



REQUEST FOR PROJECT PREPARATION GRANT (PPG)
PROJECT TYPE: LARGE SIZED PROJECT
THE LEAST DEVELOPED COUNTRIES FUND FOR CLIMATE CHANGE
(LDCF)¹

Submission date: 30 June 2010
 Resubmission date: 28 July 2010

GEFSEC PROJECT ID²:
 GEF AGENCY PROJECT ID:
 COUNTRY(IES): Afghanistan
 PROJECT TITLE: Building adaptive capacity and resilience to climate change in Afghanistan.
 GEF AGENCY(IES): UNEP
 OTHER EXECUTING PARTNER(S): NATIONAL ENVIRONMENTAL PROTECTION AGENCY
 GEF FOCAL AREA: Climate Change

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	01/09/2010
Completion date of PPG	01/09/2011

B. PAST PROJECT PREPARATION ACTIVITIES (\$)

List of Past Project Preparation Activities	Output of the Activities	Project Preparation Amount (a)	Co-financing (b)	Total c = a + b
N/A	N/A	0	0	0
Total Project Preparation Financing		0	0	0

C. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

This proposal seeks LDCF funding for a full size project (FSP) in Afghanistan. It aims at increasing resilience and key adaptive capacity to address CC –to – water related risks in Afghanistan. Through the achievement of this objective, the proposal seeks to implement three main priorities identified under the National Adaptation Program of Action (NAPA) of Afghanistan, developed with the support of the UNEP office in Afghanistan, namely: (i) improving Afghanistan’s capacity to integrate climate change risks into relevant sectoral policies and plans (water, agriculture, disaster and conflict prevention, (ii) improving land and watershed management as a climate change adaptation strategy, and (iii) developing national climate change assessment and monitoring systems. In addition, the proposal will contribute to address other NAPA priorities such as (i) strengthening Integrated Water Resource Management (IWRM), (ii) climate proofing of sectoral strategies (disaster and preparedness strategy, etc).

The proposal is designed to follow a *programmatic approach*. It will address a number of NAPA priorities in an integrated manner across water resources and other sectors affected by water stress through the implementation of a package of interventions that will strengthen the capacity to monitor and predict future changes, develop and implement response strategies to cope with climate change risks while helping local populations to adapt through sustainable management of natural resources

¹ This template is for the use of LDCF Adaptation projects only.

² Project ID number will be assigned initially by GEFSEC. If PIF has been submitted earlier, use the same ID number as PIF.

The proposed approach is to address climate change to water related threats and risks in Afghanistan by implementing a set of interventions that will strengthen the capacity to monitor and predict future changes in order to support decision making to address climate change while helping local populations to adapt through the adoption of sustainable management of natural resources practices, particularly of water resources and other resources affected by water stress

Resources are needed to compile the **full project proposal**, “*Building adaptive capacity and resilience to climate change in Afghanistan*”. A Project Preparation Phase is therefore needed to collect data, develop the appropriate project baseline, develop a logframe, indicators, timelines and targets, and a monitoring and evaluation plan for project activities to compile information into a consolidated project document. Studies of a technical nature are needed in order to determine the best technical adaptation options applicable to achieve the desired outcomes.

The *proposed preparation activities* will cover the following four components:

- (1) scientific and technical assessments;
- (2) participatory needs assessments;
- (3) financial planning and
- (4) development of the project document and set up.

The end-product of this PPG will be the Request for CEO endorsement as well as a UNEP Project Document. Both documents will cover the following in detail:

