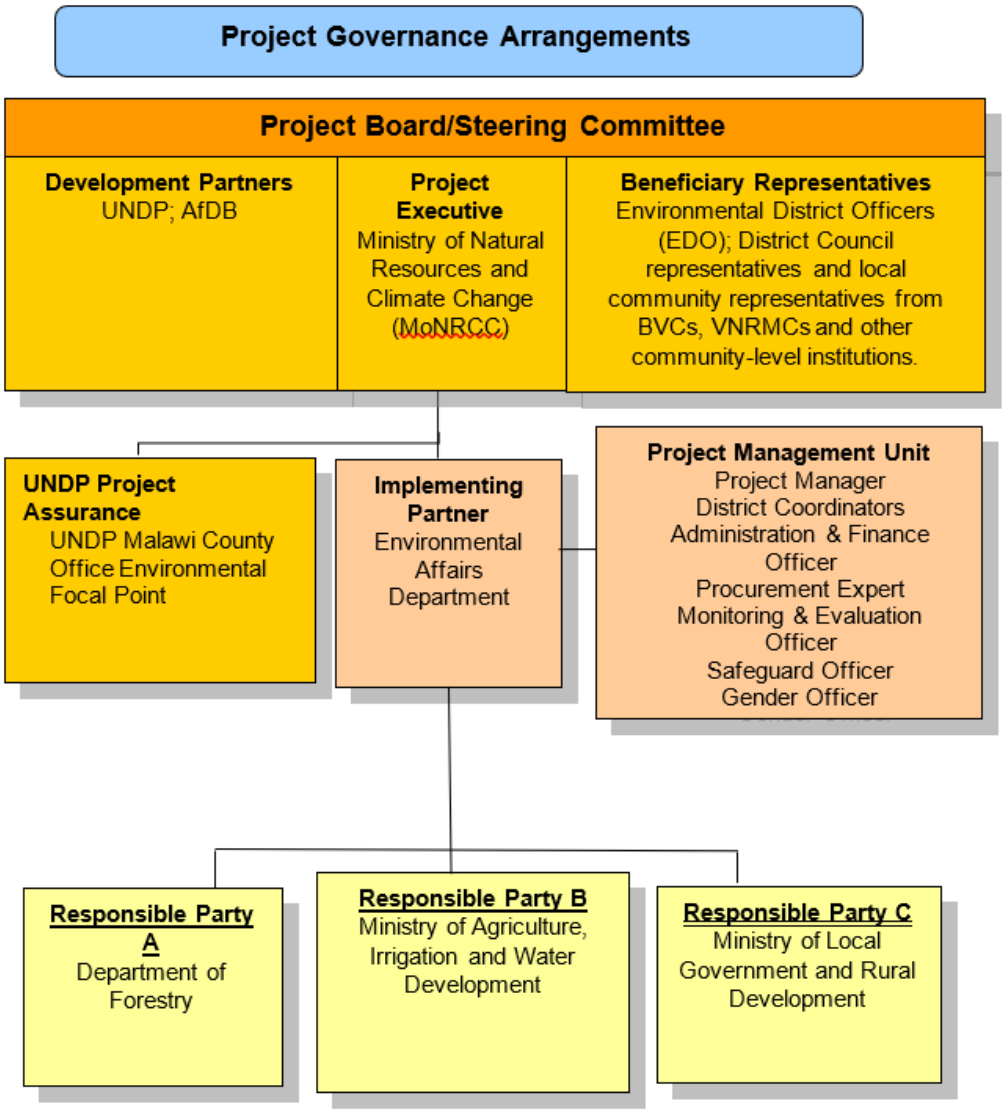
? Signing the financial report or the funding authorization and certificate of expenditures.

Responsible Parties: The Responsible Parties are the entities to which EAD has entrusted the responsibility for implementing specific project focal areas. These responsibilities differ per Responsible Party and project Component. EAD will collaborate and work closely with the Responsible Parties, which will including: i) Department of Forestry ? responsible for the implementation of restoration interventions under Component 2; ii) the Ministry of Agriculture, Irrigation and Water Development ? responsible for the implementation of climate-resilient livelihood activities under Component 2; and iii) Ministry of Local Government and Rural Development ? responsible for supporting the development of interventions under Component 2. Specific departments that will implement these interventions will include Department of Land Resources, Department of Irrigation, Department of Land Resources Conservation, Department of Agriculture Extension and Advisory Services and Fisheries Department. At district level the project will supervised by the District Commissioner in close consultation with the Director of Planning and Development and Project Coordinators.

Project stakeholders and target groups: The composition of the Project Board will include Representative Beneficiaries to ensure that all target groups are represented in the highest governance structure of the project. Capacity-building and training programmes through Outcomes 2 and 3 will enable the Representative Beneficiaries of these groups to be informed about and engage in Ecosystems-based Adaptation (EbA) practices. This will enable the Representative Beneficiaries to provide the appropriate support to the Project Board while ensuring that the needs and rights of target groups are considered throughout project implementation.

UNDP: UNDP is accountable to the GEF for the implementation of this project. This includes overseeing project execution undertaken by the Implementing Partner to ensure that the project is being carried out in accordance with UNDP and GEF policies and procedures and the standards and provisions outlined in the Delegation of Authority (DOA) letter for this project. The UNDP GEF Executive Coordinator, in consultation with UNDP Bureaus and the Implementing Partner, retains the right to revoke the project DOA, suspend or cancel this GEF project. UNDP is responsible for the Project Assurance function in the project governance structure and presents to the Project Board and attends Project Board meetings as a non-voting member. A firewall will be maintained between the delivery of project oversight and quality assurance performed by UNDP and charged to the GEF Fee and any support to project execution performed by UNDP (as requested by and agreed to by both the Implementing Partner and GEF) and may be charged to the GEF project management costs (only if approved by GEF). The segregation of functions and firewall provisions for UNDP in this case is described in the next section.

Section 2: Project governance structure



The UNDP Resident Representative assumes full responsibility and accountability for oversight and quality assurance of this Project and ensures its timely implementation in compliance with the GEF-specific requirements and UNDP?s Programme and Operations Policies and Procedures (POPP), its Financial Regulations and Rules and Internal Control Framework. A representative of the UNDP Country Office will assume the assurance role and will present assurance findings to the Project Board, and therefore attends Project Board meetings as a non-voting member.

A project team consisting of one Project Manager; three Project Coordinators (for each of the three districts) and Finance and Administration Assistant will be recruited for the day-to-day management of the project. The project management team will be located at the district council and will also be responsible for

coordinating with district stakeholders and coordination structures. A bank account for the project will be opened in all the districts and managed in accordance with UNDP and GEF guidelines through which funds will be transferred to support the implementation of the project and operational support for the project staff. The project staff will work in close collaboration with the District Environment Sub-Committee and DEC.

The project team will facilitate periodic coordination meetings including Inter- District Joint Project Coordinating platform for planning and monitoring between project districts and with relevant stakeholders. The forum will be utilised to foster learning, review progress, share and validate workplans and engage with national stakeholders for their technical contributions. The project team, through the joint forum, will also link with the national coordination structures including the National Technical Committee on Climate Change and the National Steering Committee.

Implementation and management of Sustainable Climate Finance Facility

The SCFF has been designed specifically to enable private sector involvement in climate change adaptation in Malawi. To achieve this objective, and to meet the technical requirements of working with private sector, the SCFF has to be established under a specialized platform. The SCFF will leverage UNDP's Growth Accelerator (GA) platform, which is essentially a type of partnership supported by UNDP but has own service provider and operational structure independent from the GoM's internal processes.

The overall goal is for the SCFF to be managed on transitional basis under the GA until the technical capacity is built within the Environmental Affairs Department (EAD) to eventually integrate the SCFF into the National Climate Change Fund (NCCF). Currently, the UNDP GA has the technical expertise required to transfer knowledge and expertise to NCCF but, to facilitate this process of transition, the EAD will be involved initially only as part of learning and implementation, rather than throughout the process of vetting potential private sector entities that qualify for funding. The SCFF will initially be operationalized under the UNDP GA, but will eventually be housed in NCCF and managed by EAD. The involvement of EAD in the UNDP GA as part of learning and knowledge dissemination will enable private sector involvement to also be integrated as part of NCCF. It should be noted that the UNDP GA's service provider will play the primary role in operationalizing the SCFF, but the GA will serve as a learning platform that will enable EAD to be gradually involved as part of the transition of the SCFF to the NCCF. The SCFF to be established through the UNDP Growth Accelerator Platform will be implemented and managed as described in the table below. This structure is also shown in Table 3 below the table.

Tabl **Table 3. Implementation and management of the SCFF under the UNDP Growth Accelerator Platform.**

Action	**Funding source**	**Method**

Technical Assistance (training, capacity building, community engagement, business development support	GEF budget Component 1	Will be implemented by Executing Agency (Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change)
Launch of Call for Proposals, Evaluation, Selection, Management and Reporting of private sector entities	GEF budget Component 1	Will be implemented by Executing Agency through UNDP Growth Accelerator program?s Service Provider (Fund Manager) under a Responsible Party (RP) Arrangement with Executing Agency
Disbursement of grants (up to US$ 40,000 per selected private sector entity) as matching investments for private sector entities	UNDP Co-finance from TRAC Resources	Will be disbursed directly by UNDP to selected private sector entities under advice from UNDP Growth Accelerator program?s Service Provider (Fund Manager)

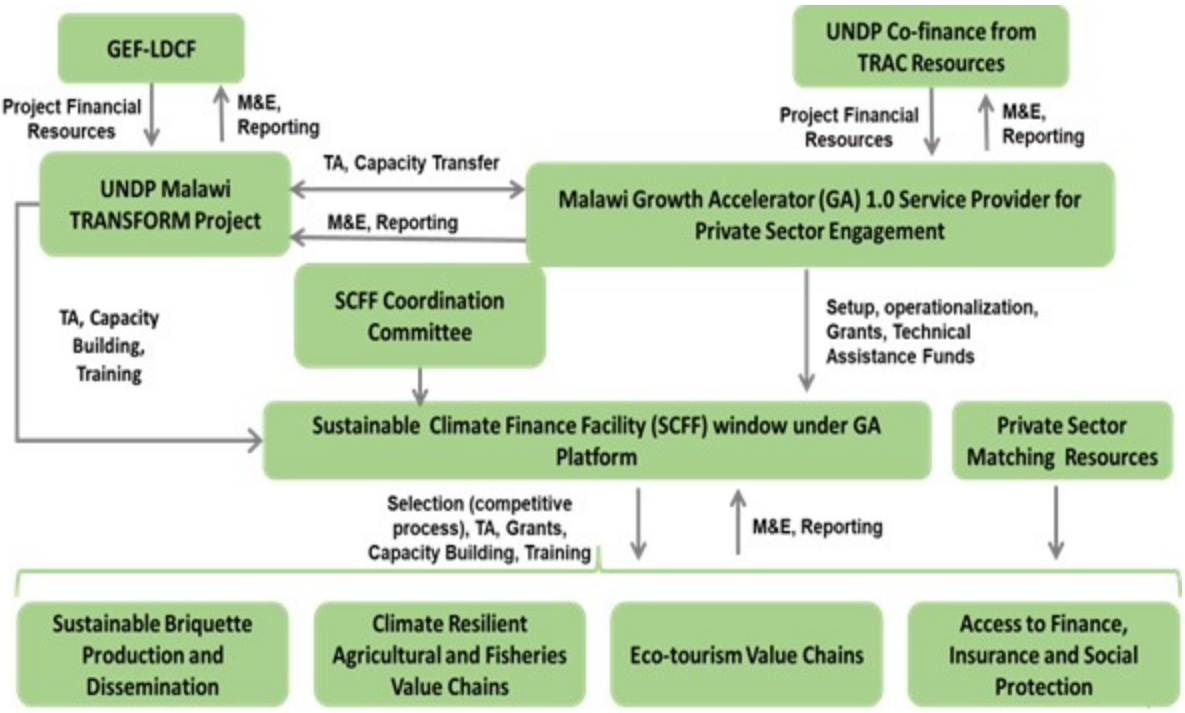


Figure 7. UNDP Malawi TRANSFORM Project and Growth Accelerator Engagement Model for SCFF.

Section 3: Segregation of duties and firewalls vis-?-vis UNDP representation on the project board:

As noted in the Minimum Fiduciary Standards for GEF Partner Agencies, in cases where a GEF Partner Agency (i.e. UNDP) carries out both implementation oversight and execution of a project, the GEF Partner Agency (i.e. UNDP) must separate its project implementation oversight and execution duties, and describe in the relevant project document a: 1) Satisfactory institutional arrangement for the separation of implementation oversight and executing functions in different departments of the GEF Partner Agency; and 2) Clear lines of responsibility, reporting and accountability within the GEF Partner Agency between the project implementation oversight and

execution functions. In this case, UNDP is only performing an implementation oversight role in the project vis-?-vis its role in the project board and in the project assurance function and therefore a full separation of project implementation oversight and execution duties has been assured.

Section 4: Roles and Responsibilities of the Project Organization Structure:

a) Project Board: All UNDP projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and implementation issues to ensure quality delivery of results. The Project Board (also called the Project Steering Committee) is the most senior, dedicated oversight body for a project.

