



PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: LDCF

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PART I: PROJECT INFORMATION

Project Title:	Supporting rural community adaptation to climate change in mountain regions of Djibouti		
Country(ies):	Djibouti	GEF Project ID: ¹	5332
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	5189
Other Executing Partner(s):	Ministry of Habitat, Urbanism and Environment	Submission Date:	April 11, 2013
GEF Focal Area (s):	Climate Change	Project Duration (Months)	48
Name of parent programme (if applicable):	n/a	Agency Fee (\$):	511,048
	<ul style="list-style-type: none"> • For SFM/REDD+ <input type="checkbox"/> • For SGP <input type="checkbox"/> 		

A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK²:

Focal Area Objectives	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
CCA-1 (select)	LDCF	4,766,667	21,943,095
CCA-2 (select)	LDCF	612,785	6,166,905
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
(select) (select)	(select)		
Total Project Cost		5,379,452	28,110,000

B. INDICATIVE PROJECT FRAMEWORK

Project Objective: Reduction of climate-related vulnerabilities facing the inhabitants of mountainous regions of Djibouti through institutional strengthening, climate-smart water management and targeted investment						
Project Component	Grant Type ³	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Cofinancing (\$)
1. Increased incorporation of climate change adaptation and adaptation finance in climate-resilient development planning at the national level	TA	<p>Institutional capacities for coordinated, climate-resilient planning strengthened</p> <p>Mechanisms and a de-risked investment environment established to catalyse finance for climate change adaptation</p>	<p>a. Re-activation of the National Climate Change Committee, accompanied by capacity building and institutional strengthening to provide secretariat services to the Committee</p> <p>b. Development of a National Climate Change Strategy, informed by dynamic</p>	LDCF	500,000	2,075,000

¹ Project ID number will be assigned by GEFSEC.

² Refer to the reference attached on the [Focal Area Results Framework](#) when completing Table A.

³ TA includes capacity building, and research and development.

			<p>modelling for quantified scenario analysis of adaptation options under uncertainty</p> <p>c. Exploration and development of innovative options to catalyse finance for adaptation, including village-level micro-finance and associated de-risking instruments</p>			
<p>2. Reduced vulnerability to climate change for vulnerable communities in two targeted mountain regions: Adaillou and Assamo</p>	Inv	<p>Improved water management in the targeted regions to conserve scarce water resources and manage temporal flows to reduce flooding and erosion</p>	<p>a. Rehabilitation and monitoring of existing and new water structures (reservoirs, terraces, check dams, boreholes, gulleys) implemented as climate change adaptation measures</p> <p>b. Tree planting around water collection points (using an innovative stone mulching approach being pioneered in Djibouti) so as to reduce run-off erosion, support agro-pastoralism, provide fodder and shade for livestock, and to expand livelihood options through the provision of drought- and saline-resistant fodder crops, fruit trees (e.g. date palm), flowering trees (for honey production) and moringa (for cake, drink, food, fencing and nutritional purposes)</p> <p>c. Establishment of 2 tree nurseries (one in each region) to provide a sustainable source of saplings</p> <p>d. Tree preservation (i.e. reduced tree-removal) support for</p>	LDCF	4,050,000	18,820,000

			watershed management through alignment of livelihoods with tree retention (e.g. fodder and fruit trees) and the introduction of fuel-efficient cookstoves in village communities			
3. Enhanced human and institutional capacity for increased sustainable rural livelihoods among vulnerable communities in two targeted regions: Adailou and Assamo	TA	Improved resilience to hydrological climate change risks Enhanced resilience to climate-mediated economic shocks through income generation and diversification	a. Drought and flood preparedness and mitigation plans implemented at the regional level b. All Civil Protection and Water officials in the two target regions receive training on climate change impacts and adaptation measures c. Local commodity and handicraft production (e.g. honey, poultry, artisanal) supported as climate-resilient income generating and diversifying activities, accompanied by enhanced access to local and national markets (with a particular focus on female micro-entrepreneurs)	LDCF	573,288	5,805,000
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
		Subtotal			5,123,288	26,700,000
		Project Management Cost (PMC) ⁴		LDCF	256,164	1,410,000
		Total Project Cost			5,379,452	28,110,000

⁴ To be calculated as percent of subtotal.

C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount (\$)
National Government	Ministry of Habitat, Urbanism and Environment	In-kind	700,000
National Government	Ministry of Agriculture, Fisheries and Animal Husbandry	Grant	750,000
National Government	Ministry of Equipment and Transport	Grant	10,000,000
GEF Agency	UNDP	Grant	2,560,000
GEF Agency	UNDP	In-kind	300,000
GEF Agency	World Bank (PRODERMO)	Grant	2,000,000
GEF Agency	African Development Bank	Grant	5,000,000
Other Multilateral Agency (ies)	Intergovernmental Authority on Development (IGAD), United Nations High Commissioner for Human Rights, FAO	Grant	1,300,000
Bilateral Aid Agency (ies)	Japanese International Cooperation Agency (JICA), European Union	Grant	5,000,000
CSO	Ecologie du Village Association (NGO)	Grant	500,000
Total Cofinancing			28,110,000

D. INDICATIVE TRUST FUND RESOURCES (\$) REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (\$) (a)	Agency Fee (\$) (b) ²	Total (\$) c=a+b
UNDP	LDCF	Climate Change	Djibouti	5,379,452	511,048	5,890,500
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				0	0	0

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

E. PROJECT PREPARATION GRANT (PPG)⁵

Please check on the appropriate box for PPG as needed for the project according to the GEF Project Grant:

	<u>Amount Requested (\$)</u>	<u>Agency Fee for PPG (\$)⁶</u>
• No PPG required.	-- 0--	--0--
• (upto) \$50k for projects up to & including \$1 million	_____	_____
• (upto)\$100k for projects up to & including \$3 million	_____	_____
• (upto)\$150k for projects up to & including \$6 million	100,000	9,500
• (upto)\$200k for projects up to & including \$10 million	_____	_____
• (upto)\$300k for projects above \$10 million	_____	_____

⁵ On an exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

⁶ PPG fee percentage follows the percentage of the GEF Project Grant amount requested.

PPG AMOUNT REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES) FOR MFA AND/OR MTF PROJECT ONLY

Trust Fund	GEF Agency	Focal Area	Country Name/ Global	(in \$)		
				PPG (a)	Agency Fee (b)	Total c = a + b
LDCF	UNDP	Climate change	Djibouti	100,000	9,500	109,500
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total PPG Amount				100,000	9,500	109,500

MFA: Multi-focal area projects; MTF: Multi-Trust Fund projects.

PART II: PROJECT JUSTIFICATION⁷

PROJECT OVERVIEW

A.1. Project Description. Briefly describe the project, including ; 1) the global environmental problems, root causes and barriers that need to be addressed; 2) the baseline scenario and any associated baseline projects, 3) the proposed alternative scenario, with a brief description of expected outcomes and components of the project, 4) incremental cost reasoning and expected contributions from the baseline , the GEFTF, LDCF/SCCF and co-financing; 5) global environmental benefits (GEFTF, NPIF) and adaptation benefits (LDCF/SCCF); 6) innovativeness, sustainability and potential for scaling up

i. Project Context

Djibouti lies in Northeast Africa on the Gulf of Aden at the southern entrance to the Red Sea. The country is mainly a stony semi-desert, with scattered plateaus and highlands. Djibouti has a land area of about 23,000 km² and a population of 818,200 people, growing at 2.8% per annum. A Least Developed, low-income and food-deficit country, Djibouti has some of the lowest health, education and other social indicators in the world and was ranked 165 out of 187 countries in the 2011 UN Human Development Index.

Djibouti’s economy is characterised by an extreme dualism: the commercial urban sector, modern and oriented towards exports, and the rural sector, characterized by subsistence economy based on pastoralism, with very limited access to infrastructure, services and markets. Pastoral activities consist of extensive nomadic herding (primarily sheep, goats and camels), which often represents the sole source of subsistence for pastoral communities that are estimated approximately at 210,000 individuals. Some 90% of the country’s territory can be classified as pastoral lands that are used for herding. Transhumance is still practiced extensively along grazing routes determined by the presence of water and pasture. Sedentary agriculture contributes only 3% to GDP. Despite some expansion during the past decades, development of small-scale farming remains very modest in the country, mostly due to the scarce water resources in most rural areas. Cultivation of small agricultural plots is generally located on wadi banks, where availability of irrigation water and fertile land is the greatest. Most farmers are involved in fruit and vegetable production, sometimes combined with semi-sedentary livestock production. In recent years, the Government of Djibouti has started to diversify local agricultural production by introducing agro-forestry practices through the plantation of drought and salt-tolerant varieties of date palm trees.

