



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

January 31, 2017

Dear LDCF/SCCF Council Member,

I am writing to notify you that we have today posted on the GEF's website at www.TheGEF.org, a Project Identification Form (PIF) for a full-sized project proposal from UNDP entitled ***Chad: Community-based Climate Risks Management in Chad (GEF ID : 8001)***, for funding under the Least Developed Countries Fund (LDCF). This PIF has been posted for Council approval by mail. Council Members are invited to review the PIF and to submit their comments (in Word file) to the GEF Secretariat's program coordination registry at gcoordination@TheGEF.org by February 28, 2017.

Following the streamlined procedures for processing LDCF proposals, Council members are invited to approve the following decision:

*The LDCF/SCCF Council reviewed the PIF entitled **Chad: Community-based Climate Risks Management in Chad (GEF ID: 8001)** (LDCF Project Grant \$5,250,000) (Agency Fee \$498,750), posted on January 31, 2017 and approves it on a no objection basis subject to the comments submitted to the Secretariat by February 28, 2017.*

The Council finds that the PIF (i) is, or would be, consistent with the Instrument and GEF policies and procedures, and (ii) maybe endorsed by the CEO for final approval by the GEF Agency, provided that the final project document fully incorporates and addresses the Council's and the STAP reviewer's comments on the PIF, and that the CEO confirms that the project continues to be consistent with the Instrument and GEF/LDCF/SCCF policies and procedures.

The final project document will be posted on the GEF website for information after CEO endorsement. If the GEF CEO determines that there has been a major change to the present scope and approach since PIF approval, the final project document shall be posted on the web for Council review for four weeks prior to CEO endorsement.

In accordance with this decision, if the Secretariat has not heard from you in writing by February 28, 2017 we will assume that you approve the PIF.

Sincerely,

Naoko Ishii
Chief Executive Officer and Chairperson

Copy to: Country Operational Focal Point, Alternates, GEF Agencies, STAP, Trustee



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: FULL SIZE PROJECT

TYPE OF TRUST FUND: LDCF

For more information about GEF, visit TheGEF.org

PART I: PROJECT INFORMATION

Project Title:	Community-based climate risks management in Chad		
Country:	Chad	GEF Project ID: ¹	8001
GEF Agency:	UNDP	GEF Agency Project ID:	5430
Other Executing Partner:	Ministry of Agriculture and Environment, UNCDF	Submission Date:	11 Sep 2014
GEF Focal Area:	Climate Change Adaptation	Project Duration (Months)	60
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of parent program:	N/A	Agency Fee (\$): 498,750	

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAMME STRATEGIES²:

Objectives/Programs (Focal Areas, Integrated Approach Pilot, Corporate Programs)	Trust Fund	(In \$)	
		GEF Project Financing	Co-financing
CCA-Objective 1: Reduce the vulnerability of people, livelihoods, physical assets and natural systems to the adverse effects of climate change	LDCF	1,600,000	3,800,000
CCA-Objective 2: Strengthen institutional and technical capacities for effective climate change adaptation	LDCF	3,650,000	12,200,000
Total Project Cost	LDCF	5,250,000	16,000,000

B. INDICATIVE PROJECT DESCRIPTION SUMMARY

Project Objective: Strengthen the responsiveness capacity of vulnerable populations to better cope with climate shocks by responding earlier to warning signals and adopting financial risk transfer mechanisms					
Project Component	Financing Type ³	Project Outcomes	Trust Fund	(In \$)	
				GEF Project Financing	Co-financing
1. Community-based early warning system for preparedness against climate related disaster risks	TA & INV	Producing and disseminating relevant and timely climate information to enhance preparedness of national and local stakeholders and threatened communities to act appropriately and effectively in a timely manner in response to climate-related disaster risks. This includes: (i) the establishment of a decentralized, reliable and functioning organizational system for managing climate risk and disasters, and for coordinating response; (ii) the establishment of a communication and dissemination system to reach all end users; and (iii) the training for operators of the communication and dissemination system on identification and sending alerts on emerging risks; and disseminating information to communities.	LDCF	2,000,000	7,000,000
2. Enhancing risks management	TA & INV	Promote financial risk transfer mechanisms (e.g. combination of microfinance and micro-assurance) to help rural households minimize	LDCF	3,000,000	8,000,000

¹ Project ID number will be assigned by GEFSEC and to be entered by Agency in subsequent document submissions.