The **Project Board** will comprise the National Steering Committee on Environment, Natural resources, and Climate Change, who will provide policy guidance for the project as proposed by the well-established National Climate Change Technical Committee which has its own procedures and processes which should not be duplicated by the creation of additional structures. The NCCTC will provide technical direction of the project, and it will play a critical role in project monitoring and evaluations by quality assuring these processes and products, and using evaluations for performance improvement, accountability, and learning. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems with external bodies. In addition, it approves the appointment and responsibilities of the Project Manager. Based on the approved Annual Work Plan, the NCCTC can also consider and approve the quarterly plans (if applicable) and approve any essential deviations from the original plans.

The two main (mandatory) roles of the project board are as follows:

1) **High-level oversight of the execution of the project by the Implementing Partner** (as explained in the ?Provide Oversight? section of the POPP). This is the primary function of the project board and includes annual (and as-needed) assessments of any major risks to the project, and decisions/agreements on any management actions or remedial measures to address them effectively. The Project Board reviews evidence of project performance based on monitoring, evaluation and reporting, including progress reports, evaluations, risk logs and the combined delivery report. The Project Board is responsible for taking corrective action as needed to ensure the project achieves the desired results.

2) **Approval of strategic project execution decisions of the Implementing Partner** with a view to assess and manage risks, monitor and ensure the overall achievement of projected results and impacts and ensure long term sustainability of project execution decisions of the Implementing Partner (as explained in the ?Manage Change? section of the POPP).

Requirements to serve on the Project Board:

? Agree to the Terms of Reference of the Board and the rules on protocols, quorum and minuting.

? Meet annually; at least once.

? Disclose any conflict of interest in performing the functions of a Project Board member and take all measures to avoid any real or perceived conflicts of interest. This disclosure must be documented and kept on record by UNDP.

? Discharge the functions of the Project Board in accordance with UNDP policies and procedures.

? Ensure highest levels of transparency and ensure Project Board meeting minutes are recorded and shared with project stakeholders.

Responsibilities of the Project Board:

? Consensus decision making:

? The project board provides overall overall guidance and direction to the project, ensuring it remains within any specified constraints, and providing overall oversight of the project implementation.

? Review project performance based on monitoring, evaluation and reporting, including progress reports, risk logs and the combined delivery report;

? The project board is responsible for making management decisions by consensus.

? In order to ensure UNDP?s ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.

? In case consensus cannot be reached within the Board, the UNDP representative on the board will mediate to find consensus and, if this cannot be found, will take the final decision to ensure project implementation is not unduly delayed.

? Oversee project execution:

? Agree on project manager?s tolerances as required, within the parameters outlined in the project document, and provide direction and advice for exceptional situations when the project manager?s tolerances are exceeded.

? Appraise annual work plans prepared by the Implementing Partner for the Project; review combined delivery reports prior to certification by the implementing partner.

? Address any high-level project issues as raised by the project manager and project assurance;

? Advise on major and minor amendments to the project within the parameters set by UNDP and the donor and refer such proposed major and minor amendments to the UNDP BPPS Nature, Climate and Energy Executive Coordinator (and the GEF, as required by GEF policies);

? Provide high-level direction and recommendations to the project management unit to ensure that the agreed deliverables are produced satisfactorily and according to plans.

? Track and monitor co-financed activities and realisation of co-financing amounts of this project.

? Approve the Inception Report, GEF annual project implementation reports, mid-term review and terminal evaluation reports.

? Ensure commitment of human resources to support project implementation, arbitrating any issues within the project.

? Risk Management:

? Provide guidance on evolving or materialized project risks and agree on possible mitigation and management actions to address specific risks.

? Review and update the project risk register and associated management plans based on the information prepared by the Implementing Partner. This includes risks related that can be directly managed by this project, as well as contextual risks that may affect project delivery or continued UNDP compliance and reputation but are outside of the control of the project. For example, social and environmental risks associated with co-financed activities or activities taking place in the project?s area of influence that have implications for the project.

? Address project-level grievances.

? Coordination:

? Ensure coordination between various donor and government-funded projects and programmes.

? Ensure coordination with various government agencies and their participation in project activities.

Composition of the Project Board: The composition of the Project Board must include individuals assigned to the following three roles:

1. Project Executive: This is an individual who represents ownership of the project and chairs (or co-chairs) the Project Board. The Executive usually is the senior national counterpart for nationally implemented projects (typically from the same entity as the Implementing Partner). In exceptional cases, two individuals from different entities can co-share this role and/or co-chair the Project Board. If the project executive co-chairs the project board with representatives of another category, it typically does so with a development partner representative. The Project Executive is: Principal Secretary, Ministry of Finance and Economic Planning. *MoFNR*

2. Beneficiary Representative(s): Individuals or groups representing the interests of those groups of stakeholders who will ultimately benefit from the project. Their primary function within the board is to ensure the realization of project results from the perspective of project beneficiaries. Often representatives from civil society, industry associations, or other government entities benefiting from the project can fulfil this role. There will be multiple beneficiary representatives in the Project Board. The Beneficiary representative (s) is/are: Environmental District Officers (EDO); District Council representatives and local community representatives from BVCs, VNRMCs, Village Development Committees (VDC). Area Development Committees (ADCs) and other community-level institutions.

3. Development Partner(s): Individuals or groups representing the interests of the parties concerned that provide funding, strategic guidance and/or technical expertise to the project. The Development Partner(s) is/are: African Development Bank (AfDB); UNDP.

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b) **Project Assurance:** Project assurance is the responsibility of each project board member; however, UNDP has a distinct assurance role for all UNDP projects in carrying out objective and independent project oversight and monitoring functions. UNDP performs quality assurance and supports the Project Board (and Project Management Unit) by carrying out objective and independent project oversight and monitoring functions, including compliance with the risk management and social and environmental standards of UNDP. The Project Board cannot delegate any of its quality assurance responsibilities to the Project Manager. Project assurance is totally independent of project execution.

A designated representative of UNDP playing the project assurance role is expected to attend all board meetings and support board processes as a non-voting representative. It should be noted that while in certain cases UNDP?s project assurance role across the project may encompass activities happening at several levels (e.g. global, regional), at least one UNDP representative playing that function must, as part of their duties, specifically attend board meeting and provide board members with the required documentation required to perform their duties. The UNDP representative playing the main project assurance function is/are: *UNDP CO Programme Officer or Monitoring & Evaluation Officer to designate appropriate individual.*

c) **Project Management ? Execution of the Project:** The Project Manager (PM) (also called project coordinator) is the senior most representative of the Project Management Unit (PMU) and is responsible for the overall day-to-day management of the project on behalf of the Implementing Partner, including the mobilization of all project inputs, supervision over project staff, responsible parties, consultants, and sub-contractors. The project manager typically presents key deliverables and documents to the board for their review and approval, including progress reports, annual work plans, adjustments to tolerance levels and risk registers.

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A designated representative of the PMU is expected to attend all board meetings and support board processes as a non-voting representative.

The primary PMU representative attending board meetings is: *The Project Manager*

The Project Manager will work under the technical direction of the Director of Environmental Affairs and will coordinate closely with the other Managers implementing other UNDP programmes to ensure that synergies and efficiencies are secured.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

There is considerable political buy-in from the GoM to ensure that climate change is addressed by developing policies and strategies for climate change programming and management. This political will is evident in several national policies and strategies that have been formulated and enacted, including the: i) National Climate Change Management Policy; ii) National Forestry Policy and Meteorology Policy; iii) Energy Policy and Disaster Risk Management Policy; iv) Fisheries Policy; v) National Resilience Strategy; vi) Renewable Energy Strategy; vii) National Biodiversity Strategy and Action Plan; viii) National Forest Landscape Restoration Strategy and National Charcoal Strategy; ix) National Climate Change Investment Plan and National Agriculture Investment Plan; and x) Environmental Management Act (EMA). These policies and strategies are being implemented by the relevant national ministries and departments to ensure the achievement of intended goals and objectives. Recently, the Department of Environmental Affairs ? under the Ministry of Environment, Tourism and Wildlife ? in liaison with UNDP, embarked on the establishment of the National Climate Change Fund in Malawi. This will act as a reserve of resources to complement additional and alternative sources of funding for climate change adaptation and management in Malawi. More detail on the abovementioned policies and strategies is presented in Section II.8 National Strategies and Plans. Descriptions of TRANSFORM?s consistency with the national strategies and plans or reports and assessments under relevant conventions from the list at the start of this section are presented below.

? National Action Plan for Adaptation (NAPA) under LDCF/UNFCCC

Malawi?s NAPA was submitted to the UNFCCC in March 2006. It clustered 15 priority activities in five project profiles. Given the prominent role of agriculture in the country?s economy, TRANSFORM will be aligned with the NAPA by improving resilience to climate change through the implementation of adaptation strategies to cope with droughts and floods, and improving agricultural production and rural livelihoods.

? National Biodiversity Strategies and Action Plan (NBSAP) under UNCBD

The NBSAP presents Malawi?s strategy for ecosystem health and biodiversity conservation in Malawi. The plan?s objectives include improving institutional capacity and knowledge on biodiversity, mainstreaming

of biodiversity conservation, implementing biodiversity and ecosystem management and restoration and enhancing ecosystem services provision. TRANSFORM will directly contribute to these objectives through interventions implemented under Component 1 and 2.

? National Communications (NC) under UNFCCC

The Third National Communications, issued in January 2021, reflect the latest knowledge on climate change and its impacts in Malawi. It offers an overview of the country?s greenhouse gas emissions inventory per sector, a mitigation and abatement analysis and a vulnerability assessment and adaptation priority list. It highlights the country?s narrow economic base and its dependence on rainfed agriculture and biomass energy. The TRANSFORM project has been developed in direct alignment with the TNC, and will contribute to the priorities it sets out to achieve

? Technology Needs Assessment (TNA) under UNFCCC

Malawi?s First Technology Needs Assessment (TNA) report was published in 2003. It scopes the technology needs for climate response and the opportunities based on the existing assets. It prioritises the technology transfer for the advancement of renewable energy, biogas and hydropower given its potential contribution to agriculture. TRANSFORM will contribute to these priority areas by improving access to renewable energy and alternative energy sources through promotion of briquette production and the use of solar powered processessing technology.

? Malawi Poverty Reduction Strategy Paper (MPRS)

The MPRS Paper from 2003 delineates the country?s strategy for addressing poverty. It is structured around four pillars, namely 1) rapid pro-poor economic growth and structural transformation, ii) the enhancement of human capital development, iii) improvement of life quality and iv) good governance through transparency and accountability. The Strategy mainstreams cross-cutting issues such as environmental and gender considerations across its approach, all of which have been considered during the development of TRANSFORM.

? National Resilience Strategy

The National Resilience Strategy (2018-2030) is structured around breaking food insecurity and poverty cycles in Malawi. It establishes that extreme climate events do not need to result in life or livelihood losses and that extreme climate events? impacts might be mitigated through proactive resource management. The Strategy also endorses the implementation of EbA interventions to increase communities? resilience to climate change, which is the primary area of alignment with the TRANSFORM project.

? Malawi Vision 2063

The Malawi Vision 2063 aims to transform Malawi into a wealthy and self-reliant industrialised ?upper middle income country? by 2063.

? Sustainable Development Goals (SDGs)

The Sustainable Development Goals have been endorsed in Malawi and are reflected in the Malawi Growth and Development Strategy. The SDGs are a global call to action to enhance human well-being and environmental conservation. It includes socio-economic goals, such as addressing poverty, hunger and gender equality, environmental goals, such as climate action and landscape conservation, as well institutional governance goals. To support SDG actions in Malawi, the UN has set up the SDG Acceleration Fund.

The GoM has prioritised climate change in its national development planning because of its impacts on Malawi?s socio-economic development. The government also recognises that climate change adversely affects the general livelihoods and well-being of the population, consequently compromising the achievement of the Sustainable Development Goals (SDGs). Climate change, natural resources and environmental management constitute the nine priority areas outlined in the ?Malawi Growth and Development Strategy III 2018-2022 (MGDSIII)? ? the country?s medium-term strategy for obtaining long-term national development aspirations.

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

Knowledge management will be an important consideration under all the components of the proposed project but will be specifically addressed through Component 3. Under this component, a knowledge management hub will be established to enable documentation and dissemination of best practices on EbA and livelihood diversification, as well as market and product information. The knowledge management hub will primarily be used by local and national level decision makers when exploring potential development options for enhanced climate resilience and will enable the sharing of information between stakeholders to inform the development of similar projects in the basin. In so doing, the upscaling of previous investments in the project area and across Malawi will be promoted in a locally appropriate and context-specific manner. The knowledge management hub developed under Component 3 will primarily be used by local and national level decision-makers when exploring potential development options for enhanced climate resilience, but will also be used to store and disseminate information from the market information hub developed under Component 1 which will benefit entrepreneurs and MSMEs. These complementary hubs will ensure that

upscaling of previous investments in the project area and across Malawi will be promoted in a locally appropriate and context-specific manner.

The proposed project?s knowledge management approach will also be supported by several other interventions, as outlined below.