- Clear description of the *problem, root causes, preferred solution, barriers and strategy* to overcome them.
- Clear description of *baseline activities and related sources of financing*; This section will cover a stocktake of the existing relevant policy and regulatory framework as well as summary of the past project related activities funded by governments (both national and sub-national), donors and private sector in adaptation in Afghanistan, and an updated report on the co-operation and co-financing possibilities in the frame of the envisaged LDCF project.
- Explicit *specification of all adaptation activities* to be financed under the LDCF and their adaptation rationale (why and how are they supposed to reduce vulnerability and/or increase adaptive capacity beyond what is already being done including justification in terms of economic benefits, cost effectiveness);
- Clear description of the *country context* including the region (Northwestern Afghanistan) and the sites where pilot projects will be implemented.
- Clear description of the *expected roles and responsibilities among different stakeholders* (national and sub-national authorities, different ministries and institutions, and UNEP, considering the comparative advantages.);
- Clear *description of the project management structure*;
- Definition of goal, objective, outcomes, outputs and related indicators;
- A *Project Logical Framework* that captures the indicators and verification strategies;
- *M&E framework* for the projects that focuses on adaptation to climate change including variability. This includes a list of proposed indicators and an associated monitoring and evaluation plan (with a clear definition of how these indicators would be measured and how verification data would be collected through the monitoring programme);
- A *risk assessment and risk mitigation strategies* including for financial management of the project;
- A *work plan* with detailed roles and responsibilities for implementation;
- A *detailed budget* that spells out how LDCF will be used to implement the proposed work plan and achieve the expected outcomes, with co-financing information at the outcome level;

- *Stakeholder Involvement Plan* during the design, preparation, implementation of the full size project.
- *Supporting reports* (climate risk assessments, economic analysis on costs/benefits of impacts, technical feasibility analysis of various adaptation options and economic assessment of adaptation options) to justify the proposed project interventions and to leverage financing for the proposed activities (this may include pre-feasibility studies for pilots, draft business plans etc.)
- *Endorsement letters* from the government and letters confirming co-financing commitments;
- Other *sections* under UNEP Project Document
- Other *reports* from all project relevant stakeholder consultations

B – Description of Proposed Preparation Activities

Activity 1: Technical Review and Feasibility

The project formulation process will be focused on producing a full size project document where all key stakeholders have been involved and there the role and functions of each partner has been agreed.

(a) Establishing the baseline

A detailed review of business-as-usual development of the watersheds in Afghanistan will be undertaken. This analysis will take stock of the current state of the water resources and its management, other sectors affected by water stress (agriculture, land) environment as well as relevant socio-economic aspects such as poverty, disaster and conflicts. It will also consider anticipated changes as reflected in national sectoral plans. The analysis will provide details of the state, and associated challenges and opportunities confronting the natural resources, in particular water resources in Afghanistan.

The analysis will include a review of ongoing investment projects in the relevant sectors, policies, laws, executive regulations and decrees governing natural resource and water management, and clarify baseline (non-climate driven) development issues that is of relevance to the management of sector specific climate induced risks. The review will focus on the strengths, weaknesses, and needs of the existing system. The information collected in this exercise will contribute towards outlining a clear and detailed problem analysis (root-cause analysis) of the non-climate drivers underlying the overall problem that this project seeks to address. This will then be elaborated into identification of barrier-removal solutions that can be built into the project design.

(b) Climate change risk assessment

PPG resources will be used to undertake a preliminary and participatory climate change risk analysis of Afghanistan. Building on the NAPA findings of climate impacts on water resources, resources will only be used to target additional analysis (as required) to identify the likely impacts coming from temperature increase and increase in rainfall variability leading to climate hazards such droughts and floods where they are likely to occur, on what scale, the timing of expected changes and importantly the socio-economic implications of the anticipated changes. In particular, resources will be used to outline a technically sound description of how climate change will affect the likelihood and associated risks due to droughts and floods in selected provinces of Afghanistan. Supporting assessment reports such as climate risk assessments, economic analysis on costs/benefits of impacts, technical feasibility analysis of various adaptation options and economic assessment of adaptation options would be produced during the PPG phase serving as the basis to justify the proposed project

interventions and to leverage financing for the proposed activities (this may include pre-feasibility studies for pilots, draft business plans etc.)