² When completing Table A, refer to the GEF Website, [Focal Area Results Framework](#) which is an Excerpt from [GEF-6 Programming Directions](#).

³ Financing type can be either investment or technical assistance.

Project Objective: Strengthen the responsiveness capacity of vulnerable populations to better cope with climate shocks by responding earlier to warning signals and adopting financial risk transfer mechanisms					
Project Component	Financing Type ³	Project Outcomes	Trust Fund	(In \$)	
				GEF Project Financing	Co-financing
capacities		losses and provide safety nets against climate-related shocks. This includes: (i) structural analysis of market and institutions to determine demand for micro-insurance and related risk-transfer mechanisms; (ii) the selection of schemes and instruments; (iii) the development of clients' education and capacities; (iii) the testing and evaluating of financial risks mechanisms; and (iv) the development of cross-community peer-review, learning and sharing mechanisms to support replication in other vulnerable communities.			
Subtotal				5,000,000	15,000,000
Project Management Cost (PMC) ⁴			LDCF	250,000	1,000,000
Total Project Cost				5,250,000	16,000,000

If Multi-Trust Fund project: PMC in this table should be the total and enter trust fund PMC breakdown here (XXX)

C. Indicative sources of Co-financing for the project by name and by type, if available

Please include confirmed co-financing letters for the project with this form.

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Recipient Government	Ministry of Agriculture and Environment, Ministry of Finances	Grant	9,000,000
Recipient Government	Ministry of Agriculture and Environment	In-kind	500,000
GEF Agency	UNDP	Grant	6,500,000
Total Co-financing			16,000,000

D. INDICATIVE TRUST FUND REQUESTED BY AGENCY, COUNTRY AND THE PROGRAMMING OF FUNDS

a)

GEF Agency	Trust Fund	Country	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee (b) ^{b)}	Total (c)=a+b
(select)	(select)		(select)	(select as applicable)			
Total GEF Resources							0

a) No need to fill this table if it is a single Agency, single Trust Fund, single focal area and single country project.

b) Refer to the [Fee Policy for GEF Partner Agencies](#).

E. PROJECT PREPARATION GRANT (PPG)⁵

Is Project Preparation Grant requested? **Yes**

PPG AMOUNT REQUESTED BY AGENCY(IES), TRUST FUND, COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

⁵ PPG requested amount is determined by the size of the GEF Project Financing (PF) as follows: Up to \$50k for PF up to \$1 mil; \$100k for PF up to \$3 mil; \$150k for PF up to \$6 mil; \$200k for PF up to \$10 mil; and \$300k for PF above \$10m. On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

GEF Agency	Trust Fund	Country	Focal Area	Programming of Funds	(in \$)		
					PPG (a)	Agency Fee ⁶ (b)	Total c = a + b
UNDP	LDCF	Chad	Climate Change Adaptation	N/A	150,000	14,250	164,250
Total PPG Amount					150,000	14,250	164,250

F. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁷

Provide the expected project targets as appropriate. N/A

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	(Enter number of hectares)
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	(Enter number of hectares)
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins	(Enter number of freshwater basins)
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	(Enter percent of fisheries, by volume)
4. Support for transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	(Enter number of tons)
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	(Enter number of tons)
	Reduction of 1000 tons of Mercury	(Enter number of tons)
	Phase-out of 303.44 tons of ODP (HCFC)	(Enter number of tons)
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	(Enter number of countries)
	Functional environmental information systems are established to support decision-making in at least 10 countries	(Enter number of countries)

PART II: PROJECT JUSTIFICATION

Project Overview

A.1. Project Description.