? ***Output 1.2: The establishment of a market information hub under this Output will benefit entrepreneurs and MSMEs through improved access to information. This hub will enable stakeholders to store and share information on climate-resilient enterprise development, thereby enhancing the potential for success of these enterprises into the future. Scalability of project interventions will also be enhanced through the market information hub.***

? ***Capacity-building interventions under several of the project?s Outputs (Output 2.2 and 2.3) will also support knowledge management in the basin by enhancing the technical capacity of stakeholders to plan, implement and manage EbA-related interventions.***

? ***Awareness-raising interventions under Output 3.2 will further support the project?s knowledge management approach by disseminating knowledge products from the project to beneficiaries, development partners and the general public.***

Continuous monitoring and evaluation (M&E) of the project?s activities will also support the systematisation of best practices and lessons learned. The M&E process includes the production of knowledge and communication products that provide inputs for the project?s management and will also be used as an information instrument for sharing the knowledge generated through the project?s activities in the target area and across the country.

Project Components	Knowledge management activities and products, including timelines and budget
Component 2: Implementation of EbA and sustainable climate-resilient livelihoods	Output 2.2: Two one-day trainings per target district on monitoring of land degradation and measures for reporting and measuring threats to natural resource base delivered to BVCs and other village-level organisations (Y2; USD 15,600; see budget note 10 in Annex 1 of the Project Document).
	Output 2.3: Three business training workshops on identification, development and management of climate-resilient businesses (Y2?3; USD 268,670; see budget note 10 in Annex 1 of the Project Document).

Component 3: Strengthening the enabling environment for upscaling of initiatives aimed at climate-resilient development across Malawi.	Output 3.1: Establishment of knowledge management hub. Costs include *inter alia* development of technical methodologies for capturing information on best practices and lessons learned on EbA within the Lake Chilwa basin, and workshops in the three target districts to engage with stakeholders on the use of the hub (Y1?5; USD 211,000; see budget notes 29, 33 and 35 in Annex 1 of the Project Document).
	Output 3.2: National awareness programme on EbA and climate resilient investment opportunities undertaken in collaboration with private sector (Y2?5; USD 252,500; see budget notes 24-29 in Annex 1 of the Project Document).

9. Monitoring and Evaluation

Describe the budgeted M and E plan

Table 6. Monitoring and Evaluation M&E Plan and Budget

Monitoring and Evaluation Budget for project execution: This M&E budget provides a breakdown of costs for M&E activities to be led by the Project Management Unit during project implementation. These costs are equivalent to those of the M&E Component of the Results Framework and TBWP. Other project M&E activities can be added to this budget if they are included under the M&E Component of the results framework. The oversight and participation of the UNDP Country Office/Regional technical advisors/HQ Units in these M&E activities and in performing standard UNDP M&E requirements are not included as these are covered by the LDCF Fee.			
GEF M&E requirements	Primary Responsibility	Indicative costs (US$)	Time frame
Inception Workshop and Report	UNDP Country Office, M&E Officer	1,449.00	Inception Workshop within 2 months of the First Disbursement
International consultants	M&E Officer to implement monitoring and evaluation tasks for project implementation, including facilitating the M&E Inception Workshop, monitoring of GEF core indicators, project results and indicators from other plans	20,000*5 Years 100,000	On-going

Monitoring and Evaluation Budget for project execution:

This M&E budget provides a breakdown of costs for M&E activities to be led by the Project Management Unit during project implementation. These costs are equivalent to those of the M&E Component of the Results Framework and TBWP. Other project M&E activities can be added to this budget if they are included under the M&E Component of the results framework. The oversight and participation of the UNDP Country Office/Regional technical advisors/HQ Units in these M&E activities and in performing standard UNDP M&E requirements are not included as these are covered by the LDCF Fee.

GEF M&E requirements	Primary Responsibility	Indicative costs (US$)	Time frame
M&E of GEF core indicators and project results framework	Project Manager and Project Coordinators (one per district)	N/A	Annually and at mid-point and closure.
GEF Project Implementation Report (PIR)	Project Manager, UNDP Country Office, UNDP-GED-team and and Project Coordinators	N/A	Annually, typically between June-August
Monitoring of Social and Environmental Safeguards Screening	Project Manager and Project Coordinators (one per district)	N/A	On-going
Monitoring of Stakeholder Engagement Plan	Project Manager and Project Coordinators (one per district)	N/A	On-going
Monitoring of Gender Action Plan	Project Manager and Project Coordinators (one per district)	N/A	On-going

Monitoring and Evaluation Budget for project execution: This M&E budget provides a breakdown of costs for M&E activities to be led by the Project Management Unit during project implementation. These costs are equivalent to those of the M&E Component of the Results Framework and TBWP. Other project M&E activities can be added to this budget if they are included under the M&E Component of the results framework. The oversight and participation of the UNDP Country Office/Regional technical advisors/HQ Units in these M&E activities and in performing standard UNDP M&E requirements are not included as these are covered by the LDCF Fee.			
GEF M&E requirements	Primary Responsibility	Indicative costs (US$)	Time frame
Supervision missions	UNDP Country Office, Project team, UNDP-GEF team and independent consultants	N/A	Annually
Learning missions	n/a	N/A	As needed
Independent Mid-term Review (MTR): costs associated with conducting the independent review/evaluation to be commissioned by UNDP not the Implementing Partner or PMU.	UNDP Country Office, Project team, UNDP-GEF team and independent consultants	48,000.00	*Y3Q2* *May 2026*
Independent Terminal Evaluation (TE): costs associated with conducting the independent evaluation to be commissioned by UNDP not the Implementing Partner or the PMU.	UNDP Country Office, Project team, UNDP-GEF team and independent consultants	48,000.00	Y5Q3 August 2028
TOTAL indicative COST		197,449.00 (~4.5%)	

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

The TRANSFORM project will have numerous socio-economic benefits at national and particularly at local level. These benefits are: i) alternative livelihood opportunities, income generation and poverty reduction ? in particular, the EbA and diversified livelihood interventions will contribute towards poverty reduction

through the creation of new income generation opportunities; ii) improved water quality ? as a result of improved groundwater infiltration and decreased rates of soil erosion and siltation; iii) greater potential for further development of sustainable enterprises such as ecotourism ? the Lake Chilwa basin is a Ramsar site, so further strengthening biodiversity through EbA will enhance the development potential of this sector; iv) strengthened cultural value of the Lake Chilwa basin ? enhancing the management of the basin through participatory approaches will strengthen the connection between local communities and the natural environment, thereby encouraging custodianship over natural resources and the potential for climate-resilient socio-economic development. Overall, the TRANSFORM project will catalyse a transformational shift towards sustainable natural resources management in the Lake Chilwa basin, which will contribute to the climate-resilient socio-economic development in the basin. Given that the lake is a major source of food not only for the communities living around the lake, but also for people across the country, the project?s transformational approach will enhance food and livelihood security of people across the country.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
Medium/Moderate	High or Substantial		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Please see the SESP and ESMF documents, both uploaded to this section, for full information.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
CLEAN_Malawi PPG_LDCF_6608_ESMF_v2	CEO Endorsement ESS	
CLEAN_Malawi PPG_LDCF_6608_SESP_v4	CEO Endorsement ESS	
6608 Malawi_GEF_LDCF_PIF_Annex D_Pre-SESP_22 Sep 2020	Project PIF ESS	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

This project will contribute to the following Sustainable Development Goal(s): SDG2: Zero Hunger; SDG 5: Gender Equality; SDG8: Decent Work and Economic Growth; SDG10: Reduced Inequalities; SDG11: Sustainable Cities and Communities; SDG12: Responsible Consumption and Production; SDG13: Climate Action; SDG15: Life on Land)
This project will contribute to the following country Outcome (UNDAF/CPD, RPD, GPD): *Outcome 1. Rights holders in Malawi access more accountable and effective institutions at the central and decentralized levels that use quality disaggregated data, offer integrated service delivery and promote civic engagement, respect for human rights and the of law.* *Outcome 7. Households have increased food and nutrition security, equitable access to WASH and healthy ecosystems and resilient livelihoods.* *Outcome 8. Malawi has more productive, sustainable and diversified agriculture, value chains and market access.* *Outcome 9. Malawi has strengthened economic diversification, inclusive business, entrepreneurship and access to clean energy.*

	Objective and Outcome Indicators **(no more than a total of 20 indicators)**	**Baseline**	**Mid-term Target**	**End of Project Target**

Project Objective: To reduce the vulnerability of communities surrounding Lake Chilwa to the adverse effects of climate change by strengthening the resilience of livelihoods through Ecosystem-based Adaptation (EbA) and financing of climate-resilient enterprises in Lake Chilwa, and scaled up to other regions of Malawi	**Mandatory** Indicator 1: direct project beneficiaries disaggregated by gender (individual people)	0	Total at MT: 28,000 (11,200 males; 16,800 females), of which 14,000 individuals (5,250 men and 8,750 women) directly benefitting from more resilient physical and natural assets 12,250 beneficiaries (4,900 men, 7,350 women) with diversified and strengthened livelihoods and sources of income in the Lake Chilwa basin	Total at TE: 80,000 (31,000 males; 49,000 females), of which 40,000 individuals (15,000 men and 25,000 women) directly benefitting from more resilient physical and natural assets 35,000 beneficiaries (14,000 men, 21,000 women) with diversified and strengthened livelihoods and sources of income in the Lake Chilwa basin
	Mandatory GEF Core Indicators: *Indicator 2:* Area of land managed for climate resilience (ha)	0	36,300 ha across all targeted districts	121,000 across all targeted districts
	Indicator 3: Total number of policies/ plans that will mainstream climate resilience	0	1 district-level Lake Chilwa EbA Plans, one for each targeted district	3 district-level Lake Chilwa EbA Plans, one for each targeted district
Project Component 1	Enhancing financing and investment in adaptation options and climate-resilient enterprises in the Lake Chilwa basin, with potential for upscaling to other regions of Malawi			

Project Outcome 1 Enhanced public and private sector investment in and strengthened market linkages for upscaling sustainable, climate-resilient enterprises to provide communities with alternative sources of income.	***Indicator 5:*** Number of private sector entities/consortia engaged/supported in climate resilient activities benefiting from the SCFF	0	12 private sector entities or consortia to be engaged/supported	12 private sector entities or consortia to be engaged/supported
Outputs to achieve Outcome 1	*Output 1.1.* A sustainable climate-finance facility (SCFF) established through the UNDP Growth Accelerator Platform to stimulate private sector investment for MSMEs and strengthen the micro-finance industry for innovation in climate-resilient livelihoods, enterprises, and technologies. *Output 1.2.* Partnerships established between communities, extension services, CBOs, farmers, wholesalers and private sector enterprises through the development of a market information hub and introduction of technologies that increase access to and strengthen high-value markets *Output 1.3.* Technical assistance provided to the Malawi National Climate Change Fund (NCCF) to integrate and implement the SCFF initially introduced through the UNDP Growth Accelerator.			
Project Component 2	Implementation of EbA and Sustainable climate-resilient livelihoods.			

Outcome 2 Reduced vulnerability of communities in target districts to climate change through the implementation of EbA interventions and the introduction of innovative sustainable climate-resilient livelihoods in preparation for scaling up through Outcomes 1 and 3.	***Indicator 7*** Number of households adopting alternative livelihoods related to EbA and climate-smart agriculture	0	2,500 households, of which 875 households in Machinga (TA Mizinga, TA Chamba and TA Nchinguza), 750 households in Phalomba (TA Chiwalo, TA Jenala and TA Kaduya), and 875 householdes in Zomba (TA Kumtumanji, TA Malemia and TA Mkumbira)	10,000 households, of which: 3,500 households in Machinga (TA Mizinga, TA Chamba and TA Nchinguza), 3,000 households in Phalomba (TA Chiwalo, TA Jenala and TA Kaduya), and 3,500 households in Zomba (TA Kumtumanji, TA Malemia and TA Mkumbira)
	Indicator 8 Number of quarterly community-level M&R reports	0	MT: 2, one per quarter	Final: 12, one per quarter
Outputs to achieve Outcome 2	*Output 2.1.* An EbA Plan ? with an integrated management framework that identifies climate change vulnerability and ecosystem degradation hotspots ? developed for entire Lake Chilwa basin, building on Watershed Management Plans (WMPs) developed for each target district under the SFAD-WM project. *Output 2.2.* Community-based Ecosystem Monitoring and Reporting (M&R) System established in each target district to support enhanced natural resource management and compliance with environmental regulations. *Output 2.3.* Technical capacity of public and private stakeholders enhanced to identify and prepare climate-resilient business plans and financially viable project packages for support from the SCFF. *Output 2.4.* Sustainable climate-resilient livelihoods implemented in target communities through the provision of training (including at least 50% women), provision of start-up inputs (such as beekeeping equipment) as well as the development of partnerships with local suppliers and value chain service providers (through technical advisory services).			