(c) Clarifying Additionality of Proposed Outcomes and Interventions

The *additionality* of the proposed project, relative to baseline development needs, will be clarified in the context of the proposed outcomes (which have been outlined in the PIF). A detailed description will be provided on how LDCF resources will be directed towards the additional cost of ensuring that baseline activities are transformed into one that incorporate climate change concerns (i.e. the adaptation scenario). Towards this end, a detailed assessment, including stakeholder consultations, will be undertaken of activities that are taking place or have taken place in different areas of Afghanistan which are of relevance to the proposed outcomes. In addition to an in-depth problem analysis of the ongoing baseline interventions, the additionality of the proposed interventions (with respect to address climate change pressures on targeted communities) will be defined. The details on the baseline and additional activities will contribute towards clarifying how the baseline situation will be amended through the proposed Project in order that risks associated with climate change, including variability are addressed. A synthesis of results from the adaptation scenario analysis is expected to help stakeholders in developing a rapid appraisal of the adaptation options selected. The adaptation value of the proposed project will be set out in relation to the proposed project outcomes (outlined in the PIF).

The above review will also include an inventory of “who is doing what” (and at what scale) so that the LDCF project can be designed to build on ongoing and planned activities and leverage additional resources as co-financing. The inventory will contribute towards explicitly describing specific urgent and immediate adaptation actions which qualify under the additionality criterion. It will also inform on identifying key activities that are aligned with the comparative advantage of UNEP.

The review and stakeholder consultations will also facilitate discussions with other local and international institutions who may be pursuing similar objectives/outcomes and identify important partnerships including co-financing opportunities. It will also facilitate discussions with other agencies such as FAO, WB WFP, UNOPS, DfID, European Commission and others on potential partnerships including through mechanisms such as donor and partner coordination mechanism to be set by the project whereby the comparative advantage of these agencies can be brought to bear on the design and implementation of this Project.

The PPG phase will develop a clear rationale on selection of the pilot site, based on criteria to be agreed with stakeholders. Criteria could include but not limited to: i) likelihood of generating adaptation benefits ii) vulnerability of the beneficiary community iii) implementation capacity of local institutions and iv) on-going investment programmes that the LDCF project can bolt onto.

Activity 2: Scoping, Institutional arrangements for implementation phase, Development of Stakeholder Involvement Plan, Definition of a Monitoring and Evaluation Plan

The outputs of Activity 1 will be used as technical input for the formulation of a Project Document for the proposed Project and specifically the following sections of the project document:

(a) Defining the logical framework, M&E indicators and work plan for the Programme

PPG resources will be utilized to outline a detailed logical framework with elaboration of the goals, objectives, outcomes, outputs, activities and detailed work plan to guide the implementation phase. The logframe will be validated through stakeholder consultation workshop (s). Indicators for assessing the project impact and results at objective and outcome level will be developed and a

systematic assessment of these will take place during the project implementation with a view to generating knowledge on the most effective adaptation solutions to influence long-term adaptation practices in the country and elsewhere.

(b) Definition of Roles and Responsibilities

A detailed delivery strategy, with clearly identified roles and responsibilities of specific institutions for the overall management of the Project will be specified. An in-depth analysis will be undertaken of the capacity of relevant Ministries and/or other appropriate institutions that could implement the full size project. Details on oversight of technical activities including requisite reporting procedures will be established. UNEP guidelines will be followed in formulating and describing these details.

(c) Development of a Stakeholder Involvement Plan

A wide range of stakeholders will be identified and the Stakeholder Involvement Plan will be developed, which will be implemented throughout the Project lifetime to ensure the appropriate level of stakeholder involvement in activities and decision-making processes that the project will support.

(d) Definition of a Monitoring and Evaluation Plan

A detailed M&E work plan and delivery strategy will be defined including clear identification of responsibilities and institutions, as well as an appropriate budget allocation (based on best practices and UNEP guidelines). This will also reflect the requirement of the Implementing Agency's standard reporting and evaluation mechanisms. The Monitoring Plan will include qualitative and quantitative indicators that will measure the state of adaptive capacity at various stages of project implementation. The M&E plan will include provisions for independent evaluation and provision to ensure learning of lessons from implementation.