Climate change-induced problem

1) Under the National Development Plan (2012-2015), the government of Chad aims to put in place a prevention and risk management system to help communities facing disaster risk cope better with climate shocks and climate change-induced extreme events. This project contributes to this goal in two ways: one, by establishing a community-based early warning system that effectively and rapidly disseminates climate information and alerts to enhance preparedness, and two, enhancing financial transfer mechanisms and risk management capabilities among households to minimize losses and provide safety nets in the face of climate-related shocks.

⁶ PPG fee percentage follows the percentage of the Agency fee over the GEF Project Financing amount requested.

⁷ Provide those indicator values in this table to the extent applicable to your proposed project. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

2) The Republic of Chad is particularly vulnerable to climate-related risks, both short-term risks associated with climatic variability and long-term risks associated with climate change. In August 2012, heavy rains caused flooding in many parts of the country. Following more strong rains and rising river levels in October and November, further flooding occurred, extending to many areas of N'djamena, the capital. In the Rig Rig district in the Kanem region, buildings, food stocks, and crops were damaged and 220 houses destroyed. Around 3,000 people were left in need of shelter. Overall, 700,000 people were affected by the 2012 floods ([OCHA, 31 Jan 2013](#)). The 2013 rainy season has significantly affected agricultural production in the Sahel belt. In 2014, this will result in the early depletion of families' food-stocks and a premature start of the hunger season.

3) According to the National Action Program of Adaptation (NAPA, 2010), the main short-term climate risks are associated with droughts, floods, and increasing variance in the incidence of rainfall, extreme heat, and strong winds. These factors not only have the potential to undermine agricultural production activities, but also lead to the loss of life following extreme weather events. Increasing irregularity of the global – and specifically tropical – weather patterns have increased the frequency of extreme environmental conditions bringing about more rapid oscillations from drought to flood and back. Potential longer-term effects of climate change include water shortages due to reduced rainfall, food insecurity, irreversible loss of biodiversity, and increased desertification.

4) These changes will have profound impacts on economic growth and political stability. Roughly 70% of the Chadian population relies on subsistence farming and/or raising livestock. Droughts cause the failure of crops, death of cattle and ultimately famine, resulting in displacement (internal and trans-border) and social unrest, with the Sahelian belt facing the harshest conditions in terms of farming. The NAPA warns that climate change could cause significant losses in many productive sectors, potentially affecting food crops, cotton, livestock, fisheries, and forest resources. Repeated food crises driven by droughts and floods severely impact on women and men's basic livelihoods, affecting their capacities for resilience, in a vicious cycle that also creates the conditions for higher vulnerability to malnutrition, endemic diseases and epidemics (malaria, meningitis, measles, yellow fever and cholera, among others). Chad's path towards resilience to climatic adversities and sustainable socio-economic development is further challenged by regional instability.

Preferred Solution and Barriers to Overcome

5) Given these conditions, it is imperative to begin integrating capacities and mechanisms for climate-related disaster preparedness into the National Development Planning process. A community-based early warning system is proposed as a sustainable mechanism for rapidly disseminating information on food shortages and extreme events that can help communities to better cope with climate shocks. Increasing capacity, especially in terms of providing financial safety nets and risk management mechanisms, will also help communities build resilience against shocks and their aftermath.

- 6) The project will address the following barriers that need to be overcome in order to ensure success:
- The necessary data, methodologies and technical assistance to assess the potential physical and economic impact of climate change at community levels and develop climate change strategies are not always available;
 - Mechanisms for the translation of drought and flood forecasts into early warning information for critical public response and for activating action at community levels are not well established;
 - Communities living in areas of high risk of extreme weather events are not sufficiently reached in terms of prevention and response mechanisms;
 - Poor farmers and households have weak understanding of climate change and on the possible use of risk transfer approaches to reduce losses and damages caused by adverse effects of climate change.