Project Component 3	Strengthening the enabling environment for upscaling of initiatives aimed at climate-resilient development across Malawi.			
Outcome 3 Strengthened enabling environment for district and community-level institutions to plan, implement and monitor Ecosystem-based Adaptation (EbA), in readiness for receiving funding under the SCFF.	***Indicator 9*** Number of district- and community-level institutions (inter alia, private enterprises, CBOs, and CSOs) accessing funding from SCFF for investments identified under district-level FCRIP	0	3 institutions that receive SCFF fundings, 1 per district (Machinga, Zomba and Phalombe). 1 FCRIP developed for each Lake Chilwa basin district (Machinga, Zomba and Phalombe) supporting one institution in each district to receive SCFF funding	12 institutions that are receiving SCFF funding, 4 per district (Machinga, Zomba and Phalombe) ET: 1 FCRIP developed for each Lake Chilwa basin district (Machinga, Zomba and Phalombe) supporting 4 institutions in each district to receive SCFF funding
	Indicator 10 Number of communication and knowledge management product packages on plans developed for scaling EbA and climate-resilient investment	0	*8,* of which 1 yearly packages of national outreach and awareness content, which include, i*ntern alia,* e-brochures, brochures and publications 2 packages of yearly district-level workshops brochures 1 radio programme with content for a year 1 yearly webinar 3 district-specific investment Guidance Manuals	19, of which 4 yearly packages of national outreach and awareness content, which include, i*ntern alia,* e-brochures, brochures and publications. 4 packages of yearly district-level workshops brochures 4 radio programme with content for a year 4 yearly webinars, 3 district-specific investment Guidance Manuals

Outputs to achieve Outcome 3	*Output 3.1.* Knowledge management hub established to document and disseminate best practices on EbA, livelihoods diversification, and market information. *Output 3.2.* National awareness programme on EbA and climate-resilient investment opportunities undertaken in collaboration with the private sector. *Output 3.3.* Framework Climate Resilience Investment Plan (FCRIP) for sustainable climate-resilient livelihoods and value chains developed for each target district in Lake Chilwa basin (as well as two other districts in different ecosystems), building on the WMPs developed through the SFAD-WM project. Output 3.4. Guidance for locally-driven climate resilience investment planning developed and disseminated to all districts in Malawi.

[1] Baseline, mid-term and end of project target levels must be expressed in the same neutral unit of analysis as the corresponding indicator. Baseline is the current/original status or condition and needs to be quantified. The baseline can be zero when appropriate given the project has not started. The baseline must be established before the project document is submitted to the GEF for final approval. The baseline values will be used to measure the success of the project through implementation monitoring and evaluation.

[2] Target is the change in the baseline value that will be achieved by the mid-term review and then again by the terminal evaluation.

[3] Provide total number of all direct project beneficiaries expected to benefit from all project activities until project closure. Separate the total number by female and male. This indicator captures the number of individual people who receive targeted support from a given GEF project and/or who use the specific resources that the project maintains or enhances. Support is defined as direct assistance from the project. Direct beneficiaries are all individuals receiving targeted support from a given project. Targeted support is the intentional and direct assistance of a project to individuals or groups of individuals who are aware that they are receiving that support and/or who use the specific resources.

[4]*Outcomes are medium-term results that the project makes a contribution towards, and that are designed to help achieve the longer-term objective. Achievement of Outcomes will be influenced both by project Outputs and additional factors that may be outside the direct control of the project.*

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

STAP comments

Part I: Project Information	STAP comment	Response
GEF ID	10777	
Project Title	Transformational Adaptation for Climate Resilience in Lake Chilwa Basin of Malawi	
Date of Screening	10 November 2021	
STAP member screener	Ed Carr	
STAP secretariat screener	Virginia Gorsevski	

STAP Overall Assessment and Rating	Minor. STAP acknowledges the project ?Transformational Adaptation for Climate Resilience in Lake Chilwa Basin of Malawi.? This is a focused project that builds on/complements the multitude of past and ongoing related projects in Malawi. The PIF contains a good acknowledgement of lessons learned from past projects, though it is not a complete list. The project aims to build adaptive capacity as well as reduce sensitivity to impacts of climate change by encouraging ?alternative livelihoods? as well as increasing access to finance for EbA through a newly created fund. These alternative livelihoods are critical to reduce pressure on the lake and natural resources; however, the details are lacking on what these are and how they will be connected to the lucrative value chains also mentioned in the project. The TOC lays out the various components but not the causal pathways and assumptions necessary to see how each and all of the pieces fit together. Much of the focus of the project is on local communities and the private sector; however, the main stakeholders are listed as national and local governments. Given the gravity of the situation, all stakeholders are needed but it is not very clear how they will interact. For example, the burden of enforcement appears to be with the local community whereas it seems that this is an area where local officials could and should play a greater role. There is little attention to how the communities will participate in the project, except as recipients of benefits, which creates the risk of problem misidentification and the selection and implementation of maladaptive or otherwise appropriate interventions. STAP strongly suggests the project clearly define what it means by resilience, particularly in the context of the project focus on transformational adaptation. There are many framings of resilience circulating in climate change circles, and they are not interchangeable. There is a somewhat older, more simplistic framing of resilience that treats it as the capacity to ?bounce back? from a shock or stress. While this first framing is pervasive in practice, it is now out of step with framings in the literature, including recent IPCC reports. A more recent framing of	The project strategy has now been significantly bolstered by including specific details on the alternative livelihoods which will be supported to reduce pressure on the lake and natural resources. Specifically, under Component 1 and Component 2, interventions have now been included focussing on value chain development in staple food production, sustainable briquette production, and ecotourism development. The ToC now specifies the causal pathways and assumptions necessary for each of these elements of the project and how they fit together. For example, under Component 1, financing windows will be established under the Growth Accelerator Programme to catalyse funding for the abovementioned sectors, while activities under Component 2 (Output 2.4) are directly linked to the implementation of these livelihoods in line with the funding leveraged under Component 1. Regarding the targeted stakeholders of the project, the focus on local communities and private sector has now been significantly strengthened by specifying the specific communities where the project will be implemented, the strategy for crowding in private sector investment and the linkages between private sector investment and livelihood development. The relationship between these stakeholders and the national and local governments has also now been clarified. This relationship includes a focus on mechanisms to enable communities to work more effectively with the government to enforce environmental

	resilience sees it as the ability to deal with shocks and stressors in a variety of constructive ways that range from bouncing back to system transformation, depending on what is necessary to preserve what people see as essential parts of their lives and the systems in which they participate. These are quite different framings with real implications for the project: 1) The use of the term resilience will shape the expected outcomes of the project and thus any efforts to monitor, evaluate, and learn from those efforts. If the project means ?respond in a variety of constructive ways? it will need to be able to define and identify a constructive response and recognize when bouncing back might not be constructive (for example by perpetuating problematic activities or decisions).	regulation, while incentivising livelihood activities that reduce the pressure on the natural environment, thereby ensuring that enforcement is complemented by a shift away from unsustainable natural resource use. In terms of the manner in which communities will participate in the project, this has been specified in the project strategy by focussing on capacity building of local-level institutions and structures such as Beach Village Committees and Village Natural Resources Committees who will be further capacitated by the project to undertake natural resource management.
	2) How one defines resilience shapes the possible relationships between resilience-building efforts and adaptation efforts. These are not inherently linked concepts and, depending on their framing, they can even result in contradictory outcomes through implementation. For example, a bounce-back framing can work against resilience if it leads people to believe that they do not have to adapt because they have adequate coping mechanisms.	Regarding the potential for problem misidentification, this is well noted and has been a core consideration in the project design. The PPG process has been undertaken in a strongly consultative manner, which included on-the-ground community consultations where the challenges communities face were highlighted and potential solutions identified. These points have been integrated directly into the project design. For example, the limited availability of financial products such as loans and insurance is a significant barrier to community resilience, which will be addressed by the TRANSFORM project. The project strategy is centred around the description of resilience as described in the reviewers comment, namely a ?variety of constructive ways that range from bouncing back to system transformation?. The strategy is not only focussed on the capacity of communities to bounce back from shocks and stresses, but has been designed

			with a focus on a long-term transformative approach that addresses the key barriers to climate change adaptation across the Lake Chilwa basin by building on existing projects and initiatives, leveraging grant financing to catalyse long-term investment by the private sector, and enabling behaviour change among communities. In addition, the project?s integrated approach is focussed on a basin-wide transformation towards a climate-resilient development pathway, rather than only focussing on specific areas within the basin. Therefore, the TRANSFORM project is aimed at approaching the Lake Chilwa basin as a single, interconnected ecosystem where a large-scale transformational approach to climate change is needed that goes beyond a focus on bouncing back from shocks and stresses, towards a climate-resilient development pathway that not only addresses the direct impacts of climate change, but also enables sustainable socio-economic development that addresses baseline drivers of vulnerability to climate change.
Part I: Project Information	What STAP wants	STAP comment	Response

Project Objective	Is the objective clearly defined, and consistently related to the problem diagnosis?	The objective of this project is ?To reduce the vulnerability of communities surrounding Lake Chilwa to the adverse effects of climate change by strengthening the resilience of livelihoods through Ecosystem-based Adaptation (EbA) and financing of climate-resilient enterprises.? This is clear and related to the problem. While climate change is and will have an impact on Malawi and this particular area, other factors such as overfishing, overharvesting, etc. currently play a greater direct and immediate role in degradation of the region. EbA can presumably address both (if successful and sustainable).	As noted above, the strategy developed for the TRANSFORM project is aimed at catalysing change beyond an approach that enables communities from bouncing back from climate shocks and stresses. To this end, EbA-related interventions will address both the climate problem and the baseline drivers of climate vulnerability. By engaging a wide range of stakeholders across the Lake Chilwa basin, enabling better coordination between them, and catalysing sustainable sources of financing for adaptation, the TRANSFORM project will address both the climate and baseline drivers of vulnerability in the area.
Project components	A brief description of the planned activities. Do these support the project?s objectives?	The components appear to support the project?s objectives.	This is well noted. The details under each component have now been expanded significantly to ensure that the project strategy is sound and that the objectives are achieved.
Outcomes	A description of the expected short-term and medium-term effects of an intervention. Do the planned outcomes encompass important adaptation benefits?	Yes. EbA, by definition, encompasses adaptation benefits.	This is well noted. The linkages between the different project components have now been strengthened in the Project Document to ensure that all interventions are aligned with the project?s objectives of enabling large-scale EbA across the Lake Chilwa basin.

	Are the global environmental benefits/adaptation benefits likely to be generated?	Yes	This is well noted. Detail has been provided in the Project Document on how the project will achieve global adaptation benefits.
Outputs	A description of the products and services which are expected to result from the project. Is the sum of the outputs likely to contribute to the outcomes?	Yes, however despite there being 4 outputs under Component/Outcome 2, it is not clear what specific EbA interventions or ?alternative livelihoods? will be implemented to reduce vulnerability in communities.	As discussed above, specific details have now been elaborated on in the Project Document on the alternative livelihoods implemented under the project and how they will reduce the vulnerability of communities in the Lake Chilwa basin to the impacts of climate change.
Part II: Project justification			
Is the sum of the outputs likely to contribute to the outcomes? Part II: Project justification	Is the problem statement well-defined?	Yes. Good understanding and articulation of the problems facing Malawi and Lake Chilwa in particular, including underlying drivers.	Additional detail has been added on the climate problem, as well as the root causes and baseline drivers of climate vulnerability in the Lake Chilwa basin. This includes a detailed root causes analysis which explores the fundamental drivers of landscape degradation and the consequent decline in ecosystem services delivery, as well as how climate change is exacerbating this adverse cycle.

Barriers	Are the barriers and threats well described, and substantiated by data and references?	Yes. Barriers include: Limited technical and financial capacity among communities for the adoption of alternative livelihoods; Limited knowledge and skills among subsistence farmers and fisherfolk of value-addition practices for agricultural and fisheries products; Limited social accountability systems and community capacity to enforce environmental regulations; Limited technical and institutional capacity among communities for environmental and natural resource management, as well as implementing EbA measures; Limited access to finance and markets for climate-resilient products by MSMEs and the informal sector; Limited investment and support from private sector and other value chain actors towards adaptation, as well as generally limited private sector engagement with small-scale producers. However, it is not clear why the burden of enforcement seems to rest entirely on community capacity to enforce regulations (barrier 3).	The matter of enforcement has now been explored in more detail in the Project Document. The burden of enforcement of regulation is not entirely on the communities, but is rather a collective effort by local government and community leadership and institutional structures (including Beach Village Communities and Village Natural Resource Committees). The challenge in terms of enforcing regulations is two-fold. First, there remains limited capacity among local government to enforce regulations by physically patrolling forest reserves and other natural areas because of the sheer scale of the problem. Human resources, technical and institutional capacity to effectively enforce regulations remains limited. Second, which is arguably the core of the problem, is that local communities lack options and resources for sustainable livelihood development which often compels them to engage in harmful activities, even if they are aware of the damage they might be causing. The TRANSFORM project will address both of these challenges, by not only enhancing enforcement through capacity building of key institutions involved in natural resources management in the basin, but by also supporting the development of sustainable, climate-resilient livelihoods that reduce the need for community members to engage in destructive or harmful activities such as deforestation and/or overfishing.