Djibouti is characterized by an arid and semi-arid climate, which makes it extremely sensitive to climate change-induced drought and water scarcity risks. The country has a fluctuating, low and abrupt precipitation regime with annual mean rainfall of 150 mm, mean temperatures between 17°C and 42°C and extremely high rate of evapotranspiration amounting to 2,000 mm per year. Under historical conditions, Djibouti's climatic context is one of high hydrological uncertainty, frequent dry spell and

⁷ Part II should not be longer than 5 pages.

chronic water stress – features that are being worsened by climate change. Early manifestations of climate change and associated shifts in rainfall and water regimes are starting to be felt across the country. Data analysis conducted under the Initial National Communication and NAPA shows a marked trend towards temperature increase by up to 1.5°C since 1990 and rainfall reductions since 1960 (between 6-15%, depending on the region). The past decades have witnessed an increase in the frequency of drought events (from one in 10 years to one in 2-3 years) with longer time-spans and shorter recovery periods, resulting in severe impacts on vulnerable populations.

Since 2007, Djibouti has been facing a prolonged drought event that has heavily impacted pastoral-agricultural production and rural livelihoods. Rainfall has been 75% below average in Djibouti. A total of 206,000 vulnerable people have been identified in Djibouti as now being affected by drought and its impact. The 2010 Rapid Drought Impact Assessment showed that the 2010 drought – the fourth consecutive year of failed rainfall in terms of its quantity and regularity – had a devastating impact on the water security and livelihoods of the 240,000 people living in rural areas, especially small-scale farmers and herders, with 120,000 (15% of the country's population) being directly considered food-insecure and requiring food distribution. The 2011 Assessment found that the total economic loss amounted to 3.9% of GDP (with losses in the agricultural sector estimated at 41%) with ongoing damage serving to reduce the economic growth rate by 0.7% per year. The results of the latest survey on the assessment of food security, conducted by the World Food Programme in May 2012, show that 49% of rural households are severely food-insecure and 28% of households are moderately food-insecure.

The NAPA identifies climate pressures as being notable in the mountain areas of Djibouti – the massifs of Arrey, Ounda Hemed, Arta, Bour, Ougoul, Moussa Ali, Goda and Mabla – characterised by steep terrain exacerbating flash floods and erosion, low rates of water retention, deterioration of grass cover (made up of species such as *Cenchrus ciliaris*, *Panicum maximum* and *Lasirus hirsuta*), regression of tree cover involving species such as *Acacia nilotica*, *Terminalia brownii* and *juniper*, and populations that are already extremely vulnerable to weather events. Rural areas account for 45% of Djibouti's extreme poverty despite a demographic weight of only 27%; a breakdown of upland areas is not available but a reasonable expectation is that poverty is even more pronounced than the rural average. Recent studies in upland areas show that animal productivity and health are low, with a resulting impact on food security. Livestock-raising activities currently generate 20-40% of the revenues of pastoralist households whereas under normal conditions these activities would represent 60-80% of household revenues. Despite reductions in herd sizes, livestock sales have been reduced to the minimum due to poor animal physical conditions and the difficulty of trekking weak animals the long distances to reach markets. More than 70% of the population and herds do not have access to water within a reasonable distance.

In conjunction with the Ministry of Habitat, Urbanism and Environment, two target mountainous areas – Adailou and Assamo – have been selected as the basis of on-the-ground investment and technical assistance support from the proposed LDCF project. Guided by the priority interventions recommended by the NAPA, the selection of these areas is based on criteria that include: (a) the poverty rate and the potential for income-generating activities; (b) the importance of surface water and future capture/storage potential; (c) agro-pastoral potential; (d) extreme vulnerability of the populations to climate change and a demonstrable need for support (the north-west of the country – in which Adailou is situated – and the south-east (Assamo) have been worst-affected by the ongoing drought); (e) accessibility for project implementation (machinery, raw materials, supervision); (f) shared commonalities (needs, risks, barriers, socio-cultural context, etc.) with baseline projects while avoiding needless duplication; and (g) addressing the needs of both the Afar and Issa communities.

Adailou, located approximately 60km from Tadjourah in the north-west of the country, is the capital of Weima District and the third-largest town in Tadjourah region. The town and surrounding area contains 8,000 inhabitants, the majority of whom practice traditional pastoral cattle- and goat-keeping. The area

has been suffering from extreme water shortages in recent years, which has devastated local livelihoods: youth unemployment, in particular, is extremely high (over 70% in the 16-34 age-group) and land-based alternatives are limited by the over-grazing and erosion that have accompanied the drought. Assamo, located approximately 30 km from Ali-Sabieh in the south-east of the country, hosts a number of agricultural communities as well as a large number of pure pastoralists. Agricultural plots are concentrated in a very narrow band (largely of only 300 m) around the Assamo wadi, which is 15 km long but very narrow and bordered by mountains on either side. Fruit and vegetables are the main agricultural products of the Assamo communities. Herding areas are located in the mountains and have suffered from continuous depletion due to reductions in rainfall since the early 1990s. Water for agriculture, livestock and human consumption is extracted from shallow wells located inside (or nearby) the wadi at depths of 10-15m with diesel- and solar-powered pumps. Because of climate change and rainfall reductions in Assamo, the natural recharge of the wadi has been diminishing over time and the salinity of the water has been increasing. As a result, soil quality is degrading, with increasing salinity and falling agricultural productivity.

ii. Barriers that Need to be Addressed

Djibouti's status as a least developed country (LDC), confronting aridification, increasingly erratic and unpredictable precipitation, flash flooding, soil erosion and reducing vegetation cover, makes its rural population highly vulnerable to climate change. Barriers to the improvement of mountain communities' livelihoods in the face of a changing climate include:

- Limited Government capacity. While Djibouti has an array of policies and strategies targeting aspects of vulnerability (for example, the Poverty Strategy, the National Initiative for Social Development, the National Programme of Action for the Environment, the National Plan to Combat Desertification, etc.), they suffer from lack of coordination between Government departments (as identified by the National Capacity Self-Assessment), an absence of climate change mainstreaming, and consideration of the impacts of future climate change on their respective areas. Moreover, Djibouti has no national climate change strategy to bring together and synthesise a joined-up response to the climate impacts identified in the NAPA, the National Communication to the UNFCCC and other studies.
- Poor surface and groundwater management practice. There is a shortage of knowledge and technical capacity to apply groundwater capture and mobilisation techniques in Djibouti. The Water Department of the Ministry of Agriculture, Fisheries and Animal Husbandry has conducted technical studies on the possibilities to use dams inside wadis in order to create artificial water reservoirs to capture and infiltrate wadis' periodic flows. However, the practical knowledge and capacity to implement such approaches in Djibouti's bio-physical context are lacking. There have been a number of donor-funded water projects in the past, but these were mainly concerned with the construction of wells rather than better management of surface water, and many have resulted in unsustainable water abstraction and salinisation of water points. As a result, agro-pastoral practices are underdeveloped in the context of emerging climate pressures, characterised by poor productivity, limited options for forage growth and lack of diversification of produce to spread risks during severe drought periods. Ongoing tree removal for grazing and fuelwood serve to promote overland water flow and soil erosion, as well as increase the risk of dangerous flash floods.
- Limited pastoral community capacity. Largely pastoral and farming communities lack skills and knowledge for pursuing climate-resilient practices such as erosion reduction, soil conservation and other essential measures to improve productivity levels, an essential first step to building up long-term resilience to climatic shocks.
- Financial constraints. Djibouti is a low-income country, with an average GDP per capita of \$2,700 in purchasing power parity terms. Faced with a range of pressing development

challenges, notably extreme poverty and malnutrition, the Government's financial resources are insufficient to fully address long-term systemic problems such as infrastructure investment for water management, diversification of agro-pastoralist systems or modelling and analysing potential future climate change impacts. Djibouti relies heavily upon international aid, which accounts for approximately 30% of the Government's total budget. Significant donors include Japan, France, Germany, the United States and the European Union. While humanitarian aid is coordinated by UN-OCHA and the Ministry of Interior, climate change-related support – because of its cross-sectoral, cross-ministerial and dispersed nature (and the fact that climate change is often a secondary aspect of a more proximate focus on agriculture, forests, water, energy, natural hazards or livelihoods) – lacks central coordination and, as a consequence, suffers from fragmented delivery and reduced effectiveness.

iii. The Baseline Scenario, Baseline Projects and Co-Financing

The baseline scenario can be characterised as follows: A steep and long-term trend of aridification in Djibouti's uplands, accompanied by increasingly erratic and severe rainfall events causing significant erosion and damage to lives and livelihoods. These changes to Djibouti's climate are predicted to seriously compromise pastoral lifestyles and increase the vulnerability of already at-risk rural communities. Water management and agro-pastoral systems require strengthening so as to help alleviate climate pressures. At the national level, the absence of a national climate change strategy and institutional mechanisms to promote cross-sectoral/cross-ministerial coordination hamper efforts to address climate change-associated risks. At the local level, communities lack the financial, technical and informational resources needed to adapt to climate change.