Project additional costs reasoning and adaptation benefits

7) The Government of Chad requests the LDCF to finance the additional costs of strengthening the responsiveness capacity of vulnerable populations to better cope with climate shocks. This project will contribute towards achieving this goal by assisting communities to respond earlier to warning signals and

adopt financial risk transfer mechanisms to spread likely risks. The project will intervene in areas highly prone to floods and drought. The sites prone to flood where the project plans to intervene are: Mayo Kebi, Logone Occidental, Logone Oriental, N'Djamena, Tanjilé. Potential sites for drought are: Barh El-Ghazal, Batha, Guera, Hadjer-Lamis, Kanem, Lac, Ouaddai, Salamat, Sila, Wadi Fira and Ndjamen. Potential criteria for the selection of target villages should be: (i) the frequency of extreme events such as droughts, floods, (ii) the degree of vulnerability of local communities, and (iii) the level of access to financial risk transfer mechanisms. During, the project preparation phase, criteria for the selection of target sites will be further discussed with government and stakeholders.

Component 1: Community-based early warning system for preparedness in face to climate related disaster risks

Baseline:

8) Recurring food security crises have led the Ministry of Agriculture to establish the «*Information System for Food Security in Chad*» (SISA/SAP) to provide good experience in terms of food security risk assessment, detection, monitoring and prediction. With an expected co-financing of 5 millions USD, the nationwide system is a good instrument for monitoring food system and gauging indicators as household consumption. The SISA/SAP framework could serve as basis for the community-based early warning system, and even be extended to address specific problems of climate change. However, the system is currently concentrated on food availability and accessibility. Climate-related changes and its impacts into livelihoods activities are poorly covered. The FSMS is mainly an instrument to gauge indicators as household consumption, which is more capable of registering impact of crisis then alerting on climate risks arrival or immediately registering their occurrence. The LDCF funded project will complement the existing SISA/SAP framework, such that data and information that can serve for early warning (currently not done by the SISA/SAP framework), and will enable the triggering of a targeted response when extreme events occur.

9) Through the Humanitarian Coordination Team (HTC), the United Nations agencies are implementing a Strategic Response Plan (SRP 2014-2016)⁸ to facilitate timely responses to warning indicators. The interventions are mainly concentrated in the Sahel-belt (Barh El-Ghazal, Batha, Guera, Hadjer-Lamis, Kanem, Lac, Ouaddai, Salamat, Sila, Wadi Fira and Ndjamen) and in South and East Chad (Mayo-Kebbi Est & Ouest, Tandjilé, Logone Occidental, Logone Oriental, Moyen-Chari, and southern Salamat). Under the Early Recovery Section lead by UNDP, investments from the UN-SRP (expected co-financing 2 millions USD) seek to reinforce the capacities of the public administration in areas affected by conflict with the supply of equipment and staff training, this contributing to improve functioning of public services and to accelerate national ownership of the recovery process. However, the large majority of institutions and organizations present at the regional, departmental, municipal and community level do not always have the institutional or operational capacity needed for managing climate risk and disaster and coordinate response. In the perspective of exploring more integrated approach between disaster risks reduction and recovery, there is a need to create the capacity at local level for the application of relevant disaster management tools. Additional funds will be provided through LDCF to develop operational capacity of local institutions for managing climate change risks and coordinate responses with existing systems in place for disaster risk management.

Alternative:

10) A community-based early warning system will be established and operationalized as a platform for climate-related disaster risk reduction and for guiding the implementation of climate change adaptation. Resources from LDCF will enhance the preparedness capacities of national and local stakeholders for the production and dissemination of relevant and timely climate information and alerts on risks to allow communities threatened to be prepared and respond effectively in a timely manner. Indicative outputs include:

11) Local communities will be supported to have a decentralized, reliable and functioning organizational system for managing climate risk and disasters and for coordinating response. The Direction of Civil

⁸ <http://www.unocha.org/cap/appeals/strategic-response-plan-republic-chad-2014-2016>

Protection under the National Platform on DRR will establish a system capable of disseminating information and alerts at village level, founded on advanced data analysis and meteorological forecasts.