(e) Identification of quantitative and qualitative indicators

Using a fully participatory stakeholder approach, resources will be used to define the monitoring and evaluation indicators (both qualitative and quantitative) for measuring and verifying the successful delivery of the Project Objective and Outcomes. Emphasis will also be given to those indicators that will ensure progress at various stages of Project implementation. The M&E framework will be based on the guidance provided by UNEP-GEF for Adaptation Projects, and amended appropriately given the context of the proposed Project.

(f) Exit Strategy (Sustainability)

A detailed sustainability strategy will be defined in order to ensure that continuation of the outcomes promoted through this Project, including financial and institutional sustainability and replication, beyond the Project lifetime.

Activity 3: Consultations with key stakeholders

PPG resources will be utilized to engage key stakeholders at the national/sub-national and community level and across sectors involved in the Project activities during the Project design phase. In alignment with the approved Project objective, comprehensive stakeholder analysis will be conducted to determine stakeholder needs vis-à-vis adaptation to potential climate change impacts, barriers to adaptation, expertise that might be helpful in designing and implementing the Project activities and those who may have been involved in similar initiatives or planning processes. The following activities will be undertaken:

(a) Mobilize and engage stakeholders

Participatory development of a detailed delivery work-plan approved and endorsed by the key stakeholders. The successful completion of the preparatory phase will require the participation of a

number of key stakeholders. Partnership will be established with:

- Public, private, and international institutions that monitor and produce information related to climate change impacts on water resources and related sectors.
- A wide array of national agencies coordinated by the National Environmental Protection Agency including the Ministry of Agriculture, Irrigation and Livestock (MAIL), Ministry of Energy and Water (MEW) and National Institute of Meteorology
- A plan for Project management during the implementation phase of the Full Size Project will be discussed and finalized during the preparatory phase. In this regard, stakeholders will include Programme partners (Implementing Agency and Executing Agency), NGOs, civil society organizations, CBOs, research, training and academic institutes, and sub-regional administrators.

(b) Determining priorities and forge expanded partnerships

Participatory negotiation with the local communities and stakeholders to cost priority adaptation needs for demonstration projects in Northwestern Afghanistan and to address partnership requirements for support and co-funding at various levels (including government, NGO, private sector, and bilateral partnership arrangements) will be explored and outlined in the project document. Public-private-institutional-community partnerships including media will be engaged under a defined communication strategy aimed at performing policy advocacy, and dissemination of lessons learned. Further, during the preparatory phase, an in-country partnership among a number of existing UNEP and other agencies projects/programmes will be developed in order to ensure this Project will not duplicate efforts while maximize synergies and development impacts by collaborating with other projects/initiatives.

(c) Community Mobilization

A detailed work plan based on a participatory stakeholder approach will be developed to mobilize local communities in implementing and monitoring relevant components of the Project . This may include community participation in tracking the delivery of specific proeject outcomes. This is a subset of the Stakeholder Involvement Plan to be developed during the preparatory phase.

(d) Project Technical and Policy Reviews

Responses to the various technical (e.g. STAP, Implementing Agencies) and policy level (e.g. Implementing Agency, GEFSEC, and Council) reviews of the PIF and Project Document will be periodically prepared and circulated.

Activity 4: Develop a financial plan and co-funding scheme

(a) Negotiate with Government Counterpart

PPG resources will be used to finance the cost of negotiating with the government to ensure agreement with the project objective, outcomes, outputs including finalizing partnerships for project support and co-funding.

(b) Explore Multilateral and Bilateral funding opportunities

PPG resources will be used to finance the cost of developing partnerships and co-funding opportunities at various levels with bilateral and multi-lateral funding institutions as well as networking at the global level in order to raise funds for the project in Afghanistan.

(c) Obtain official endorsement letters .