The LDCF project will build on and coordinate with a number of relevant baseline projects, as well as with national policies and strategies (Section B.1) and a number of GEF-funded and other projects (Section A.4):

- **“Programme de Mobilisation des Eaux de Surface et de Gestion Durables des Terres” (PROMES-GDT) (2008-2015)**, implemented by UNDP, IFAD, FAO and WFP and executed by a project management unit within the Ministry of Agriculture, Fisheries and Animal Husbandry. The project aims to address the vulnerability of thirst and hunger of pastoral populations during dry seasons by implementing a programme of water mobilization for people and livestock and by strengthening national institutional and technical capacities. One of the proposed LDCF target areas for investment and support, Adaillou, falls within the PROMES-GDT project boundary. Activities include the development of community-led Annual Hydraulic and Pastoral Planning Schemes; rehabilitation of community water tanks; rehabilitation and construction of micro-dams; the establishment of two tree nurseries in the Day Forest and Randa regions; and the creation and capacity development of community steering committees to oversee infrastructure work.

Co-financing: \$200,000⁸

- **“Rural Community Development and Water Mobilisation Project” (PRODERMO) (2012-2017)**: funded by the World Bank, PRODERMO has the objective of increasing access by rural communities to water and enhancement of their capacity to manage water and agro-pastoral resources. Annual Hydraulic and Pastoral Planning Schemes are developed (along the same lines as those of PROMES-GDT) by local communities through a participatory approach; subsequent community investments, including run-off water harvesting and soil conservation activities, are then guided by the priorities identified by the Schemes. PRODERMO has been designed to align objectives and approaches with PROMES-GDT while extending the

⁸ All stated co-financing estimates are extremely conservative. During the PPG phase, significant additional financial resources are expected to be mobilized in support of the LDCF project.

geographical reach of activities to the Khor Angar-Obock and Cheiketi-Hanlé regions and broadening the range of interventions to include livestock production, nutrition and rural development in general.

Co-financing: \$2 million

- **“Programme de Pays Pour Mettre Fin aux Urgences Liées aux Sécheresses dans la Corne de l’Afrique”**, Intergovernmental Authority on Development (IGAD) (2012-2017): this initiative, implemented by the Ministry of Agriculture, Fisheries and Animal Husbandry and currently in the development stage, will support an effort by the Government of Djibouti to move beyond discrete post-shock (drought) relief efforts to design a comprehensive programme to prevent and manage risks, thereby reducing the country’s vulnerability to natural hazards and food insecurity. The Programme will focus its interventions in the areas most affected by drought, where pastoral households have lost up to 50% of their livestock, and will prioritise rural development projects that support income-generating activities (poultry, bee-keeping, small crafts, etc.), market access and trade, and labour-intensive activities that support job creation.

Co-financing: \$1 million

- **“Drought Resiliency Programme”**, African Development Bank (2013-2017): funded by the AfDB under its Horn of Africa regional envelope for drought resilience and the regeneration of sustainable livelihoods, and implemented by the Ministry of Agriculture, Fisheries and Animal Husbandry, this initiative will provide support to the rural populations of Ali-Sabieh, Arta and Tadjourah to recover from drought and adapt to climate change. The initiative is at an early stage of development (the signing ceremony was held in February 2013) but is expected to involve significant investments in water storage facilities.

Co-financing: \$5 million

- **“Stone Mulching for Tree Planting”** and **“Master Plan Study For Sustainable Irrigation and Farming In Southern Djibouti”** (2012-2014), Japanese International Cooperation Agency: JICA is working with Tokyo Agricultural University, which has more than 20 years’ experience of irrigation methods using stones, to apply the innovative ‘stone mulch method’ in the Douda and Ali Sabieh regions. Stone mulching provides a protective soil covering of stones and gravel which aids soil infiltration (i.e. avoids surface run-off) after heavy rain but afterwards forms a capillary break which significantly reduces subsequent evaporation from the soil. This is sufficiently effective for trees to be grown even if the rains fail. It is also extremely labour-intensive and, after initial training, relatively straightforward to implement, making it an ideal activity for cash-for-work schemes and other forms of rural employment creation.

Co-financing: \$500,000

- **“Light Years Ahead”** (2011-2016), United Nations High Commissioner for Refugees (UNHCR): the “Light Years Ahead” programme is an initiative to improve basic cooking and lighting needs for refugees in seven African countries: Chad, Djibouti, Ethiopia, Kenya, Rwanda, Sudan and Uganda. In Djibouti, UNHCR is funding the management of the refugee camp of Ali-Adde, which was established in 1991 and hosts refugees that came from Somalia and Ethiopia. The camp now houses over 9,000 people, which is far more than the native population of the neighbouring town that lends the camp its name. This large population has created serious environmental pressure on the pastoral zones around the camp, such that individuals now have to walk more than 5km in search of trees for fuelwood. The removal of trees has also increased the vulnerability of natural ecosystems, as well as the local pastoral communities, to repetitive climate change-induced droughts. Trees have traditionally acted as natural barriers to slow the flow of water in the wadis and thus help the infiltration of water in wadi river bed sands. With the removal of tree cover, the amount of water infiltration, and thus water availability, has declined precipitously. In Djibouti, the “Light Years Ahead” programme

has been piloting the use of a specially-developed fuel-efficient cookstove called ‘Save80’, which consumes 80% less fuelwood than standard models, lasts up to 10 years and is easy to transport (on-site assembly). UNHCR reports that use of 4,500 fuel-efficient cookstoves in the Ali-Adde camp has demonstrably reduced the pressure on tree resources in the surrounding area, has improved domestic air quality (due to reduced smoke production from cooking) and has improved the lives of women and girls in particular by reducing the need to forage for fuelwood.

Co-financing: \$100,000

- **“Programme Intégré de Conservation et de Développement”** (PICODE) (commenced in 2008, ongoing), Ecologie du Village Association (EVA, an NGO): EVA is a well-established NGO in Adaillou (more than 15 years of operations), working on integrated approaches to land and water management and livelihood benefits. PICODE consists of four components: reforestation (2,500 trees have been planted to date), anti-desertification (a 12 km² pastoral area has been protected by wind breaks, revegetation and other measures), agro-pastoral capacity building and infrastructure improvement (e.g. water works, forage storage, etc.). EVA has plans to expand PICODE to include mini-dam and cistern construction, the creation of water points along transhumance routes, soil conservation and rill removal, and diversification of local incomes to include, for example, honey production.

Co-financing: \$500,000

In addition, the proposed LDCF project will build on a portfolio of existing UNDP projects in Djibouti, including: **“Developing National Capacities for Disaster Risk Management in Djibouti”** (2012-2014), which aims to improve management of disasters and promote prevention and mitigation of climate hazards including droughts and floods in Djibouti. The project is strengthening the technical and institutional capacities of the Executive Secretariat for Disaster Risk Management in order to enable it to coordinate disaster preparedness and respond in an effective manner; implementing community-based drought and flood risk reduction initiatives; and providing capacity development to the nascent Inter-Ministerial Committee for Disaster Risk Management, which is expected to improve preparedness and response to natural disasters. **“Community-Driven Early Recovery for Drought-Affected Poor Rural Households in Djibouti”** (2012-2015) is supporting the construction of water harvesting infrastructure through modalities such as cash-for-work, livestock re-stocking and the establishment of small- and medium-size rural enterprises based on livestock commodity value chains. The **“Cash for Work to Restore Livelihoods and Reduce Dependency on Relief”** project (2012) worked to accelerate the early recovery of poor rural households affected by the drought through cash-for-work construction of water storage infrastructures (sub-surface dams in wadis and underground cisterns). The **National Decentralisation Plan Support Project** is assisting the Ministry of Interior to devolve greater responsibilities to regional councils. The Djibouti UNDP Country Office is a participant in UNDP’s global **“Strategic Initiative to Address Climate Change in LDCs”** (**“Boots On The Ground”**) programme, which is supporting 26 low-income countries, including 23 LDCs, by strengthening UNDP Country Offices’ capacity to deliver high-quality and timely policy advice on climate change at the country level. Through this programme, the Djibouti Country Office has had a full-time Climate Change Policy Advisor for the past two years who has been assisting the Government with policy advisory and capacity development services. UNDP is one of the key national partners in the **microfinance** area. The support that UNDP has provided to the Djibouti Social Development Agency (ADDS), has allowed a greater number of Djiboutians to obtain micro-loans for the creation and expansion of micro-enterprises and other income-generating activities. The Popular Bank for Credit and Saving (CPEC), opened in January 2009 with support from UNDP, now serves over 5,000 customers while maintaining a repayment rate of 96%. Women account for approximately 87% of its members. According to recent surveys, revenues obtained from the investments of female creditors are often targeted to support their families, thus raising the overall level of family well-being, education and health. At the national level, UNDP has supported the improvement of the legislative framework through the elaboration of a set of policies and regulations for the micro-finance sector, including: a

draft law regulating the creation and functioning of financial cooperatives; a draft consolidation of statutes and internal regulations of micro-finance institutions (MFIs); a framework for the accounting system of MFIs; a procedural manual for the monitoring of the micro-finance sector; and development of a National Micro-Finance Policy document in 2012.