12) The National Water Resources Directorate & the National Meteorology will established database and communication and dissemination system that will produce primary information to be transmitted up to the central (national) level, while also being able to disseminate downwards (to the village level). The data transmitted will include weather forecasts and related information for the public and the interested communities. This system will include a functional database, operating procedures and dissemination network operating through community radio, Short Message Service (SMS) and person-to-person contact).

13) Finally, training will be organised for operators of the communication and dissemination system on (i) identification and sending alerts on emerging risks; and (ii) disseminating information to communities.

14) Adaptation Benefits: the CB EWS will encourage communities to play a much more active role in their own protection by strengthening the data collection in the target areas, while sensitizing population to climate disaster risk factors. The EWS will convey real time climate information to target communities and individuals (estimated to be at least 2500) to effectively anticipate, respond to, and recover from, the impacts of climate changes (drought and flood). In addition DREM will integrate diverse adaptation technologies to support multi-hazard warning and provide a multi-links to emergency and rescue activities. The Direction of Civil Protection under the National Platform on DRR will move away from the old-fashioned emergency response paradigm towards local risk reduction and preparedness. Finally, it is expected that the establishment of EWS could save the live of at least 100,000 individuals in each region and reduce damage from flooding. In addition, climate information provided to farmers will play a front-line defence against the effects of climate change on food production. Tailored information will protect farmers against extreme weather events that erode livelihoods, and help them to make decisions about choices and changing practices that take better advantage of productivity-enhancing technologies when climate conditions permit.

Component 2: Enhancing risks management capacities

15) Baseline: The Republic of Chad's main framework for promoting growth, poverty reduction, and food security is the National Food Security Program (Programme National de Sécurité Alimentaire-PNSA). The PNSA is a nationwide Programme intervening in all Chadian administrative regions. Priority actions of PNSA include: (i) improvement of land and water management; and (ii) diversification and intensification of agricultural production by improving access of rural households to factors of production (land, water, inputs, machinery, and finance) and to improved technologies. Expected co-financing from PNSA is US\$4 millions. However the effectiveness of the PNSA is limited by natural disasters related to erratic climate conditions (e.g., extreme heat, alternating periods of drought and flooding), representing a strong handicap to the development of the Programme. A wide range of technical compounds these climate-related challenges and institutional constraints, including inadequate infrastructure, limited access to markets, market uncertainty, weak capacity of producer organizations, lack of financing, poor sectoral coordination, and political instability. One potential barrier is that due to low agricultural incomes (because of weak productivity and poor storage, transport, and commercialization facilities), farmers may not have the resources to make appropriate use of risk management and advanced crop management techniques, such as the deployment of more resistant crop varieties. As a consequence, low-cost adaptation options also need to be disseminated and demonstrated, and access to sustainable risk transfer measures facilitated to support resilient income-generating activities and the implementation of more resilient farming initiatives. Additional support from LDCF is seeking to establish sustainable risk transfer measures facilitated to support resilient income-generating activities and the implementation of more resilient farming initiatives.

16) Under the UN-SRP 2014-2016 (Early Recovery Section lead by UNDP), activities are underway on economic recovery to create jobs for youth, small business and/or cooperatives, diversifying incomes and developing female entrepreneurship. Activities are targeting youth and women facing to a myriad of hardships and obstacles in their daily lives, including high levels of poverty, low levels of literacy, pronounced gender gaps in education. Investments (expected co-financing 2 millions USD) are expected to have an immediate impact on the population, as they will allow poor households to resume productive activities, therefore

reducing their vulnerability. However, economic activities developed under the UN SRP are highly dependent on climate, and thus are exposed to high risks. The sale of livestock and crops during climatic crises are common coping measure that helps the household to cover its basic necessities to overcome the difficult period and to avoid a greater poverty. Households have difficulty in applying preventive measures without sufficient capital, lack of technical assistance and information on how to adapt to climate change. Additional investments are expected from LDCF to strengthen the capacity of households to better understand and manage economic risk from flood, droughts and crop failures, thus reducing vulnerability to natural disasters.