Focal areas	For multiple focal area projects: does the problem statement and analysis identify the drivers of environmental degradation which need to be addressed through multiple focal areas; and is the objective well-defined, and can it only be supported by integrating two, or more focal areas objectives or programs?	N/A	N/A

2) The baseline scenario or any associated baseline projects	Is the baseline identified clearly?	The baseline scenario lays out four ongoing projects in the country that are related to this one, with one of them also funded by LDCF. It also suggests that, without building integrated resilience across these efforts and others (i.e. private sector, other government priorities, etc.) there will be a continuing negative feedback loop of increasing vulnerability of local communities, greater reliance on the declining natural resource base and the exacerbation of the impacts of climate change in the Lake Chilwa basin as well as in Malawi as a whole. It would be helpful to have a more complete list of the many other related projects supported bilaterally by donors (e.g. USAID) or via other funds (e.g. Adaptation Fund). While the baseline is plausible, it is to some extent distressing, as it suggests that current investments aimed at the issues covered by this PIF, including another LDCF investment, were inadequately designed and/or implemented to address root causes and therefore produce	Further detail has been added in the Project Document on how the TRANSFORM project will build on and complement ongoing initiatives in the Lake Chilwa basin. TRANSFORM has been designed to build on previous initiatives and specifically to address the shortcomings of these projects. In recent decades, many projects and initiatives have been implemented across the basin, with several of these initiatives being successful in reducing the vulnerability of local communities to climate change. However, while projects such as the ADAPT Plan and Bridging Project were successful in their individual elements in terms of reducing climate impacts on targeted communities, the interventions were spread over a wide geographic area and did not catalyse the integrated basin-wide transformation that has since been identified as critical for adaptation. TRANSFORM has also been designed to not only scale up key projects in the basin, but by taking a landscape approach to resilience building. To this end, TRANSFORM will build directly on the lessons learned and best practices of a key project focussing on the basin as a whole, namely the Lake Chilwa Basin Climate Change Adaptation Programme (LCBCCAP). This project has been concluded in 2017, but given its basin-wide approach, it highlighted several gaps, barriers and potential areas of intervention to enable a truly transformational approach.

		effective, durable solutions.	In addition to the need for a basin-wide approach, there remains limited coordination between existing projects in the Lake Chilwa basin, which inhibit their long-term impact potential. The TRANSFORM project will also address this challenge by enabling more effective coordination, as well as knowledge management on adaptation, thereby not only ensuring the success of the interventions implemented under the project itself, but also enhancing the potential for successful implementation of other projects.
	Does it provide a feasible basis for quantifying the project?s benefits?	No, it does not	The Project?s strategy has now been strengthened significantly to ensure that the potential benefits of the project interventions are emphasised. Additional detail has provided on the exact design of the project?s Sustainable Climate Financing Facility (SCFF), the specific livelihoods that will be supported and the manner in which communities will be engaged to implement and sustain EbA-related interventions.
	Is the baseline sufficiently robust to support the incremental (additional cost) reasoning for the project?	Conceptually, the baseline provides a robust justification for the project. However, it is very difficult to assess the magnitude of the value added by this project, even in the incremental/additional cost reasoning section of the PIF.	The baseline and incremental cost reasoning of the TRANSFORM project has now been expanded in the Project Document, and its complementarity with ongoing initiatives in the basin clarified.
	For multiple focal area projects:		

	Are the multiple baseline analyses presented (supported by data and references), and the multiple benefits specified, including the proposed indicators;	N/A	N/A
	Are the lessons learned from similar or related past GEF and non-GEF interventions described; and	N/A	N/A
	How did these lessons inform the design of this project?	Although this project is not an MFA project, it is worth noting that there is acknowledgement of the numerous prior and ongoing related projects including lessons learned such as the need for upscaling of best practices, as well as further development of i) lucrative value chains; ii) integrated water supply systems; iii) renewable energy technologies iv) natural regeneration and restoration of ecosystems; v) integrated agriculture and infrastructure development; and vi) mechanisms to catalyze financial resources for livelihood development	As described above, during the PPG phase of the project, the TRANSFORM project?s complementarity with prior and ongoing initiatives has been significantly expanded. The project development team consulted numerous NGOs, CSOs, multilateral development agencies and stakeholders in the Government of Malawi to determine the most suitable modality for implementing the TRANSFORM project vis-?-vis other ongoing interventions in the basin.

3) The proposed alternative scenario with a brief description of expected outcomes and components of the project	What is the theory of change?	The TOC is provided in a separate document and clearly depicts the various components/outcomes/ outputs, etc. including how they are linked to the various barriers outlined in the PIF. At the broadest level, the theory of change is that: 1) Enhanced market linkages will address the limited access to finance and markets for MSMEs and the informal sector, creating opportunities for climate-resilient enterprises and improved incomes. 2) Implementing EbA and sustainable climate-resilient livelihoods will address limited access to finance and markets, limited knowledge and skills in the population for value-added livelihoods activities, limited capacity to enforce environmental regulations, and limited technical and institutional capacity among communities for natural resource management and EbA. This will reduce the vulnerability of communities in target districts to climate change through the implementation of EbA interventions and the introduction of sustainable climate-resilient livelihoods.	Thank you for this comment. The Theory of Change included in the Project Document and CEO Endorsement letter now includes more detailed information to provide justification for the proposed strategy, including the underlying assumptions upon which the the project has been built. Regarding the scaling of successful outcomes, the project strategy for upscaling has been described in more detail, particularly under Component 3.The structure of the activities included under this component are reflective of these underlying assumptions, and the preferred solution to achieve the project objective, with the ultimate aim of enabling upscaling of interventions across the Lake Chilwa basin and to other parts of Malawi.

		3) Strengthening the environment for upscaling of climate resilient development initiatives will contribute to reducing the climate vulnerability of local communities by addressing limited knowledge and skills in the population for value-added livelihoods activities Missing are the underlying assumptions and since this project stresses the scaling of successful outcomes it would be good to have a separate but linked TOC for scaling. See STAP Theory of Change Primer.	
	What is the sequence of events (required or expected) that will lead to the desired outcomes?	1.Creation of an adaptation fund (SCFF) and associated TA; 2. EbA plans and interventions (though the latter are TBD); and 3. KM hub and other capacity building activities, as well as monitoring and reporting.	N/A

	What is the set of linked activities, outputs, and outcomes to address the project?s objectives?	Activity: Enhancing market linkages for private sector investment in adaptation options and climate-resilient enterprises Output: A new sustainable finance facility Output: Partnerships to increase access to and strengthen high-value markets Output: Technical assistance to allow the Malawi National Climate Change fund to manage the Sustainable Climate Finance Facility Outcome: opportunities for climate-resilient enterprises and improved incomes Activity: Implement EbA and sustainable climate resilient livelihoods Output: EbA plan and management framework for the Lake Chilwa Basin Output: Community-based ecosystem monitoring and reporting system Output: Increased technical capacity of communities and other stakeholders to identify and prepare viable climate resilient	N/A

		business plans and project packages Output: Training, inputs, and partnership facilitate the implementation of sustainable climate-resilient livelihoods Outcome: Reduced vulnerability of communities in target districts to climate change through the implementation of EbA interventions and the introduction of sustainable climate-resilient livelihoods. Activity: Strengthen the enabling environment for upscaling of initiatives aimed at climate resilient development across Malawi Output: Knowledge management hub for best practices on EbA, livelihoods diversification, and market and product information Output: National awareness program on EbA and climate resilient investment opportunities Outcome: Strengthened enabling environment for district- and community-level institutions to plan,	

		implement and monitor EbA	
	Are the mechanisms of change plausible, and is there a well-informed identification of the underlying assumptions?	They are plausible but there is a lack of underlying assumptions. In addition, the PIF states that prior initiatives to strengthen entrepreneurship and SME?s have been unsuccessful but it is not entirely clear how this project will succeed when past attempts have failed.	As previously mentioned, the project strategy has now been clarified in much greater detail, and assumptions to the success of the Theory of Change added in the narrative. Regarding the limited success of previous initiatives, stakeholder consultations during the PPG stage of the project highlighted that one of the major shortcomings of previous initiatives in terms of entrepreneurship and SME development is that these initiatives did not adequately address the need to improve access by communities to sustainable sources of financing and affordable financial products such as loans, insurance and savings. As part of the strategy, the TRANSFORM project has been designed with a strong focus on addressing this need, by promoting entrepreneurship through the UNDP Growth Accelerator while also improving community access to microfinance, insurance and social protection measures.
	Is there a recognition of what adaptations may be required during project implementation to respond to changing conditions in pursuit of the targeted outcomes?	Yes ? but in the risks section of the PIF.	N/A

5) incremental/additional cost reasoning and expected contributions from the baseline, the GEF trust fund, LDCF, SCCF, and co-financing	GEF trust fund: will the proposed incremental activities lead to the delivery of global environmental benefits?	N/A	N/A
	LDCF/SCCF: will the proposed incremental activities lead to adaptation which reduces vulnerability, builds adaptive capacity, and increases resilience to climate change?	Yes.	N/A
global environmental benefits (GEF trust fund) and/or adaptation benefits (LDCF/SCCF)	Are the benefits truly global environmental benefits/adaptation benefits, and are they measurable?	The listing of the assumed number of participating households in the stakeholder section of the PIF suggests that it may be possible to measure the number of people or households who benefit from this project, which is one of the GEF indicators.	N/A

Is the scale of projected benefits both plausible and compelling in relation to the proposed investment?	Yes. The scale of the benefits is largely unmeasured and unstated, but they appear to range from local populations in the Lake Chilwa basin (approximately 10k households according to the PIF) for some activities, while others could provide benefits nationally. If this were purely focused on the Lake Chilwa basin, the 10k households would seem a bit thin for the size of the investment, but there are components of this work that will have much larger reach within Malawi.	This is correct, while the on-the-ground interventions is focussed on a limited number of direct beneficiaries, the overall project approach has been designed specifically to address the need for upscaling beyond the Lake Chilwa basin as well as the rest of Malawi.
Are the global environmental benefits/adaptation benefits explicitly defined?	Yes, in terms of beneficiaries.	N/A
Are indicators, or methodologies, provided to demonstrate how the global environmental benefits/adaptation benefits will be measured and monitored during project implementation?	Component 3 will include the development of community-based ecosystem monitoring and reporting of ?natural resources, degradation, threats, etc.	The indicators and methodologies to demonstrate how the adaptation benefits will be measures and monitored have now been elaborated in the Project Document, including in the Monitoring and Evaluation Plan.

	What activities will be implemented to increase the project?s resilience to climate change?	The project will ensure that infrastructure can withstand extreme events and will use climate information and early-warning systems to time farming activities around any shocks. The wider project is structured around EbA interventions and therefore should also increase resilience to climate change.	N/A
innovative, sustainability and potential for scaling-up	Is the project innovative, for example, in its design, method of financing, technology, business model, policy, monitoring and evaluation, or learning?	The SCFF has the potential to be innovative though the details are not yet worked out. In addition, the role of the private sector is not well defined, nor are the ?market-based mechanisms that will connect local-level MSMEs to lucrative value chains across the Lake Chilwa basin.? What are the lucrative value chains?	Detail has been added under Component 1 (as well as Output 2.4) on what these lucrative value chains entail. Broadly, the project will develop value chains aimed at fisheries, briquette production, as well as high-value commodities such as chickpeas.

	Is there a clearly-articulated vision of how the innovation will be scaled-up, for example, over time, across geographies, among institutional actors?	According to the PIF the project has potential for upscaling. Component three is central to this effort, and there is mention of working with the SFAD-WM project on further knowledge management. It would be helpful to articulate this through a theory of change that links to the project TOC as it is unclear how this will occur.	The linkages with the SFAD-WM project have now been clarified in the project strategy. Specifically, TRANSFORM will build on interventions of the SFAD-WM through: i) developing EbA plans for the Lake Chilwa basin, building on Watershed Management Plans (WMPs) developed under SFAD-WM to identify climate change vulnerability and ecosystem degradation hotspots and outlining EbA interventions for climate-resilient livelihoods (Outcome 2); ii) capacity building for EbA interventions (Outcome 2); iii) increasing market access and value chain enhancement for fishing and agricultural commodities (Outcome 2), as well as enhancing the scalability of interventions under SFAD-WM through the establishment of a private sector funded climate financing facility (Outcome 1); iv) establishment of a knowledge management hub for storing and managing lessons learned and best practices for upscaling beyond the Lake Chilwa basin (Outcome 3).
	Will incremental adaptation be required, or more fundamental transformational change to achieve long term sustainability?	The PIF is pointing toward transformational adaptation at everything from the individual to the regional level.	Transformational adaptation is the core focus of the project and has been a central consideration in the development of all its Components, Outputs and Activities.

1b. Project Map and Coordinates. Please provide geo-referenced information and map where the project interventions will take place.		A map of Malawi is provided, including detailed land cover and land use maps. It would be helpful to know the scale of the LCLU maps and how the classifications were derived (which satellite sensor, etc.).	The LCLU maps provided were obtained from an imagery dataset covering the whole country derived from Landsat ETM and TM (Enhanced Thematic Mapper and Thematic Mapper sensors), with a pixel resolution of 30 meters, available for three different periods, respectively 1990s, 2000s, and 2010s.