Co-financing: \$2 million

iv. The Project Scenario and Adaptation Benefits

The proposed LDCF project is predicated upon three foundations: (1) that greater capacity and coordination at the national level will create an improved enabling environment for addressing climate change risks and vulnerabilities (as identified by the NAPA and other studies) ‘on the ground’ at the community level; (2) that better water management, notably the interruption and storage of seasonal surface run-off, will benefit local communities and livestock and improve the sustainability of agro-pastoral systems; and (3) that strengthening and diversification of income is critical to reducing the vulnerability of communities to ongoing and future climate change. The project has been designed in such a way as to support and complement existing and planned Government policies/strategies and a range of Government/LDCF/GEF/agency/NGO baseline initiatives without being duplicative. The project demonstrates unique elements and embodies realistic (conservative) planning of project activities and related disbursements, informed by the instructive experiences of the PROMES-GDT project to date. In particular, the LDCF design takes into account realistic time-frames for critical activities such as the selection and hiring of project staff, the mobilization and sensitization of beneficiary communities in project areas, and the challenges associated with institutional coordination at the national level.

The project consists of three components:

Component 1: Increased incorporation of climate change adaptation and adaptation finance in climate-resilient development planning at the national level.

Component 1, addressing the national level, is intended to create the enabling conditions identified as being vital by the NAPA, the Initial National Communication to the UNFCCC, the National Capacity Self-Assessment and a range of other studies (see Section B.1) for future climate change interventions to maximise their adaptation effectiveness. Following extensive stakeholder consultations during the preparation of the PIF, it is clear that greater capacity and coordination at the national level are prerequisites for an improved enabling environment for climate change adaptation in Djibouti and that an improved enabling environment is, in turn, a prerequisite for effectively and systematically addressing climate change risks and vulnerabilities ‘on the ground’ at the community level. Under Component 1, with an active National Climate Change Committee in place and a National Climate Change Strategy to guide Government and donor interventions, joined-up policy-making and coherent on-the-ground programming will be enabled, benefiting Components 2 and 3 (and, of course, future projects) through better inter-agency coordination, better information-sharing, better identification of ongoing co-financing / leveraged financing opportunities, and better dissemination of lessons-learned and project impacts. Component 1 will strengthen Government institutional capacity for coordinated, climate-resilient planning, and will explore a range of options for better targeting and ‘de-risking’ finance for climate change adaptation.

A National Climate Change Committee has existed in law in Djibouti since 1999 but has never been operationalised due to institutional and capacity constraints. Building on work being undertaken by a UNDP-GEF Land Degradation project (see Section A.4) to establish the National Desertification Committee, the LDCF project will re-activate the National Climate Change Committee and will facilitate Secretariat support to the Committee. The role of the Committee will be to bring together the array of Government line ministries and agencies involved in adaptation-relevant activities (even, importantly, where these activities are not explicitly labeled as being ‘climate adaptation’) – notably the

Ministry of Habitat, Urbanism and Environment, the Ministry of Agriculture, Fisheries and Animal Husbandry, the Ministry of Energy, Water and Natural Resources, the Ministry of the Interior and the Agence Djiboutienne de Developpement Sociale (ADDS) – so as to improve coordination and ‘joined up’ approaches. The creation of an ‘Office of Coordination’, accompanied by capacity development and the provision of tools and resources necessary for Government agencies’ functioning, was an explicit recommendation of the NCSA, and the LDCF project proposes to deliver on this recommendation in the climate change space.

To provide the Committee with a framework for assessing and achieving programming ‘coherence’, the LDCF project will assist the Committee in developing a National Climate Change Strategy (which Djibouti has never hitherto had). This Strategy will build on existing Government sectoral strategies (water, agriculture, land degradation, energy, rural development, etc.) and will be informed by detailed modelling work on robust climate change scenarios and emissions baselines, development plans, projections of impacts of actions, and a review of innovative solutions and practices against several criteria, including cost-benefit considerations, available in the Djibouti context. On this basis, effective and appropriate actions and priorities will be articulated, including both new actions and actions that mainstream climate change within existing strategies and programmes. Development of the Strategy will be fully participatory in nature, involving a range of Government, civil society, academic and private sector actors, and will build upon the Green Low-Emission, Climate-Resilient Strategies (GLECRDS) framework developed by UNDP.

As demonstrated by the origins of the National Climate Change Committee – existence in law but not in practice – there is a risk that the re-activated Committee, as an inter-ministerial body, will be overlooked or marginalised by line ministries focused on their own sectoral objectives. This risk will be mitigated to an extent by the development of the National Climate Change Strategy, endorsed by the Office of the Prime Minister, against which ministries will be held accountable. It will also be mitigated by the development of a strong Secretariat, supported through LDCF technical assistance and capacity development, that receives the authority and respect of line ministries which recognise that they can positively benefit from the work of the Committee and the incorporation of climate change considerations into their own work. And it will also be mitigated by the endowment of a financial-operational role to the Committee. An output of the LDCF project will be the exploration and development of innovative climate finance instruments for climate change adaptation, at least some of which will be overseen and implemented by the Committee itself. Together with a newly-commenced UNDP-Adaptation Fund project (see Section A.4 below), the Agence Djiboutienne de Developpement Sociale (ADDS) is formulating a micro-finance scheme for pastoral communities, a population segment not hitherto served by credit instruments. The LDCF project will explore options for institutionalizing and scaling-up a similar instrument (i.e. creating a national-level micro-finance structure, rather than an ad hoc programme) that will cover a broader range of target groups and adaptation-relevant sectors/technologies, housed within the National Climate Change Committee.

Additionality: As identified by numerous studies, including the NAPA and the National Communication, the baseline in Djibouti is characterised by deficient coordination between Government bodies and between Government and non-Government (notably donor) actors, compounded by capacity deficiencies within Government and extreme financial constraints to address a range of pressing climate-related problems. One of the key challenges confronted by the PROMES-GDT project to date has been the difficulty of securing inter-ministerial and inter-agency coordination across the range of sectors, institutions and activities covered by the project. In a country characterised by extreme short-term challenges such as poverty and malnutrition, the Government often finds it difficult to justify the allocation of scarce fiscal revenues to longer-term structural needs. Component 1 of the LDCF project directly addresses these baseline deficiencies by providing the institutional structure and strengthening needed to promote joined-up responses to climate change and – crucially – aligning and embedding these responses in the Government’s own national and sectoral development priorities. The LDCF project will also enable existing financial resources to be spent more effectively

and will facilitate the mobilisation of additional climate finance to scale-up the country's adaptation response. The LDCF project will benefit from, and build on, the ongoing UNDP technical assistance being given to the nascent Inter-Ministerial Committee for Disaster Risk Management and will coordinate closely with the planned EU-GCCA support to the National Climate Change Committee (see Section A.4 below).

Component 2: Reduced vulnerability to climate change for vulnerable communities in two targeted mountain regions: Adaillou and Assamo.

Component 2, focused on two priority upland areas – Adaillou and Assamo – selected in conjunction with the Ministry of Habitat, Urbanism and Environment, will channel investment and technical support to conserve scarce water resources and manage temporal flows to reduce flooding and erosion. Specific activities will include:

- Rehabilitation and monitoring of existing and new water structures implemented as climate change adaptation measures. Building on the experiences of, and in some cases the project infrastructure of, a number of baseline projects (notably the community-led Annual Hydraulic and Pastoral Planning Schemes developed under PROMES-GDT and EVA's detailed hydrological work in Adaillou), the LDCF project will support concrete investments in water harvesting infrastructure. Instead of run-off being left to cause erosion and present a hazard to people and livestock, surface water will be harvested and utilised as a directly productive form of soil and water conservation. The success of past donor-supported water harvesting projects in Africa has been mixed, largely because of the selection of inappropriate, technologically-sophisticated and expensive approaches. The LDCF project will avoid these mistakes by focusing on simple, low-cost and culturally-acceptable investments that are chosen by the communities themselves and which are constructed (and monitored after construction) using unskilled local labour (with appropriate training and supervision) in cash-for-labour schemes established by the project in conjunction with extant schemes run by WFP and FAO. Investments will cover a range of micro-catchment (contour bunds and ridges), long-slope (harvesting of overland and rill flow) and floodwater (micro-dams and water-spreading bunds) harvesting techniques, as well as groundwater harvesting (sub-surface dams). Such techniques are well-established and proven in the field⁹. Where possible, locally-available materials, such as stone and mud, will be employed. Investments will be climate-proofed – in terms of location, design and capture capacity – in anticipation of more sporadic, intense rainfall and higher temperatures in the future. Investments will also be made in storage media (retention basins, underground cisterns) to facilitate livestock water supply and cropping outside the rainy season. Detailed plans will be drawn up during the project preparation stage but it is anticipated that the LDCF project will support the construction and/or rehabilitation of at least 8 earth dams and bunds with retention basins and at least 20 sub-surface dams each with a capacity of 2,000 m³ (each sufficient to provide water for 3 months to 200 households – people and livestock). So as to prevent this water infrastructure itself becoming a source of environmental stress (acting as magnets for unsustainable numbers of livestock that over-graze and cause land degradation through trampling¹⁰), accompanying the investment activity will be a review and implementation of local water management rules (governing the volume and frequency of usage and the eligible beneficiaries) by local communities and enforcement activity by district-level government staff so as to apply effective regulations for water access and use.
- In line with a specific recommendation of the 2010 Rapid Assessment of Drought Impacts, the LDCF project will implement a programme of tree planting around water collection points

⁹ See, for example, FAO (2008), *Overview of Main Water Harvesting Systems*:

<http://www.fao.org/docrep/U3160E/u3160e03.htm>.