Financial risk management to ameliorate losses of livelihood and safety nets is being partly addressed by the UNDP's Programme of Support for Inclusive Finance in Chad (PAFIT).⁹ To ensure that financial inclusion, UNDP and UNCDF supported the Government of Chad to develop a National Strategy for Microfinance (SNMF) and then set up the Support Programme for Inclusive Finance in Chad (PAFIT). The PAFIT has been operational for over two years and contribute to improving the living conditions of populations through sustainable provision of financial services through a tailored inclusive microfinance sector animated by professional actors operating in an institutional environment aims to regulatory, legal and judicial more incentive. The PAFIT intervenes in the Moyen Chari, Mandoul, Logone Occidental, Tandjilé, le Mayo kebbi Est, le Mayo Kebbi Ouest, le Guéra, le Dar Sila. Under its second phase, the project will extend intervention areas to Ouaddaï, Hadjer Lamis, Salamat, Batha, Chari Baguirmi et Lac regions. Specifically, the objective of the PAFIT is: (i) supporting the professionalization of microfinance institutions for a sustainable supply of services, in coordination with the banks, the needs of people especially women; (ii) supporting the development of national capacities and expertise that provide information services, reporting, training, advocacy and auditing the benefit of the microfinance sector; and (iii) encouraging institutional, regulatory, legal and judicial pro-microfinance sector while strengthening the technical capacity of stakeholders for the implementation of these reforms. The program made significant activities contributing to a climate of trust among stakeholders. This is basically:

- *Mobilization of Technical and Financial Partners around the SNMF*
- *Signature of performance contracts with three MFI (\$498,000)*
- *performance contract signed with the Professional Association of Microfinance Institutions (\$96,000)*
- *Contract signed with the Ministry of Finance to strengthen the Technical Unit of Microfinance Institution (\$114,000)*
- *Contract signed with the Ministry of microcredit to promote Women and Youth (\$144,000);*
- *Organization of meetings between banks and microfinance institutions to develop the connection between these two sectors;*
- *Training in accounting and preparation of financial statements for the benefit of all partners PAFIT EMF;*
- *Development of the training year plan for the microfinance sector in Chad*
- *Diagnostic study 9 EMF targeted by the PAFIT.*

The propose LDCF project will take advantage of the institutional environment created by the PAFIT in targeted sites to promote financial risk transfer mechanisms (e.g. the combination of micro-finance and micro-insurance) to help rural households minimize losses and provide safety nets against climate-related shocks.

Alternative: working with the PAFIC, the LDCF resources will support, financial risk transfer mechanisms (e.g. the combination of climate index micro-finance and climate micro-insurance) to help rural households of the targeted areas indicated above minimize losses and provide safety nets against climate-related shocks. The Project will use PAFIC mechanisms and organizations to help populations escape from a poverty trap by, improving access to credit, increasing land or labor productivity, or enhancing technology adoption or market participation. The following actions will be undertaken:

- Structural analysis of market and institutions in order to determine the demand for climate indexed micro-insurance and related risk-transfer mechanisms of local farmers and households, and the capacity of the market to support and offer these financial tools;
- The selection of schemes and instruments for reducing the vulnerability of rural households in the long term and fostering their resilience against climate-related shocks in the future.
- Development of client education and capacity building;
- Testing and evaluating financial risks mechanisms in selected pilot areas highly-affected by floods and

⁹ http://www.undp.org/content/undp/en/home/ourwork/povertyreduction/successstories/Tchad_reseaux_de_micro_finance_entrepreneariat_femmes.html

- drought; and
- The development of cross-community peer review, learning and sharing mechanisms to support replication in other vulnerable communities.