2.Stakeholders	Have all the key relevant stakeholders been identified to cover the complexity of the problem, and project implementation barriers?	The list of stakeholders is long and impressive, as would be expected from a project seeking benefits from the household to the national level. Interestingly, the project focuses on the role of the private sector and communities; however, the main stakeholders listed in the table are from the national and local government. Since much of the project focuses on helping communities to develop alternative livelihoods it would be useful to have a sense of what livelihoods will be promoted (bee keeping?) and who are the relevant stakeholders to help support this transformation. STAP notes that within the local population, there is no mention of social differentiation ? that is, it is not clear if the project designers have taken time to distinguish relevant social factors that might impact project uptake and outcomes, such as gender. While the project clearly recognizes that fisherfolk and farmers are distinct populations, that might be a bit coarse if there are important gender, age, or other social divisions within those broad groups that shape decision-making	As previously noted, specific livelihoods to be implemented under the project have now been specifically elaborated under Component 2. Regarding the stakeholder targeting strategy and the matter of social differentiation, this has also been refined in line with this comment. In addition, the Theory of Change has been elaborated in line with the Gender Assessment and Gender Action Plan. The project is also specifically aimed at ensuring social differentiation, with both livelihoods and awareness-raising interventions focussing strongly on involving the youth. In addition, social differentiation along ethno-religious lines has also been considered in the proposed livelihood activities, where there are differences between the customs of specific groups within the target districts.

		ability, opportunity, or well-being.	
	What are the stakeholders? roles, and how will their combined roles contribute to robust project design, to achieving global environmental outcomes, and to lessons learned and knowledge?	National government ministries will implement or support the implementation of various parts of the project. District councils will be the main implementers. UN Agencies to coordinate this project with their activities. Various NGOs and CBOs will help with technical contributions. Other international development actors are listed here, but their roles are not clear. Similarly, agricultural input suppliers and micro finance institutions are listed as collaborators, but the collaboration is vague. Interestingly, project beneficiaries are seen as beneficiaries, not as implementers or designers of the project. This could result in problematic identifications of problems and challenges, and therefore the selection of inappropriate interventions.	The roles and responsibilities of different stakeholders have now been clarified in line with the revised project implementation structure.

3. Gender Equality and Women?s Empowerment.	Have gender differentiated risks and opportunities been identified, and were preliminary response measures described that would address these differences?	Yes, they have been identified. The PIF lists five activities that present opportunities for increasing and ensuring the participation of women. The project is expected to contribute to gender equality in terms of participation and decision-making and/ economic benefits or services. The project?s results framework includes gender-sensitive indicators	
	Do gender considerations hinder full participation of an important stakeholder group (or groups)? If so, how will these obstacles be addressed?	Yes. The project will develop a gender action plan to address obstacles.	This is correct, gender is a significant factor to consider in the Lake Chilwa basin, and has been integrated into the project design. A Gender Action Plan (GAP) has been developed and presented as Annex 11 to the Project Document.

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	Are the identified risks valid and comprehensive? Are the risks specifically for things outside the project?s control? Are there social and environmental risks which could affect the project? For climate risk, and climate resilience measures: ? How will the project?s objectives or outputs be affected by climate risks over the period 2020 to 2050, and have the impact of these risks been addressed adequately? ? Has the sensitivity to climate change, and its impacts, been assessed? ? Have resilience practices and measures to address projected climate risks and impacts been considered? How will these be dealt with? ? What technical and institutional capacity, and information, will be needed to address climate risks and resilience enhancement measures?	Yes. The risks are for things out of the project?s control. There is no climate risk screen in this PIF. There is a general mention of the risks posed by variability and extreme weather.	The risks identified in the PIF have been expanded in the Project Document. This includes the risk of project objectives and outputs being affected by climate risks.

6. Coordination.	Are the project proponents tapping into relevant knowledge and learning generated by other projects, including GEF projects?	The PIF demonstrates an in-depth knowledge of several related programs. However, it appears that the projects cited are either in design or newly implemented and may not have produced many results	The PPG development has been undertaken by analysing several past and ongoing projects. Most notably, the strategy has been strongly based on the results of projects such as the Lake Chilwa Basin Climate Change Adaptation Programme (LCBCCAP) which was a seven-year research project aimed at ecosystem-based adaptation in the basin. Interventions implemented under TRANSFORM are directly building on those implemented under LCBCCAP and knowledge generated by the project incorporate into TRANSFORM?s strategic framework.
	Is there adequate recognition of previous projects and the learning derived from them?	There is recognition of previous projects and some lessons learned	Please refer to the comment above.

	Have specific lessons learned from previous projects been cited?	Yes. These are the need for upscaling of best practices, as well as further development of i) lucrative value chains; ii) integrated water supply systems; iii) renewable energy technologies iv) natural regeneration and restoration of ecosystems; v) integrated agriculture and infrastructure development; and vi) mechanisms to catalyze financial resources for livelihood development.	As above, alignment with past and ongoing initiatives has now been described in greater detail in the Project Document.
	How have these lessons informed the project?s formulation?	Yes	As above
	Is there an adequate mechanism to feed the lessons learned from earlier projects into this project, and to share lessons learned from it into future projects?	Yes	The TRANSFORM project has been designed by taking into account the successes and lessons learned from previous projects, but will also enable the documentation and dissemination of knowledge it generates through the knowledge management hub developed under Component 3.

8. Knowledge management.	What overall approach will be taken, and what knowledge management indicators and metrics will be used?	The proposed project will establish a knowledge management hub to improve access by communities and the private sector to knowledge and information on: i) climate resilient natural resources management; ii) best practices on the implementation of diversified livelihoods and ecosystems- based adaptation (EbA) interventions; and iii) market information while allowing for the storage of lessons learned and knowledge generated from other projects in the Lake Chilwa Basin. There are no metrics mentioned in the PIF.	Please refer to the response above.
	What plans are proposed for sharing, disseminating and scaling-up results, lessons and experience?	See above.	Please refer to the response above.

GEF Council comments:

Type	Germany Council Member	Response

Suggestions for improvements to be made during the drafting of the final project proposal	Germany welcomes the proposal?s broad approach to addressing a wide range of challenges in the target area and believes that this can serve as a proof of concept for other areas to follow. It might be valuable to further outline how the project intends to form viable community-led businesses in such a climate-affected and resource-poor area. Could an approach to build on and support existing businesses also be an option?	the detailed design of the project has recognized the need to work with both existing and new enterprises, and integrated this in two ways: 1. working with an established approachmechanisms in the form of the malawi growth accelerator, which has successfully incubated businesses to success in the past. 2. under outcome 2, specifically output 2.3, the project will strengthen the technical capacity of public and private stakeholders ? including communities, extension services, CBOs, farmers, wholesalers and private sector enterprises ? to identify and prepare climate-resilient business plans and project packages that qualify for funding support from the SCFF (established under Outcome 1) Business training will be made available to artisanal farmers, fisherfolk and entrepreneurs, with a focus on empowering women and youth-run enterprises. this takes into account the potential limitations identified in the comment without foreclosing the opportunity for new business development.

	The project builds on various previous initiatives and focusses on establishing synergies and/or complementarities with existing projects. This will be of vital importance. Though the project mentions a connection to the ongoing MICF and the upcoming Sustainable Climate Finance Facility (SCFF), it remains unclear how this transition could and will be managed and how the technical and institutional capacity will eventually be transferred. This will be of critical importance to a sustainable and viable financing facility, and hence Germany would welcome some additional information in this regard.	additional details have been provided during the project development stage as explained below. first, some changes were made on the existing facility to work with, from the MICF to the malawi growth accelerator programme (GA). while the micf was proposed at the pif stage, more detailed assessment at ppg stage identified the the malawi growth accelerator programme (GA) as the more suitable vehicle for the project, also given the changes to the micf. second, As detailed in the Prodoc, under Outputs 1.1 and 1.3, sustainable climate finance financing facility (SCFF) will essentially be the name given to a single window of call for proposals from private sector entities that will be launched by the ongoing UNDP Malawi?s Growth Accelerator (GA) programme for TRANSFORM project, which will then be transferred to the malawi national climate change fund (NCCF). The Growth Accelerator Malawi Programme is a 12-months business acceleration programme for youthful high-impact post-revenue businesses looking to grow and scale. The programme supports entrepreneurs with up to USD 40,000 in co-financing each; Mentorship and Technical Assistance. The funds are unlocked by entrepreneurs by matching the requested amount from the accelerator with 30% of their own funds or from an investment partner. the prodoc (under outcome 3) also details how the project builds the capacity of the nccf to enable it to adopt the approach and lessons from the scff for its long term functionality. this approach ensures that the project does not develop a new facility, but rather works on, and uses the architecture of an existing facility (GA) for adaptation, and then transfer the approach to a national mechanism (NCCF), while using the project to build the capacity of the NCCF.
	How far is the establishment of a new sustainable finance facility required? Would the usage of existing facilities more efficient?	we agree that the usage of existing facilities is more efficient. as discussed above, the project will not create a new facility, but a new window under the existing GA programme, and transfer the approach to the existing but yet to be made operations nccf.

GEF Secretariat comment

Type	GEF Sec comment	Response
Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.	At the CEO Endorsement stage, the full project design should include the following: - A more specific plan of complementing the GEF-AfDB Malawi Chilwa lake basin project. - Increased number of beneficiaries after securing complementary financing from MICF. - A detailed Theory of Change.	During the CEO Endorsement stage, the complementarity between TRANSFORM and the AfDB project has been elaborated in more detail, particularly in regard to the development of the EbA plan under Component 2 (TRANSFORM) that will incorporate the existing Watershed Management Plans developed under the AfDB project. The EbA plan will consolidate these WMP to ensure a basin-wide, landscape-level approach to climate change adaptation across the Lake Chilwa basin, rather than focussing on individual watersheds, and by ensuring the efforts of the three districts are in direct alignment. Regarding the number of beneficiaries and securing financing from MICF, these elements have now been refined. In particular, the focus on MICF has now been shifted to the UNDP Growth Accelerator platform, which is a more suitable vehicle for the delivery of financing of sustainable climate-resilient enterprises. Finally, the Theory of Change has been elaborated in detail, both in terms of the problem description and the specific activities that will be included under each Output.

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

Annex C: Status of utilization of Project Preparation Grant (PPG)

PPG Grant Approved at PIF: 150,000			
Project Preparation Activities Implemented UNDP	**GETF/LDCF/SCCF Amount ($)**		
	Budgeted Amount	**Amount Spent To date**	**Remaining Balance**
Preparatory Technical studies and reviews	6,000		
Formulation of the UNDP-GEF project document, CEO endorsement request and mandatory and project specific annexes	99,750	92,812	
Travel and supplies	29,650	8,989	2
Training and Workshops	14,600	7,448	
Total	**150,000**	**109,249**	4

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

Figure 8 A map of Malawi, with the three project target districts outlined in red.