¹⁰ See, for example, Thrash and Derry (1999), 'The nature and modelling of piospheres: a review', *African Protected Area Conservation and Science*, Vol 42, p.73-94.

(including those constructed/rehabilitated by the project) so as to reduce run-off erosion, provide fodder and shade for livestock, and expand livelihood options for the local communities. The proximity of the water points and the trees will reduce the burden on women and children while collecting water and fuelwood, thereby providing them with alternative livelihood or educational opportunities. Drought- and saline-resistant fodder crops, fruit trees (including dates) and moringa (which has multiple uses in the form of nutritional cake, drink and fencing) will be favoured. The LDCF project will build on the baseline work of JICA and Tokyo Agricultural University elsewhere in the Ali-Sabieh region to apply the innovative ‘stone mulching’ method in Adailou and Assamo to assist tree establishment and growth. This labour-intensive method will be implemented using local labour in conjunction with a community payment scheme. Two tree nurseries, one in each region, will also be established in conjunction with the Department of Forestry of the Ministry of Agriculture, Fisheries and Animal Husbandry so as to provide a supply of tree saplings for planting. These nurseries are currently in the Department’s strategic plan and, on the basis of existing Ministry tree nurseries, are expected to have low operating costs, but both lack sufficient funds needed to establish them.

- The introduction of fuel-efficient cookstoves in the target communities. Thermal energy requirements in the household sector are mainly for cooking and baking, and 99% of rural households in Djibouti use biomass (predominantly wood) fuel, placing considerable pressures on local tree resources and resulting in considerable tree cover loss, soil erosion and – increasingly – energy poverty as areas become biomass-deficient. Building on UNHCR’s experience of fuel-efficient cookstove dissemination in the refugee camp in Ali-Sabieh, the LDCF project will distribute, through an affordably-priced micro-finance (instalment-based) scheme, approximately 2,000 cookstoves. The precise number and distribution modality will be clarified during the project preparation phase and will be preceded by a detailed social survey of the target communities to establish usage patterns – indoor vs outdoor cooking, fuelwood types, predominant uses (boiling water, frying food), etc. – and affordability constraints. The project’s cookstove component is anticipated to have a range of ancillary benefits (notably reduced indoor air pollution and reduced time needed for wood collection¹¹) but has the principal objective of reducing pressures on existing and newly-planted trees, thereby supporting the reduced erosion/livelihood support benefits sought from these trees.

Additionality: The deficiency of current levels of water harvesting, preservation of tree cover and usage of fuel-efficient cookstoves in Djibouti is attested to by the fact that each is specifically highlighted as being a NAPA priority: priority 2 addresses tree preservation through the use of improved cookstoves and priority 3 relates to management of surface water resources. Building on a number of relevant baseline initiatives, Component 2 of the LDCF project targets two particularly vulnerable areas selected in conjunction with the Ministry of Habitat, Urbanism and Environment – Adailou and Assamo – to directly address these NAPA priorities. The LDCF project will benefit from the baseline work and practical lessons-learned of PROMES-GDT, which shares similar objectives to the UNDP-LDCF project. The lessons learned by the PROMES-GDT technical team in the design, construction and maintenance of rainwater harvesting infrastructures will be utilized by the LDCF project. Sharing of knowledge between the two project teams will be fostered, particularly in regard to national norms and standards relating to the design, construction and maintenance of rainwater harvesting in the climatic and geomorphic context of Djibouti. Amongst other things, this will assist the technical and management team of the LDCF project to fast-track project implementation. The community-based approach used by PROMES-GDT in order to mobilize the communities in Day Forest for reforestation activities will also be adopted in the LDCF project, and the project will offer the communities of

¹¹ And also reduced emissions of carbon dioxide and black carbon. See, for example, Stockholm Environment Institute (2013), *Assessing the Climate Impacts of Cookstove Projects: Issues in Emissions Accounting*, Stockholm, Sweden.

Adaillou and Assamo the opportunity to undertake field visits to Day forest in order to foster knowledge-sharing between communities, especially in tree nursery management and forest preservation. Also, the tree nursery of Day forest may be utilized to provide trees for the Adaillou and Assamo sites – this will be confirmed during the PPG stage. The LDCF project will also build on the PRODERMO baseline project, which has been designed with the same objectives and goals of PROMES-GDT but with different sites targeted. The types of synergies identified in relation to PROMES-GDT are also valid with PRODERMO. The identification of effective national standards and norms for the design, construction and maintenance of rainwater harvesting infrastructures will be a valuable combined output of both projects.

IGAD organized a large number of consultative meetings with its Member States, development partners, CSOs and UN agencies during 2011 and 2012. UNDP has committed to supporting IGAD in strengthening its institutional capacity (i.e. at the level of the IGAD Secretariat) and its Regional Platform Coordination Unit, which will coordinate IGAD's resiliency interventions in IGAD countries. The LDCF project will build on this UNDP support to IGAD, particularly from the knowledge-sharing perspective. Moreover, development of the IGAD "Programme de Pays Pour Mettre Fin aux Urgences Liées aux Sécheresses dans la Corne de l'Afrique" and the LDCF project are taking place in approximately the same time-frame, thereby permitting both to mesh their activities together to the fullest extent possible. Programme-LDCF synergies are likely to be strongest in regard to the creation of water points and grazing areas accessible along transhumance routes (the Programme also intends to establish a regulatory framework for transhumance routes, which the LDCF project will respect), market support (e.g. the creation of pastoral milk associations) and the creation of micro-finance instruments for rural areas (offering strong potential for Programme-AF-LDCF collaboration). The AfDB Drought Resiliency Programme covers two regions – Ali-Sabieh (which includes Assamo) and Tadjourah (which includes Adaillou) – that overlap with the LDCF project. With the AfDB project at a very early stage of development, there is considerable potential for working with the project to ensure that synergies with the LDCF project are built in from the start.

The AfDB Drought Resiliency programme will provide support to the rural populations of Ali-Sabieh, Arta and Tadjourah to recover from drought and adapt to climate change. The AfDB project has a strong livestock development focus which will be useful to the LDCF project. While the LDCF project will be supporting agro-pastoralism in Adaillou and Assamo, the AfDB project will undertake similar activities in other areas. The AfDB project also has a strong component on knowledge management and aims to mainstream climate-sensitive pastoral development of ASALs into sectoral policies and local development planning at the level of local government. The LDCF project will build on this local government aspect in order to ensure the sustainability of the infrastructure developed by the LDCF project. (UNDP also has a useful track record in this respect, having implemented a decentralization project funded by EU to elaborate regional development and regional investment plans in the Ali-Sabieh and Dikhil regions). The LDCF and AfDB projects will need to liaise with the same local authorities of Ali-Sabieh and Tadjourah and will, therefore, need to develop a common, coherent approach. Other opportunities for mutually beneficial interactions between the two project stem from defining norms and standards for the design, construction and maintenance of water infrastructure and standards for cash-for-work tariffs for local communities.

The JICA project, "The Master Plan Study For Sustainable Irrigation and Farming In Southern Djibouti" has been designed to address the problem of vulnerability of the pastoral sector to climate variability and the insufficient carrying capacity of pastureland. The project recognizes that the limitation of suitable land for livestock breeding is an important gap facing the development of the livestock sector. The project aims to reduce the drought vulnerability of nomad families by breaking the link between poverty and climate variability and by addressing capacity gaps in the Government ministries responsible for rural development issues. The LDCF project will work closely with the JICA project and early contacts have already been established. Lessons learned from the JICA project in terms of optimal irrigation systems that will save water and increase levels of productivity will certainly

be useful for the LDCF project. The stone mulching technique will also be useful for the LDCF project as the technique permits the saving of water by reducing soil evaporation losses as well as protecting young trees from livestock grazing. JICA experiences gained in terms of community mobilization as well as the costs of developing water harvesting infrastructures will be shared with the LDCF project (and vice versa).