17) **Adaptation benefits:** A least 500 vulnerable households and farmers in each of the regions targeted in this LDCF will adopt micro-finance instruments, such as micro-credit and climate index micro-insurance to help break the cycle of poverty by providing low income households, farmers, and businesses with access to liquidity to secure their livelihoods during and after shocks. It allows them to rehabilitate crops and businesses with the minimal possible disruption. Financial mechanisms act like a buffer to moderate the losses for smallholders and protect them from falling further into poverty after a flood or a drought. The combining agricultural micro-insurance with agricultural micro-credit can help the insurance companies save on administration costs and extend their services to remote areas. The impacts on small farmers are a stabilization of their incomes due to the agricultural micro-insurance and greater availability of agricultural micro-credits with lower interest rates, allowing them to invest and apply necessary crop and risk management techniques.

Innovativeness, sustainability and potential for scaling up

18) The project’s goal is to develop a people-centred Early Warning System that is capable of involving and reaching communities, positioning them in relation to national-level decision-making, and also closing the gap between climate change adaptation measure and DRR interventions. With regards to micro-finance, the project will innovate in terms of product (micro-insurance), process (holistic approach involving needs and market analyses, identification of suitable instruments, capacity building of client, and testing/evaluating the products), and organization (coordinating a range of stakeholders from central to local levels and the private sector).

19) A strong focus on building on local knowledge, capacities and incentives, as well as strong project focus on ensuring gender equity in all operational matters are expected to lead to social sustainability. The project will ensure a wide adoption and diffusion of best practices by developing cross-community peer review, and learning and sharing mechanisms to support replication in other vulnerable communities.

20) Finally the project will adopt sustainability strategies including: a thorough analysis of both governmental and non-governmental institutions involved in project implementation, baseline assessments of household livelihood security and resilience, appropriate risk analysis, and formulation of exit strategies. The long-term project viability and sustainability will depend greatly on its ‘ownership’ and on the ‘institutionalization’ of capacity built by the project. Empowering all local-level stakeholders, including the dissemination of timely and meaningful climate & warning information through a whole range of capacity building activities tailored to their specific needs and defining and implementing an efficient knowledge management and sharing system to efficiently capitalize lessons learned will also contribute to institutional sustainability.

A.2. Stakeholders. *Will project design include the participation of relevant stakeholders from civil society and indigenous people? (yes X) If yes, identify key stakeholders and briefly describe how they will be engaged in project design/preparation:*

Key stakeholders	Expected roles
Ministry of Environment	Coordination of the PPG process, support project design, ensures coordination with relevant ministries and local governments.
Other Ministries Water Resources and Meteorology, Civil Protection, Ministère des Microcrédits pour la Promotion de la Femme et de la Jeunesse, etc.)	Contribute to project design, participate in different fora
Civil Society including farmers’ organisations, women’s groups & youth associations	Contribute to project design, participate in different fora

A.3-Gender Considerations. *Are gender considerations taken into account? (yes). If yes, briefly describe how gender considerations will be mainstreamed into project preparation, taken into account the differences, needs, roles and priorities of men and women.*

The specific needs of women and young will be considered at the project design stage through preliminary Vulnerability and Capacity Assessments, and particularly when designing the organisational structure of the CB-EWS. DRR tools and mechanisms will be constructed to take gender into consideration. The demand for micro-insurance and related risk-transfer mechanisms, as well as clients’ capacity building needs, will be assessed. Information about climate change and adaptation measures will be designed and disseminated to ensure that women and girls – especially those who are poor or have been denied the right to an education – can easily have access to and absorb the necessary information. Furthermore, it will ensure that at least 30% of women and young will benefit from the micro-finance mechanisms.

A.4 Risk. *Indicate risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (table format acceptable):*

Identified risks	Mitigation measures
Low political will to adjust ‘governance frameworks’ (i.e. policies, plans, strategies, programmes etc.)	Awareness and involvement of key decisions makers at high level of the government to ensure understanding of opportunities and benefits of mainstreaming climate change into policy
Low underlying capacity of technical structures	The project intends to develop capacities of the technical structures supporting regarding climate change, and establish criteria that will form the basis of good implementation of institutional measures.
Sustainability of the proposed project outcomes regarding political and security situation in Chad	The security situation in Chad improved significantly since 2012. The government is engaged in a series of instructional and economic reforms to ensure better support of on-going/planned projects and programme. UN agencies are working towards the stabilisation of the country with strong engagement on community resilience (e.g. Strategic Response Plan).