Official endorsement letters with guarantee of co-financing will be collected from the Government and international cooperating partners and attached to the project document.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Project Preparation Amount (a)	Co-financing (b)	Total c = a + b
1. Technical Review and Feasibility	<p>1.1. Project baseline defined, including detailed analysis of water, agricultural and disaster management policies and strategies;</p> <p>1.2 Main problem identified along with root causes, preferred solutions and barriers to implementation.</p> <p>1.3. Current and projected climate change risks in Afghanistan assessed</p> <p>1.4. Specific sites for project intervention defined and assessed;</p> <p>1.5. Adaptation alternative assessed and summarized in an additional cost matrix;</p> <p>1.6. Project is integrated with Government priorities in the water and agriculture sector, climate change strategy, development and disaster risk reduction plans and policies</p> <p>1.7. Project integrated with relevant ongoing projects</p>	37,710	40,000	77,710
2: Institutional arrangements, Monitoring and Evaluation	<p>2.1. Strategic Results Framework including verifiable results indicators formulated;</p> <p>2.2. Monitoring and evaluation provisions and reporting arrangements formulated;</p> <p>2.3. Project implementation and execution arrangements, roles and responsibilities defined;</p> <p>2.4. Project sustainability strategy defined (including plans for project replication, up-scaling and knowledge management).</p>	27,590	29,000	56,590
3. Stakeholder Consultations	<p>3.1. Project stakeholders mobilized and engaged in project formulation</p> <p>3.2. Project partnerships and relevant mechanism setup</p>	25,540	30,000	55,540

	defined; 3.3. Community engagement initiated in project selected sites 3.4. Stakeholder involvement plan developed 3.5 Project document validated by stakeholders			
4. Financial planning, co-financing and finalization of project document	4.1. Government negotiations and consultations on co-financing ; 4.2. Multilateral and bilateral co-funding opportunities explored and materialized through letters of co-financing; 4.3. Project budget drafted and finalized to reflect UNEP rules and templates; 4.4. Project Document and CEO Endorsement Request finalized as per requirements of UNEP and GEF 4.6 All PPG assessments and reports documented and annexed to the project document	9,160	10,000	19,160
Total Project Preparation Financing		100,000	109,000	209,000

D. FINANCING PLAN SUMMARY FOR PROJECT PREPARATION GRANT: (\$)

	Project Preparation	Agency Fee
GEF financing	100,000	10,000
Co-financing	109,000	
Total	209,000	10,000

E. FOR MULTI AGENCIES/COUNTRIES

N/A

F. PPG BUDGET REQUESTING LCDF FINANCING


Cost Items	Total Estimated Person weeks (pw)**	LCDF	Co-financing (\$)	Total (\$)
Local consultants *	35	24,500	40,000	64,500
International consultants*	20	50,000		50,000
Workshops		10,500	15,000	25,500
Travel		15,000	20,000	35,000
Stakeholder inputs			34,000	34,000
Total PPG Budget		100,000	109,000	209,000

* A separate Annex A for Consultant cost details should be included in this PPG Request.

** Person weeks here refers to the weeks that are to be charged to the LCDF grant. One can also provide person months, if this is more applicable to the project. For co-financing, provide only the dollar amount.

G. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with LDCF policies and procedures and meets the LDCF criteria for project preparation.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Maryam Niamir-Fuller, Director, Division Of Global Environment Facility Coordination		30 June 2010	Project Contact Person: Ermira Fida Adaptation Task Manger Unep	Tel. +254 20 7623113	ermira.fida@unep.org

Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Position / Titles	\$/ person week*	Estimated PWs**	Tasks to be performed
Local			
Environmental specialist and local coordinator	700	15	<ul style="list-style-type: none"> • -Coordinate the activities of the PPG phase through to successful project formulation process • Coordinate gathering of information and evidences for project components A and B; • Coordinate and facilitate stakeholder consultations and develop agendas for such consultations throughout the project formulation • Organize and facilitate the PPG inception workshop and other technical workshops as necessary including the final validation workshop of the project. • Provide support to the national and international consultants to perform their duties under the PPG by gathering the necessary information and provision of required resources. • Document all stakeholder consultations and workshops organized during the PPG implementation. • Help build financing partnerships and mobilize co-financing resources • Facilitate negotiations with the government and potential donor partners for co financing. • Coordinate the process of assessing the capacity of the government • Prepare periodic and final progress and financial report as per UNEP rules and regulations
Water resources specialist	700	10	<ul style="list-style-type: none"> • Collate water and agricultural sector information for Afghanistan, including any existing analysis of the implications of climate change for water, agriculture and food security in Afghanistan and surrounding region; • Review and analyze existing policies and regulatory and institutional frameworks, including pricing, billing and vertical/horizontal arrangements; • Lead a stocktaking exercise of all ongoing projects and activities the water, agriculture, disaster and environmental management sector. • Following the identification of project sites, conduct a detailed baseline assessment of community, district and provincial level agricultural policies; agricultural systems; capacity needs; and realize a qualitative characterization of the impacts of agriculture and disasters; • Assist in the analysis and design of priority adaptation measures for demonstration and replication; • Develop a capacity needs assessment (institutional and individual) for adaptation of water and agriculture sector to climate at national level, covering including the elaboration of a capacity baseline;
Natural resources economist	700	10	<ul style="list-style-type: none"> • Identify additional investments required to adapt to climate change; • Undertake feasibility studies for the proposed adaptation measures • Evaluate the cost and benefit of proposed adaptation interventions; • Advise the project team in final selection of the adaptation measures based on the budget available; • Analyze the cost-effectiveness of the project
International			

Lead Consultant and Project Development Specialist	2500	20	<ul style="list-style-type: none"> • <u>Finalize the UNEP project proposal to the standard required by UNEP and GEF.</u> The Project document should include: <ul style="list-style-type: none"> ○ An improved description of baseline activities and related sources of financing including a clear logical flow of the problem statement, root causes of the problems and definition of the preferred solutions and barriers to implementation; ○ Explicit specification of all adaptation activities to be financed under the LDCF and their adaptation rationale (adaptation value, cost effectiveness); ○ The integration of the adaptation rationale into the project summary, and project rationale sections ○ The rationale underpinning site selection and relevant information on the selected site; ○ Logframe: definition of goal, objective, outcomes, outputs and related indicators, costed monitoring and evaluation plans and roles and responsibilities; ○ Clarification of the complementarities of the CCCA to the LDFC project and a suggested clear set of activities with respective budget allocations for both projects; ○ A comprehensive Monitoring and Evaluation (M&E) system including impact indicators. These indicators, which will tend to focus on capacity, institutional strengthening and policy formulation and specifically address adaptation relevant impacts, will be based on the guidance of UNEP’s M&E framework. ○ An institutional delivery plan; ○ A detailed budget (LDCF and co-financing) that spells out how LDCF will be used to implement the proposed work plan and achieve the expected outcomes, with co-financing information at the outcome level. The budget should include detailed budget notes on the estimated costing for each activity/intervention. ○ A work plan with detailed roles and responsibilities for implementation; ○ Terms of Reference for the main project staff; ○ A draft procurement plan including for expandable and non-expandable equipment; ○ A stakeholder participation plan that clearly indicates the responsibility of each government institution or other stakeholders in terms of their delivery on certain outputs/activities; ○ Supporting reports (climate risk assessments, economic analysis on costs/benefits of proposed interventions, technical feasibility analysis of various adaptation options and economic assessment of adaptation options) to justify the proposed project interventions; ○ Project management arrangements. • <u>Preparation of the CEO endorsement request,</u> to the standard required by UNEP and GEF; • <u>Preparation of a report of the PPG phase,</u> including financial information; • <u>Completion of a lessons learned template following completion of the preparatory phase.</u> • <u>Provision of further project information in response to GEF project reviews.</u>
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- * Or person month, if applicable. Please indicate clearly.
- ** Provide weeks or months as appropriate that corresponds to the rate provided in the previous column.