The LDCF project will also benefit from the extensive work undertaken by EVA's PICODE project in Adaillou. EVA is very active in community mobilization around environmental issues, addressing the lack (gap) of community governance structure in relation to environmental issues and the insufficiency of central Government interventions for social community development. EVA has plans to expand PICODE to include mini-dam and cistern construction, the creation of water points along transhumance routes, soil conservation and rill removal, and diversification of local incomes to include, for example, honey production. The LDCF project will build on EVA's on-the-ground social networks, the community trust it has built up over the years and the baseline technical studies it has undertaken, and will enhance EVA's baseline activities with the technical, financial and institutional (direct link to central Government) capacities EVA currently lacks, to improve the water retention infrastructure and community management in Adaillou.

The LDCF project will benefit from the UNHCR "Light Years Ahead" initiative, which has promoted the distribution of 4,500 fuel-efficient cookstoves (which use 80% less fuel than standard cookstoves) in the Ali-Adde refugee camp to reduce the pressures on the tree resource. This initiative, particularly in relation to the cookstove technical standards established and the baseline data collected by UNHCR on how cookstoves are actually used (frequency, indoor/outdoor, type of cooking) and the fuelwood savings one can expect, will prove extremely useful to the LDCF project. The baseline data will be used to inform the design of the LDCF project's more detailed social survey of cookstove usage patterns (Output 2d). The LDCF project will geographically expand the scope of cookstove distribution (to Assamo and Adaillou) and will enhance aspects of the UNHCR initiative – in particular, it will not distribute cookstoves for free but, rather, will link cookstove distribution to a micro-finance (instalment-based) scheme. Payment for cookstoves has repeatedly been found to improve households' usage and care of cookstoves.

Component 3: Enhanced human and institutional capacity for increased sustainable rural livelihoods among vulnerable communities in two targeted mountain regions: Adaillou and Assamo

Component 3 serves to complement Component 2 in two specific areas:

- Through support at the regional level – to the regional governments responsible for Adaillou and Assamo – to establish drought/flood preparedness and mitigation plans, emphasising the importance of community participation in developing and implementing such plans and the central role that local water management rules can play. This planning work will be accompanied by a training programme for regional civil protection and water officials. UNDP has established relationships with the two regional governments through its past and ongoing support to Djibouti's regional decentralisation programme, and the planning work will both inform and be informed by the on-the-ground water harvesting activities conducted under Component 2.
- Through support to local commodity and handicraft production (e.g. honey, fruit, poultry, artisanal products) as climate-resilient income-generating and diversifying activities, accompanied by enhanced access to local and national markets. Mountain communities inevitably face market access barriers, both physical (distance to market, steep terrain, etc.) and informational (lack of awareness of prevailing market prices, lack of established retail networks, etc.). In conjunction with activities conducted under Component 2 (notably the planting of fruit trees and date palms), the LDCF project will implement a package of measures

to assist local communities, with a particular focus on women, to access markets on more favourable terms: training (technical as well as basic business skills); investment in appropriate storage facilities for fruit and other perishables; assistance in establishing community cooperatives that can serve to pool resources and skills, as well as enhancing communities' price bargaining strength with retailers and improving micro-finance creditworthiness; and assistance with establishing networks with logistics and retail actors in market towns and Djibouti Ville.

Additionality: Barriers, particularly prominent in the mountain regions of Djibouti, are widely acknowledged to constrain the ability of local communities to engage more fully in the market-based economy. Djibouti imports 85% of its fruit and vegetable needs (mainly from Ethiopia), and dates are mainly imported from Arab countries. Although the project's contribution to rectifying these shortfalls will be minor at the national scale, it will have a positive and sustainable adaptation impact for the local communities involved. Moreover, the fact that large quantities of fruit are being imported demonstrates that considerable market demand exists and can be addressed, at least partially, by domestic supply.

v. Innovativeness, Sustainability and Potential for Scaling-Up:

Providing an opportunity for communities to engage with local investment activities (e.g. water infrastructure) ensures local buy-in and sustainability of outcomes. By building social capital and supporting the diversification of productive activities (accompanied by market access support), the project is explicitly designed to produce long-term resilience outcomes. Gender considerations will be embedded throughout project activities, and it is expected that improvements in water availability/management and the diffusion of fuel-efficient cookstoves will provide disproportionate benefits to women and girls. Owing to women's traditional role of managing the household, these gender benefits are expected to increase community buy-in and ongoing support for the project. In the rural regions targeted by this initiative, no major alternative livelihood options (such as industry or mining) exist. For rural populations, when conditions for living become too harsh the usual adaptation option is migration to Djibouti Ville. However, the unemployment rate in Djibouti is high (around 60%). The adaptation approach supported by the proposed LDCF project – support to an ecologically-adapted production system – is therefore regarded as a much more effective strategy than migration and resettlement of pastoralists in urban and peri-urban areas.

The LDCF contribution represents just 20% of the overall project budget, with co-financing covering a majority of the project's component costs. This contribution is expected to leverage substantial additional national and global benefits for the project. In addition, the project's design as a comprehensive set of interventions (policy, capacity development and investment at national and local scales) provides the best available means of achieving lasting benefits for the upland communities of Djibouti, since this full suite of measures will reinforce the impacts and processes initiated by the project.

The project is inherently scalable, both geographically (expansion of investment and rehabilitation activities to other areas of Djibouti) and thematically (e.g. expansion of micro-finance lending to cover additional sectors and household needs). Moreover, project activities such as the re-establishment of the National Climate Change Committee and the development of a National Climate Change Strategy are specifically intended to provide a sustainable framework for more effectively channeling future – non-LDCF – efforts and funds for climate change adaptation in Djibouti.

A.2. Stakeholders. Identify key stakeholders (including civil society organizations, indigenous people, gender groups, and others as relevant) and describe how they will be engaged in project preparation:

Stakeholders of this project include the central Government, local development actors (community associations, NGOs and decentralized authorities), multilateral agencies (through co-financing and joint implementation of some project activities) and vulnerable communities (notably those of Adaillou and Assamo). During the project preparation phase, a full stakeholder mapping will be undertaken in order to ensure full consultation and robust project design as well as providing a tool to deploy more effective communications strategies throughout the project.

Project Stakeholder	Relationship with the LDCF Project
Ministry of Habitat, Urbanism and Environment	<p>The Ministry will be the Executing Partner for the LDCF project. It holds the national mandate for environmental affairs and regional economic development, is the National Climate Change Focal Point and houses the National Committee for Sustainable Development. It is also the Executing Partner for three closely-related initiatives – a newly-commenced UNDP-Adaptation Fund project on shade gardens, the Great Green Wall initiative and a UNEP-GEF LDCF fragile ecosystems project. Because of its cross-sectoral coordinating mandate, the Ministry is ideally placed to host the National Climate Change Secretariat, to develop the National Climate Change Strategy and to manage outreach and capacity development activities for other Government bodies.</p> <p>Project coordination at the national level will be ensured by a high-level Project Steering Committee to provide guidance and ongoing monitoring of project outputs and impacts. It will be chaired by the Ministry of Habitat, Urbanism and Environment and will include representation from relevant central Government ministries, district commissioners, the National Women’s Union and community representatives.</p>
Ministry of Agriculture, Fisheries and Animal Husbandry	<p>The Ministry has the mandate for the implementation of sectoral policies in the areas of food security and rural development. It is also responsible for the promotion and development of crop and livestock production, improvement of vegetation cover, veterinary services and food control. The Ministry is also responsible for the fight against desertification, irrigation and water conservation structures and the rehabilitation of hydro-agricultural infrastructure. The Ministry is the executing partner of the PROMES-GDT, PRODERMO and UNDP-GEF land degradation projects, and has been working with EVA with regard to water capture schemes in Adaillou. In addition to providing support to LDCF project infrastructure activities in the field, the Ministry will participate in the Project Steering Committee and will also have a prominent role in the National Climate Change Committee.</p>
Ministry of Energy, Water and Natural Resources	<p>The Ministry is responsible for the development and implementation of sectoral policies in the areas of energy, water and natural resources, including rural energy access (including cookstove dissemination programmes) and non-agricultural water supply projects. It is also the Executing partner for the UNEP-LDCF vulnerable coastal zones project. The LDCF project’s activities relating to capacity development, water infrastructure and cookstoves will be undertaken in close coordination with the Ministry, and the Ministry will occupy a place on the National Climate Change Committee.</p>
Ministry of Interior	<p>The Ministry is responsible for implementing the Government’s policy on decentralization; in this capacity, it designs and implements the decentralization of Government services and the transfer of competences between central and local government. The Ministry is also the central institution in charge of the coordination of disaster risk management at the national level through its Executive Secretariat for Disaster Risk Management. The Ministry is a key partner in the engagement with local</p>