A.5. Coordination. *Outline the coordination with other relevant GEF-financed and other initiatives:*

The project will build upon the achievements and lessons learned from GEF financed initiatives in Chad, namely:

- The World Bank “Emergency agriculture production support” project aimed at building sustainability into emergency operations by increasing agricultural productivity in a sustainable manner, and contributing to more climate-resilient agricultural production and enhanced food security.
- The IFAD “Improving agriculture resilience against climate change” project aimed at reducing the impact of climate change on the natural resource base and on the ecosystems that support agricultural production and food security.

The project will complement these initiatives by providing relevant climate information to better plan agricultural activities and promote risk management measures that moderate the losses from climate changes and protect small farmers from falling further into poverty after a flood or a drought. Key coordination mechanisms will be undertaken under the Humanitarian Coordination Team and the Ministry of Agriculture and Environment (GEF Operational Focal Point in Chad) to ensure better collaboration and avoid duplication.

- The LDCF financed UNDP supported project on “Chad-National Adaptation Plan” will play a critical role in supporting the government to generate reliable weather and climate data e.g. meteorological instruments to take measurements of key climate variables, as well as general other important information on the economic costs of climate change and adaptation, and climate risk assessments. The capacity of the Division of Water Resources and Meteorology (DREM) will be enhanced on operationalizing the

meteorological network (install additional observation stations where needed and rehabilitate existing ones) and establishing policy relevant impact models, analysing long-term climate trends to provide both real-time and projected information to decision-makers. Under the proposed LDCF project, DREM will be capacitated to disseminate reliable data to key decision makers including communities including placing specific weather forecast information on a weekly basis (or more frequent basis, as needed to inform and guide decisions. LDCF funds will be used to will transfer information gathered to target communities so that they understand the risks posed and also are supported with becoming aware of how to manage such risks. Additional hydro-meteorological equipment will be purchased to ensure fuller coverage of early warning system in Chad.

DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 is the project consistent with the national strategies and plans or reports and assessments under relevant conventions? **YES.** *if yes, which ones and how: NAPAS, ASGM NAPS, MLAS, NBSAPS, NCS, TNAS, NCSAS, NIPS, PRSPS, NPFE, BURS, etc.:*

The proposed project is based on following NAPA priorities:

- Priority #3 “Improvement, Dissemination and Sustainability of agricultural Calendar for Small Farmers Vulnerable to Climate Change”
- Priority #10 “Climate Risk Management”

The project is anchored in Chad’s National Development Plan (NDP) for the period 2013-15. The NDP focuses on a sensible set of priorities, notably on the creation of new productive capacities and job opportunities, human capital development, environmental protection, climate change adaptation, improved governance and decreasing of inequality, poverty and social exclusion,. The project will contribute to implement Risk and disaster prevention and management priorities (Pillar 3) and Promoting Micro-Finance and Support to Rural Initiatives (Pillar 1).

The Project is linked with the current UNDP Country Programme 2012-2015, specifically the sub-programme 1 and related Component 2: “Support to inclusive finance” and Component 4: “Environment, climate changes and natural disaster risks management.” The project supports the UNDP Strategic Plan Outcome 3: Resilience-building. It will support the integration of disaster risk reduction with adaptation to climate change and address differentiated social and economic impacts, as well as preparedness for disaster management and recovery at the sub-national and national levels.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY

A. Record of Endorsement of GEF Operational Focal Point (S) on Behalf of the Government(s): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template.

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Hakim Djibril	GEF Focal Point	MINISTRY OF AGRICULTURE AND ENVIRONMENT	09/03/2014

B. GEF Agency Certification

This request has been prepared in accordance with GEF policies¹⁰ and procedures and meets the GEF criteria for project identification and preparation under GEF-6.

¹⁰ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF

Agency Coordinator, Agency name	Signature	Date <i>(MM/dd/yyyy)</i>	Project Contact Person	Telephone	Email
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