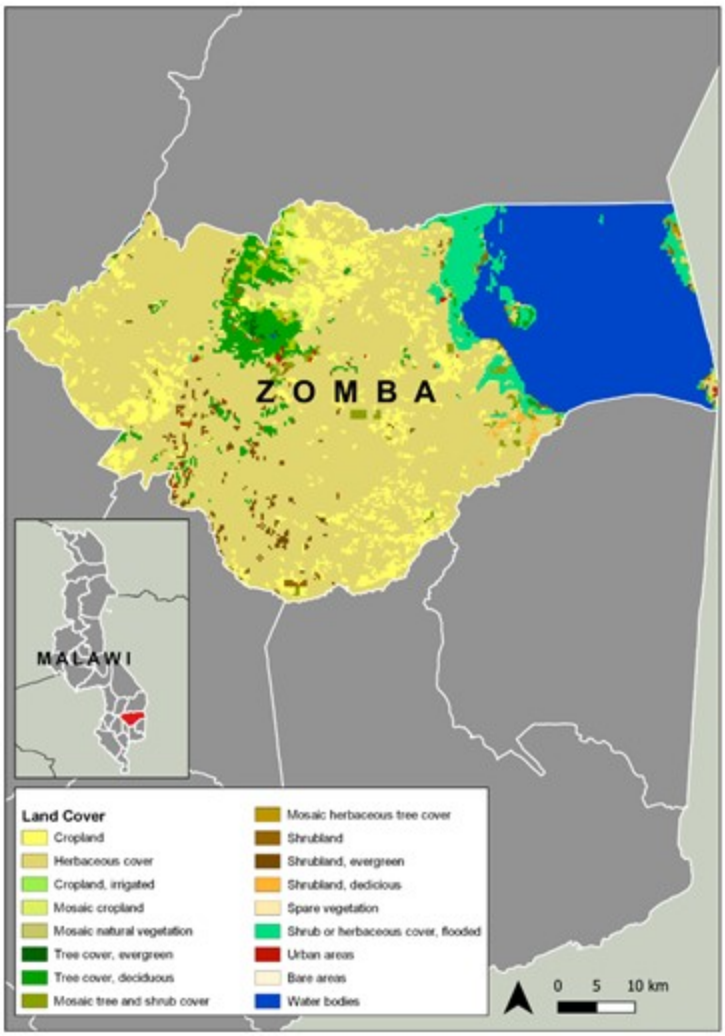

Figure 9. Landcover in Zomba District

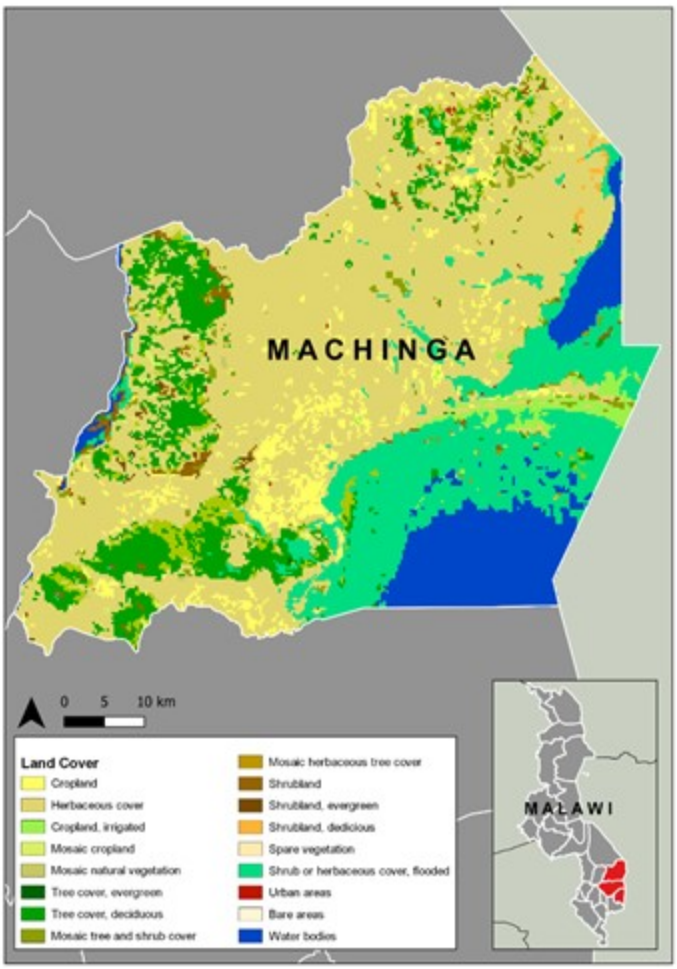

Figure 10. Landcover in Machinga District.

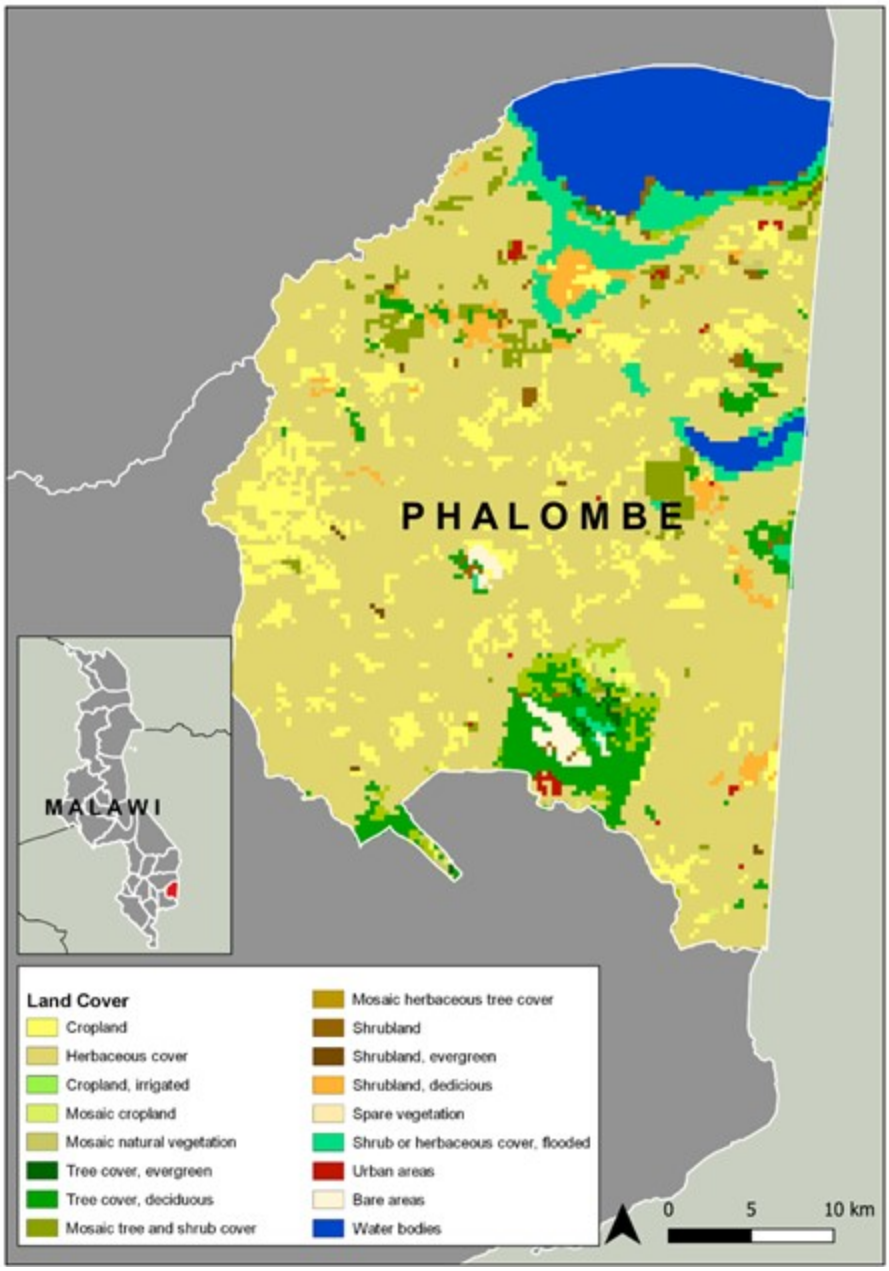

Figure 11. Landcover in Phalombe District.

ANNEX E: Project Budget Table

Please attach a project budget table.

Expenditure	Detailed Description	Component (USDeq.)	Responsible Entity

Category		*Component 1*	*Component 2*	*Component 3*	*M&E*	*Sub-Total*	*PMC*	Total (USD eq.)	(Executing Entity receiving funds from the GEF Agency)[1]
Equipment	Monitoring equipment for use in each target districts. The cost includes GPS, office equipment (laptop), water quality testing kits, river gauges, invasive plant management equipment; biodiversity monitoring equipment (fish monitoring equipment, binoculars, camera traps, field guides etc.)Equipment for demonstrationEquipment, inter alia solar fish dryers, smoking kilns and energy-efficient cookstoves, for demonstration and distribution		449,500			449,500		449,500	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
Equipment	Radio broadcasting equipment and radios for distribution in target communities			30,000		30,000		30,000	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Equipment	36 kits of materials and supplies for the workshops (3 kits per workshop/selected private sector entity/consortia), costed at US$40,00 per kit, for a total of US$1,440.00 for workshops planned under Activity 1.2.1 (Budget Note 4 above)50 kits of materials and supplies for 12 2-day community workshops on community mobilization/partnerships/business development for US$40.00 a kit, for a total of US$2,000.00 for workshops planned under Activity 1.2.3 (Budget Note 4 above).	3,440				3,440		3,440	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Equipment	Materials for all 6 workshops: stakeholder engagements and validation per districtMaterials and supplies for validation workshop, one kit per districtmaterial kits for three two-day EbA training workshopsmaterials for 3x2-day CoBRA workshopsMaterials for one stakeholder engagement and one validation workshop per districtRequired materials and supplies for ecosystem restoration and rehabilitation interventions, including clearing of alien vegetation. Cost estimated at @ US$ 1,000 per ha + 10% contingency plan. This may include agricultural and forestry inputs as well as construction materials, inter alia wires, fence, tools and safety equipment.Materials for 1-day workshopMaterials and supplies for validation workshop, 1 per districtMaterials for workshop, 1 kit per workshopMaterials and supplies for workshopsMaterials and supplies for workshop on finance and risk management		1,464,800			1,464,800		1,464,800	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Equipment	Office stationery (29% by LDCF)					-	145	145	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
Equipment	Seedlings for starting agroforestry nurseries, 15 kits per target districtSeeds for staple foods, 15 kits per districtImproved irrigation equipment, inter alia solar water pumps, drip systems, integrated aquaculture, water reservoirs. 6 equipment kits for each target district		469,500			469,500		469,500	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
Equipment	Workshop materials Materials for workshopMaterials and supplies associated with regional study tours and yearly symposia.Workshop materialsMaterials for validation workshops			5,300		5,300		5,300	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
Equipment	Office computers (6) + printer (1) (29% by LDCF)					-	2462	2,462	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Contractual services-Individual	Private Sector Engagement Specialist (Individual Consultant) under TRANSFORM PMU to coordinate activities under Outcome 1 (and Output 2.4, described later) and among all stakeholders of Outcome 1 ? TRANSFORM project PMU, UNDP Growth Accelerator (GA 1.0) program and its Service Provider, selected private sector entities/consortia (described under Output 1.2), and the communities. This Specialist will be responsible for overall implementation of activities under Outcome 1 and Outputs 2.3 and 2.4, and will be expected to provide necessary inputs and execution capabilities to ensure GA, TRANSFORM PMU, GA Service Provider, selected private sector entities/consortia, communities and other stakeholders are engaged as necessary and on-time to ensure smooth and timely execution of proposal private sector engagement and livelihood development activities under TRANSFORM project. This Specialist will also be responsible for market information hub related activities and M&E related to Outcome 1 and Output 2.3 and 2.4 activities	1 30,500				130,500		1 30,500	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Contractual services-Individual	Project Manager (29% by LDCF)Machinga District Project Coordinator (29% by LDCF)Phalombe District Project Coordinator (29% by LDCF)Zomba District Project Coordinator (29% by LDCF)Project Finance and Administrative Assistant (29% by LDCF)Procurement Officer (29% by LDCF)					-	194 654	1 94,65 4	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Contractual services-Company	1 Responsible Party (RP) contract for professional services to design single GA TRANSFORM window of call for proposals (known as SCFF) and the facility under GA program. This service will be provided by GA's selected Service Provider; These services will include (i) planning and launch of GA window for TRANSFORM project (=SCFF) in accordance with the activities and outputs described under Component 1; (ii) setting of criteria together with GA and TRANSFORM project teams for selection (upto 12 private sector entities/consortia will be selected based on criteria) and signing of partnership agreements with private sector entities/consortia; (iii) discussion on needs of private sector entities/consortia and structuring of TA and matching investments as per their needs for each of the 12 selected entities/consortia; (iv) Provision of TA and matching investments (from TRANSFORM project budget, GA budget and UNDP TRAC resources co-finance) for each of these 12 selected entities/consortia; (v) number of training/capacity building programmes, community engagement and business development support and nature and	271,074				271,074		271,074	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

	extent of financial and technical support to be offered to selected private sector entities and financial institutions to be planned together with TRANSFORM and GA project teams; and (vi) disbursement of matching investments (from UNDP TRAC co-finance) to selected entities and oversee TA and capacity building activities to 12 selected entities/consortia; (vii) monitoring and reporting on expected outcomes of this GA/TRANSFORM window (=SCFF) costed at US$200,000.00.Contractual services for a knowledge management hub on markets, livelihood diversification and sustainable climate-resilient enterprises for four yearsContractual services to oversee the operationalization of the NCCF, including selection and training of fund management team, establishment of a donor coordination group, setting up and MR&V system, a fiduciary management system and capitalization of NCCF								

Contractual services-Company	3 district-level workshops for methodology development.One 1-day workshop for lessons learnt sharing per target districtWorkshops for capacity building on Listening Clubs and Learner groups in the target communities.Regional study tours and annual symposia during 4 years (Y2-Y5). Cost of US$ 13,500.00 per yearly symposium for 4 years.Five one-day workshop per district to train and raise awareness in access to SCFF funding.One-day stakeholder engagement workshop for drafting district-specific investment plan per districtOne-day validation workshop per district			89,500		89,500		89,500	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Contractual services-Company	Contractual services to design and implement community-based monitoring and reporting system in line with the EbA plan, including a mechanism for the production of quarterly M&R reports.Strategic Environmental and Social Assessment (SESA) for upstream activities under Outcomes 2, as part of the project's SES strategy.An appropriately scoped Environmental & Social Impact Assessment (ESIA) will be undertaken and an Environmental & Social Impact Management Plan (ESMP) prepared during the first six months of project implementation to further refine risk identification, mitigation and management strategies, as well as to establish a system for monitoring risks. The ESIA will include specialist biodiversity studies to confirm the level of risk to biodiversity and ecosystem services. The ESMP will address the biodiversity risks identified in or near the protected areas and other critical habitats, and management actions will be designed to achieve net gains of those biodiversity values that might be impacted within the Protected Area, including a Biodiversity Action		130,000			130,000		130,000	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

	plan The ESMP will also include measures to prevent the introduction of invasive alien species.								