	communities through its representatives in the regions (local governors and prefects).
Ministry of Equipment and Transport	The Ministry is responsible for Government policy on roads, ports and airports, and also supports the management and operation of public buildings. The Ministry is currently constructing a 150km road (with completion due in 2015) between Tadjourah and Balho, with Adaillou en route. This road will enhance the market access of agricultural and artisanal products supported by the LDCF project and will also facilitate the access of heavy machinery to water infrastructure project sites.
Agence Djiboutienne de Developpement Sociale (ADDS)	The role of ADDS is to support sustainable development projects through the mobilization and implementation of funding and support actions, with a particular focus on the provision of basic community infrastructure, job creation and disadvantaged groups (e.g. women and children). The Directorate of Micro-Finance of ADDS receives funding from the National Solidarity Fund and donors such as the African Development Bank and the Islamic Development Bank. ADDS has a strong track-record in micro-finance, having been involved, for example, in the establishment of the Popular Bank for Credit and Saving and the development of the draft National Micro-Finance Policy (see Section A.1.iii). In conjunction with a UNDP-Adaptation Fund project, ADDS is developing a three-tiered adaptation-oriented micro-finance scheme that supports climate-resilient shade gardening practices in the Grand and Petit Bara plains. While the micro-finance scheme developed under the LDCF project will have a different geographical and thematic (e.g. cookstove) focus, the long-standing relationship between UNDP and ADDS will allow the new scheme to be adapted rather than created from scratch (with the risk-reduction and time-saving benefits that implies). Moreover, the two credit and savings offices that ADDS operates outside of Djibouti Ville are both located in regions targeted by the LDCF project: one such office is in Ali-Sabieh (which includes Assamo) and the other is in Tadjourah (which includes Adaillou). The LDCF project will work with ADDS to implement the micro-finance scheme.
Regional governments responsible for Adaillou and Assamo	Over the past 10 years, the Ministry of Interior and Decentralization has formulated and implemented decentralization reform measures. At regional level, five regional governments ('collectivités régionales') were created following the first local elections in 2006. However, the system is not yet operational. While regional governments have buildings and equipment, local technical capacities are weak. The project will work with the two regional governments that cover Adaillou and Assamo to build the capacities of civil protection and water officials, and to disseminate the results of the LDCF project more widely. The regional councils will have seats on the Project Steering Committee.
Centre D'Etudes et de Recherches de Djibouti (CERD)	CERD, under the Ministry of Higher Education and Research, manages map and GIS databases centrally for Government ministries and agencies, including resources relating to watersheds, soils, vegetation, agricultural zones, climate zones, geology and physical infrastructure (e.g. roads, public buildings). It is participating in the UNEP-LDCF coastal zones project and is implementing a USAID-funded flood early warning system around Djibouti Ville. Given its mandate as a Government service provider and the specialist expertise it houses (not found elsewhere in Government), it is expected that CERD will play a key role in relation to the provision of technical services to the Climate Change Secretariat that will be established by the LDCF project to support the National Climate Change Committee.

<p>Ecologie du Village Association, EVA (NGO)</p>	<p>An established Djiboutian NGO, EVA has been active in the Adaillou area since 1996. EVA has plans to expand its environment/development programme, PICODE, to include mini-dam and cistern construction, the creation of water points along transhumance routes, soil conservation and rill removal, and diversification of local incomes. This baseline project represents an ideal entry-point for LDCF support: the LDCF project will benefit from the detailed preparatory work undertaken by EVA (including a detailed hydrological survey) and from the established network of stakeholders EVA has built up over the years and will, in turn, take this work forward by bringing to bear financial, technical and institutional (Government) resources that would otherwise be lacking in the baseline.</p>
<p>National Women’s Union (Union Nationale des Femmes Djiboutiennes, UNFD) (NGO)</p>	<p>UNFD is a respected NGO that works to improve the daily well-being of women in areas such as illiteracy, poverty and human rights. The gender dimension of the LDCF project – both in terms of benefits (e.g. relating to reduced water and fuelwood collection needs) and implementation needs (women are expected to be leading champions of the project at the grassroots level) – is such that it is considered useful to invite UNFD to have a place on the Project Steering Committee. This has worked well in the past for other UNDP projects, which have benefited from UNFD’s insights, advocacy and networks to promote gender outcomes.</p>
<p>Other project implementation agencies, including the Intergovernmental Authority on Development (IGAD), the Japanese International Cooperation Agency (JICA), the European Union (EU), the African Development Bank, the World Bank, the United Nations High Commissioner for Refugees (UNHCR), the UN Food and Agriculture Organisation (FAO), and UNDP programmes/projects.</p>	<p>As outlined in Section A.1, the LDCF project will build on and coordinate with a number of baseline projects implemented by a range of agencies. In many cases, UNDP already has ongoing projects/programmes with these agencies or has been involved in the specific projects listed. The LDCF project has already engaged in a set of detailed stakeholder engagements to design the project at PIF stage, and this process will be continued during the PPG stage to ensure that the LDCF project is fully coordinated with relevant initiatives (and, conversely, that the other initiatives receive the full benefits of the LDCF project).</p>

A.3 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):

Risk	Level	Mitigation Strategy
<p>The project could encounter delays due to the lack of institutional coordination and nationally-available expertise and human resources</p>	<p>High</p>	<p>The project will establish a database of national and international experts able and willing to provide technical support to the project. Close linkages with co-financing partners and baseline projects will ensure the availability of technical expertise. The project will also benefit from structures and mechanisms established for the Great Green Wall Action Plan and the newly-commenced UNDP-AF project (both of which are also executed by the Ministry of Habitat, Urbanism and Environment). The project design has been informed by prior hands-on analysis of Djiboutian pastoral systems by WISP and others and has – building on the lessons-learned from the PROMES-GDT project – deliberately adopted a conservative and focused approach to project activities. Moreover, the project’s support to the National</p>

		Climate Change Committee is specifically intended to facilitate inter-ministerial coordination.
Risk of duplication with other initiatives	Medium	The PPG phase will seek more precise identification of ongoing or planned interventions in the project regions or at country level. As the level of detail furnished in this PIF demonstrates, considerable baseline analysis and in-country stakeholder engagement has already been undertaken.
Works associated with water mobilization and retention infrastructures lead to unanticipated environmental impacts	Medium	The PIF has been screened according to UNDP's Environmental & Social Safeguards. The PPG phase will provide a thorough analysis of possible environmental impacts of interventions, and determine the best technical options as well as mitigation strategies.
A disconnect between the activities under various components of the project (e.g. national level strategy development and institutional strengthening vs. on-site investments and community assistance) could lead to unforeseen impacts or missed opportunities	Medium	The Project Steering Committee will be tasked with ensuring that coordination among the various project components is effective.
The participatory approach could be ineffective due to lack of community ownership or lack of understanding on the part of implementers and beneficiaries.	Medium	The participatory approach and community training components are central to the project's activities and will include awareness-raising at all stages of implementation, targeted training and the availability of technical expertise. Most community investments targeted by the projects (micro-dams, tree-planting, etc.) are relatively simple in their technical design and implementable in a reasonable timeframe (up to 1 year as opposed to several years). This will facilitate the participation and involvement of communities and will ensure that demonstrable results are achieved quickly, thereby avoiding frustration and credibility loss. Gender benefits for women and girls are expected to be high (notably in the context of reduced need for water and fuelwood collection); the engagement of women, as traditional managers of households, is expected to improve household participation rates.
Extreme climate pressures (e.g. drought, flooding) could exacerbate already existing conditions in the regions of the project or undermine project achievements	Medium	Project investments will be climate-proofed in terms of their locations, designs and capture capacities so as to be able to withstand forecast future climate stresses. Investments will be selected and designed using a community participatory process, thereby allowing local knowledge of climate risks to be incorporated into the prioritization and selection of investments. Water infrastructure installed/rehabilitated by the LDCF project will be accompanied by management plans, developed in conjunction with the local communities and the regional governments, regulating usage (volume, frequency, beneficiaries) of the water and preventing over-use and accompanying degradation / over-grazing / trampling of the land surrounding the water points. Drought-resilient tree species will be planted and provision will be made for the supply of fodder at subsidized prices for livestock in case of excessive drought.

A.4. Coordination. Outline the coordination with other relevant GEF financed and other initiatives:

In addition to the baseline projects described earlier, the project will build on strategies and policies developed by the Government of Djibouti in relevant sectors (see Section B.1) as well as on synergies with ongoing and planned projects, notably those listed below. The Project Preparation Phase will provide a more detailed assessment of baseline activities, as well as an inventory of best practices already under implementation in the country and potential synergies.