Contractual services-Company	Contractual services to design, print and disseminate EbA awareness products, including outreach impact reports in partnership with the Knowledge Management Hub.Contractual services to undertake investment opportunities and market assessment.*This company will also undertake activity 3.3.2 and 3.4.1.Contractual services to develop FCRIP for each target district based on activity 3.3.1, including i) the research and development of three district-specific investment plans, ii) the compilation of relevant information related to climate resilience investment planning (activity 3.4.1) iii) draft content for Guidance Manuals (activity 3.4.2.), including stakeholder workshops and a validation workshop under activity 3.4.2. (costed under activity 3.4.2.)*This company will also carry out activity 3.3.1. and 3.4.1.Professional services to develop Guidance Manuals for locally driven climate-resilient investment planning according to FCRIP plan developed under 3.3.2. It will encompass a professional graphic design of the Guidance Manual, including			121,000		121,000		121,000	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

	digital and physical distribution versions.*This service requires operational coordination from the organisation that will carry out activities 3.3.1 and 3.3.2.								
Contractual services-Company	Inception workshop and report (29% by LDCF)				1449	1,449		1,449	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
Contractual services-Company	MTR - Mid-term review and evaluation, to carry all costs of MTR, incl. inter alia travel and materialsTE - Terminal evaluation, to carry all costs of MTR, incl. inter alia travel and materials				96000	96,000		96,000	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

International Consultants	IC to oversee EbA Plan development and draft EbA plan with NC and district officers. The EbA plan should include i) an estimate of the area suitable for bamboo planting to stabilize riverbanks and create a buffer zone; ii) estimate of area for restoration of vulnerable and degraded indigenous forest, riparian and wetland ecosystems; iii) a communal rangeland management system; iii) indicated locations for the construction of truncheons; and iv) a fire management system, which inform activity 2.1.5.IC to lead climate change vulnerability assessment in all three districts, including conducting stakeholder consultation with support from NC		73,500			73,500		73,500	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
International Consultants	M&E Officer to implement monitoring and evaluation tasks for project implementation, including facilitating the M&E Inception Workshop, monitoring of GEF core indicators, project results and indicators from other plans				100 000	100,000		100,000	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

International Consultants	Multiple IC contracts (up to 4) to lead technical assistance, training and capacity building to selected private sector entities/consortia under SCFF: tentatively, each contract to have 15 working days of effort (additional budget for travel, workshop delivery etc. as described in other Budget Notes below).IC Contract 1: TA, training, capacity building on sustainable briquette production; contract to be issued only if at least one of the 12 selected private sector entities for SCFF support operate in sustainable briquette production.IC Contract 2: TA, training, capacity building on agricultural value chain development (agricultural product/commodity sourcing/buying strategy and planning, storage/warehouse development); contract to be issued only if at least one of the 12 selected private sector entities for SCFF support operate in agricultural value chain development.IC Contract 3: TA, training, capacity building on eco-tourism; contract to be issued only if at least one of the 12 selected private sector entities for SCFF support operate in eco-tourismIC Contract 4: TA, training, capacity building on access to finance/insurance	42,000				42,000		42,000	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

	products; contract to be issued only if at least one of the 12 selected private sector entities for SCFF support operate in access to finance/insurance products.Each of these contracted ICs will also deliver training and capacity building on investment planning, leveraging co-investments and capital structuring (equity; loans; grants from UNDP co-finance TRAC resources etc.) and supporting technology/equipment procurement to selected private sector entities/consortia under SCFFThese ICs will also support Activity 1.2.2								

Local Consultants	Multiple NC contracts (up to 4) to lead technical assistance, training, and capacity building to selected private sector entities/consortia under SCFF: tentatively, each contract to have 15 working days of effort (additional budget for travel, workshop delivery etc. as described in other Budget Notes below).NC Contract 1: Together with IC engaged (Budget Note 1 above) TA, training, capacity building on sustainable briquette production; contract to be issued only if at least one of the 12 selected private sector entities for SCFF support operate in sustainable briquette production.NC Contract 2: Together with IC engaged (Budget Note 1 above) TA, training, capacity building on agricultural value chain development (agricultural product/commodity sourcing/buying strategy and planning, storage/warehouse development); contract to be issued only if at least one of the 12 selected private sector entities for SCFF support operate in agricultural value chain development.NC Contract 3: Together with IC engaged (Budget Note 1 above) TA, training, capacity building on eco-tourism; contract to be issued only if atleastat	108,500				108,500		108,500	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

	least one of the 12 selected private sector entities for SCFF support operate in eco-tourismNC Contract 4: Together with IC engaged (Budget Note 1 above) TA, training, capacity building on access to finance/insurance products; contract to be issued only if atleastat least one of the 12 selected private sector entities for SCFF support operate in access to finance/insurance products.Each of these contracted NCs will also deliver training and capacity building on investment planning, leveraging co-investments and capital structuring (equity; loans; grants from UNDP co-finance TRAC resources etc.) and supporting technology/equipment procurement to selected private sector entities/consortia under SCFFThese ICs will also support Activity 1.2.2Multiple NC contracts (expected to be 2 contracts) to lead provision of technical assistance and capacity building on community mobilization and business development support (contracts can be issued to local NGOs/CBOs too, if found appropriate) to selected private sector entities/consortia under SCFF on sustainable briquette production, agricultural value chain development (agricultural								

	product/commodity sourcing/buying strategy and planning, storage/warehouse development), eco-tourism and access to finance/insurance products;NC Contract 1: Planning of community mobilization/engagement training programs and additional one-to-one support post-training to selected private sector entities/consortia ? total 125 days of effort spread over 5 years of project implementation duration (additional budget for travel, workshop delivery etc. as described in other Budget Notes below). Contract can be issued to individuals/NGOs/CBOs based locally in the 3 target districts of Lake Chilwa basin to minimize domestic travel budgetNC Contract 2: Planning of business development/community-based business model design and development focused training programs and additional one-to-one support post-training to selected private sector entities/consortia ? total 125 days of effort spread over 5 years of project implementation duration (additional budget for travel, workshop delivery etc. as described in other Budget Notes below). Contract can be issued to individuals/NGOs/CBOs based locally in the								

	3 target districts of Lake Chilwa basin to minimize domestic travel budget.								

Local Consultants	NC to facilitate EbA Plan development and assist IC in conducting stakeholder consultations and the draft the plan. The EbA plan should include i) an estimate of the area suitable for bamboo planting to stabilize riverbanks and create a buffer zone; ii) estimate of area for restoration of vulnerable and degraded indigenous forest, riparian and wetland ecosystems; iii) a communal rangeland management system; iii) indicated locations for the construction of truncheons; and iv) a fire management system, which inform activity 2.1.5.NC to support IC in conducting climate change vulnerability assessment in all three districts, including conducting stakeholder consultationsNC will lead the facilitation and report back on EbA training. Training will take place over a two-day workshop in each district (six days total) + two days for workshop report + two days for local travel between districtsNC will support the facilitation and report back on the EbA planning training. Training will take place over a two-day workshop in each district (six days total) + two days for workshop report + two days for local travel between districtsNC to		144,550			144,550		144,550	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

	lead the development of an integrated cross-sectoral management framework, including studies such as an institutional capacity assessment to identify gaps and entry points for enhancing cross-sectoral coordination on EbA in the Lake Chilwa basin and stakeholder engagements NC to support lead NC in developing integrated cross-sectoral management framework, including studies such as an institutional capacity assessment to identify gaps and entry points for enhancing cross-sectoral coordination on EbA in the Lake Chilwa basin and stakeholder engagements NC to lead the design and the facilitation of the training in business identification, development and management, as well as a workshop report. This NC will also deliver activity 2.3.2, namely facilitate business workshops.NC to lead i) the assessment of existing access to microfinance in each target district, ii) assess the existing scale of production of sustainable charcoal, high-value agricultural products, staple agricultural crops, and assess current skills and capacities of communities regarding the activities in Output 1.3 (inter alia,								

	ecotourism and sustainable charcoal production)NC to prepare, facilitate and report on community training in finance and risk management								

Training, Workshops, Meetings	Budget to host 12 1-day workshops (4 per district) for technical assistance to selected private entities under SCFF on sustainable briquette production, agricultural value chain development, ecotourism and access to finance; budgeted as 24 days of effort (12 days of effort for IC and 12 days of effort for NC ? same ICs and NCs engaged as described under Budget Notes 1 and 2) @ $700 per day for IC and $350 per day for NC; additional budget for training participants travel, incidentals, food and other workshop related expenses. Budget to host 12 2-day workshops (4 per district) for technical assistance to selected private entities under SCFF to develop partnerships between the private entities and CBOs, local communities and value chain actors; budgeted as 50 days of effort (25 days of effort for IC and 25 days of effort for NC ? same ICs and NCs engaged as described under Budget Notes 1 and 2) @ $700 per day for IC and $350 per day for NC; additional budget for training participants?/communities? travel, incidentals, food and other workshop related expenses.	42,700				42,700		42,700	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Training, Workshops, Meetings	One-day stakeholder engagement workshop in each district with 30 people. Includes venue hire, catering, and transport.One-day validation workshop in each districtOne day validation workshop per districtOne-day EbA training workshop per district, three districts totalCoBRA workshops, 2 workshops per districtOne-day workshop for BVC and other village-level organisations training, 2 trainings per district1 Workshop per district for conference on the use of GIS-eabled incident-recording/reporting devices and UAVsTraining in business identification, development and management, 1 day workshop, 10 workshops per district.2 one-day stakeholder engagement workshop per districtOne validation workshopDemonstration and capacity building 1-day workshops with technical assistance and safety training for communities and extension workers, 7 per districtDemonstration and capacity building 1-day workshop on conservation agriculture (CA) and agroforestry practices for community stakeholders, 10 workshops per district1-day capacity building workshop		155,750			155,750		155,750	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

	with BVCs on integrated aquaculture and capture fisheries and co-management of fishieres, including extension workers and government stakeholders, 2 workshop per district Capacity building workshop and technical training, 10 per district1-day workshop for community training in, inter alia, microfinance, business operations, financial management, bookkeeping, risk management, marketing, sales, distributions, installation. 10 workshops per district5 Day workshop o build the capacity of key project implementation partners and equip them with necessary knowledge and tools needed to achieve the Project's objectives effectively and efficiently.Such capacity-building activities should be organized before the implementation of the first activity and should include a combination of the following topics :? UNDP Social and Environmental Standards (SES) and Programming Principles,? Stakeholder Engagement and FPIC (Free Prior and Informed Consent),? UNDP Accountability Mechanism (Grievance Redress Mechanism, SRM, SECU),?								

	Understanding UNDP Project Cycle,? Monitoring and Evaluation of UNDP Projects,? Gender,? Human Rights								
Travel	Budget available to cover in-country travel costs during project implementation for PMU staff (29% by LDCF)					-	2172	2,172	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
Travel	IC international travelDSA for ICDSA for NCLocal car hire (costed @ US$ 250/day) + travel fuel (costed @ US$ 100/day) during workshop deliveryDSA for NCLocal car hire (costed @ US$ 250/day) + travel fuel (costed @ US$ 100/day) during workshop delivery	107,700				107,700		107,700	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Travel	IC's DSA for Zomba city costed @ US$250 per dayNC's subsistence allowanceReturn flights for IC Subsistence allowance for NC during 12 days of workshop facilitation and travel between districtsLocal car hire (costed @ US$ 250/day) + travel fuel (costed @ US$ 100/day) for IC and NC local travel during stakeholder engagement and validation workshop. DSA for IC at US$250 per daySubsistence allowance for NCOne in-country mission for IC for undertaking Activity 2.1.2Local car hire (costed @ US$ 250/day) + travel fuel (costed @ US$ 100/day) for IC and NC to carry out for climate change vulnerability assessment and stakeholder engagementsCar hire and fuel costs for NC travel for training in target districts costed @US$ 250/day + fuel costed @US$ 100/day Subsistence rate for two NCs during 10 days of workshop facilitation and travel between districtsLocal car hire costed @US$ 250/day + fuel costed @US$ 100/day for NCs (financed by co-finance) to conduct CoBRA workshopsDSA for NCs at US$175 per dayCar hire for local travel for stakeholder engagement.		112,400			112,400		112,400	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

	Stakeholder consultations will take place within 5 daysLocal travel for PMU to carry activity 2.2.2. Car hire + fuel costed at US$ 250 / day + US$ 100 / dayCar hire +fuel for local travel costed @ US$ 250 / day + fuel @ US$ 100 / daySubsistence allowance for NCsCar hire (costed @ US$250 / day + fuel (costed @ US$100 / day) for field work of needs assessmentSubsistence allowance for NCsSubsistence allowance for NCLocal car hire + travel during workshop delivery, costed @ US$ 250 / day for car hire + US$ 100 / day for fuel								
Travel	Travel costs associated with activities carried under Output 3. Car hire and fuel for workshops, costed at US$ 250 / day + US$ 100 / dayCar hire and fuel for NC's (funded by co-finance) local travel to facilitate workshopsYearly symposia and regional study tours participants travel costs.Travel costs associated with activities carried under output 3. Car hire and fuel for workshops, costed at US$ 250 / day + US$ 100 / day			23,200		23,200		23,200	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change

Other Operating Costs	Audit (29% by LDCF)					-	9414	9,414	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
Other Operating Costs	Guidance Manual print products			35,000		35,000		35,000	Department of Environmental Affairs under the Ministry of Natural Resources and Climate Change
	Grand Total	**705,914**	**3,000,000**	**304,000**	**197,449**	**4,207,363**	**208,847**	**4,416,210**	

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement

with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).