- **LDCF project, implemented by UNEP: “Implementing Adaptation Technologies in Fragile Ecosystems of Djibouti’s Central Plains”** (PIF approved in October 2012). The project’s objective is to reduce community-level vulnerability by implementing priority actions identified in Djibouti’s NAPA in fragile ecosystems, with a geographical focus on the coastal area of Tadjourah and the fragile semi-desert region of Hanlé. The project shares an executing partner – the Ministry of Habitat, Urbanism and Environment – with the proposed LDCF project, which will ensure coordination between the projects. Component 1 of the UNEP-LDCF project concerns protection against water-related climate change hazards. Although the focus is largely on coastal protection and there are no geographical overlaps between the investment components of the two projects, the UNEP-LDCF activities devoted to hydrological early warning systems and wadi water regulation could potentially inform the proposed LDCF project. Conversely, the UNEP-LDCF project’s hydrological risk assessment of the inland plains could, particularly in Tadjourah, benefit from the upstream watershed work of the UNDP-LDCF project. The two projects of course draw upon common baseline initiatives, such as the work of the Centre D’Etudes et de Recherches de Djibouti (CERD) on watershed dynamics and the “Support to Surface Water Mobilization” project executed by the Ministry of Agriculture, Livestock, Fisheries and Water, all of which will benefit from better coordination through the re-activated National Climate Change Committee (under the UNDP-LDCF project) and associated capacity development assistance.
- **LDCF project, implemented by UNEP: “Implementing NAPA Priority Interventions to Build Resilience in the Most Vulnerable Coastal Zones in Djibouti”** (2009-2015). The project objective is to address the impacts of climate change on coastal ecosystems and communities in Khor Angar and Atar-Damerjog by implementing a set of measures that strengthen the capacity to predict future changes, while helping local populations to adapt through the adoption of soft measures for more sustainable production methods, particularly in the areas of water management, agriculture, fisheries and tourism. An ecosystems management approach is applied as the framework for addressing the root causes of vulnerability. Although the UNEP-LDCF project and the proposed UNDP-LDCF project address different NAPA priorities and geographical areas, there are nonetheless some areas of overlap – notably the UNEP-LDCF project’s work on hydrometric watershed monitoring, decentralized training for hydro-climatic monitoring and activities to reduce pressure on tree resources (more fuel-efficient cooking, enhanced community management of fuelwood). Linkages between the two projects will be pursued, with the UNEP-LDCF project’s executing partner, the Ministry of Natural Resources, also being accorded a prominent role in the National Climate Change Committee (to be re-activated with the support of the proposed UNDP-LDCF project).
- **LDCF project (at Programme Framework Document, PFD stage), implemented by AfDB: “Rural Livelihood Adaptation to Climate Change in the Horn of Africa”** (2013-2017). The objective of the project is to improve the resilience to climate change of pastoral communities in targeted areas, and to increase the adaptive capacity of their livelihoods. The project will attempt to promote a critical shift from simply reacting to local crises to proactively adopting medium and long-term community-based preparedness approaches to climate events. The geographical overlaps between the UNDP-LDCF and the AfDB-LDCF

projects are likely to be limited. The AfDB project will target the Beyaa-Dader watershed in Ali-Sabieh (which is far from Assamo), the Gaggda-Darela watershed in Dikhil (this region is not included in the UNDP-LDCF project) and the Weima watershed in Tadjourah and Obock: in theory, this encompasses Adaillou but AfDB is likely to target other areas, such as Assa-Guela. There is also a difference in philosophy between the two projects. The AfDB project will focus more on how to improve the lives of pastoralists (e.g. through support to the livestock sector) while the UNDP-LDCF project is broader and seeks to help agro-pastoralists: the viability of pure pastoralism seems increasingly questionable in the context of fluctuating climate, growing rural populations and pressures on the availability of fodder. Nonetheless, the two projects will coordinate closely and ensure that their joint impact is maximised.

- **Land Degradation GEF project, implemented by UNDP: “Harmonizing support: a national programme integrating water harvesting schemes and sustainable land management”** (2011-2014). This project has the objective of improving the living conditions of pastoral communities through targeted investments and participatory integrated natural resources management. Three regions are targeted, Day Forest and surroundings, Grand Bara and Petit Bara, and the Gobaad area, along with a number of priority enabling areas including enhanced inter-sectoral coordination, awareness raising, training of government officers (GIS, soil and water conservation), and provision of equipment and infrastructures for the Forestry and Anti-Desertification Service. While the GEF project does not overlap geographically with the proposed LDCF project, the LDCF project will nonetheless build on the preparatory feasibility study prepared by the GEF project for surface water harvesting through retention works; will benefit from practical lessons-learned associated with the GEF project’s rehabilitation and creation of livestock watering holes designed to collect run-off from small watersheds; will benefit from the GEF project’s experiences with fodder expansion through re-vegetation and reforestation; and will link the National Climate Change Committee (to be established by the LDCF project) with the National Desertification Committee supported by the GEF project.
- **Adaptation Fund project, implemented by UNDP: “Developing agro-pastoral shade gardens as an adaptation strategy for poor rural communities”** (2012-2017: this project targets an area in the semi-arid plains of Ali-Sabieh to mobilise and secure sustainable water resources for shade gardens, increase forage production capacities and develop micro-finance products to promote rural incomes. Although the AF project focuses on the lowlands, the AF and LDCF projects address a suite of shared objectives in two geographically-adjacent target areas with a common executing partner (the Ministry of Habitat, Urbanism and Environment): the design of the LDCF project has therefore been deliberately shaped to build off some of the preparatory work undertaken by the AF project, notably its engagement of the Agence Djiboutienne de Developpement Sociale (ADDS) to formulate a micro-finance scheme for pastoral communities. There have hitherto been no specific credit schemes geared towards pastoralists for adaptation purposes, the main barriers being mobility (pastoralists, as nomads, have few possibilities to build-up assets to absorb shocks) and low-income status (raising credit risks). The AF project is developing a smart approach to micro-finance for pastoralists in conjunction with ADDS, elements of which the LDCF project will adopt, thereby lowering implementation risks and delays. The LDCF project will, though, have an energy (fuel-efficient cookstove) micro-finance element that is lacking in the AF project, and for this component the LDCF project will build on the experiences and expertise of the UNDP-UNCDF CleanStart programme.
- **“Programme on Climate Change Adaptation and Mitigation in the COMESA-EAC-SADC Region”**, Global Climate Change Alliance (GCCA): A programme of the European Union, the GCCA provides technical and financial support to targeted developing countries

to integrate climate change into their development policies and budgets and to implement adaptation and mitigation interventions. The Euro 3 million Djibouti component of the regional Programme contains a Euro 1 million mitigation element (involving calculation of the grid emission factor and largely energy-based emissions reduction activities) and a Euro 2 million adaptation element focused on urban water use and agro-forestry. Together with the LDCF project, the Djibouti GCCA programme will help the Government to re-activate and strengthen the National Climate Change Committee. Capacity development and institutional support activities will be coordinated – and, where possible, jointly undertaken – by the two initiatives so as to maximize effectiveness.

- **World Initiative for Sustainable Pastoralism (WISP):** WISP is a global initiative that supports the empowerment of pastoralists to sustainably manage drylands resources. UNDP is a member of the WISP Steering Committee, with UNDP's specialist Drylands Development Centre (DDC) taking a lead role. During PIF preparation, the proposed LDCF project has benefited from WISP's experience notes on the Afar and Issa pastoral systems and from its proposed approaches regarding advocacy for maintaining, and enhancing, mobile livelihoods. Furthermore, Djibouti is a participant country in the second phase of UNDP-DDC's **Integrated Drylands Development Plan (IDDP)** whose objectives include the reduction of vulnerability of dryland communities to climate risks and improving local governance and utilization of natural resources.
- **Great Green Wall Djibouti Action Plan, Ministry of Habitat, Urbanism and Environment:** the Great Green Wall initiative is a set of geographically-discontinuous forestry projects, linked to agricultural and water programmes, that are intended to be curative (addressing urgent environmental stress) or preventive (long-term environmental risks) in nature. The programme shares many overlaps with the aims of the proposed LDCF project, as well as a shared executing partner. In particular, common areas of work potentially include: the creation, rehabilitation and management of meteorological-hydrological base stations and the creation of a database of integrated water resources (this work can be coordinated under the aegis of the National Climate Change Committee so as to incorporate prospective climate change impacts and ensure multi-agency engagement); surface water feasibility studies (the LDCF project can both benefit from and contribute to this body of knowledge); the creation of frameworks for cooperation and water management involving local stakeholders (the LDCF project's capacity development activities will support this objective); the rehabilitation of degraded land through tree-planting (the LDCF project and Great Green Wall initiative will share common foundational activities, such as FAO assistance to Ministry of Agriculture seed nurseries and World Food Programme food-for-work schemes, as well as cost-sharing where respective tree-planting schemes overlap); and the construction of 200km of planted corridors to facilitate the movement of cattle from the uplands to the lowlands (and vice versa) during transhumance (the LDCF project's investments in water retention infrastructure will be coordinated with these corridors so as to provide livestock watering points).
- **CleanStart:** CleanStart is a \$26 million global joint initiative of UNDP and the UN Capital Development Fund (UNCDF) to increase low-income households' access to sustainable, low-cost energy through micro-finance services that are supported by an enabling policy environment and energy value chain. The proposed LDCF project, in conjunction with the operational arm of the Agence Djiboutienne de Developpment Sociale (ADDS) which manages micro-finance schemes for the Government, will benefit from the global support services provided by CleanStart as well as its expertise and growing body of assessment reports and literature.

B.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSAs, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.:

The project idea is firmly embedded in the recommendations made in the National Adaptation Programme of Action (NAPA), the Initial National Communication to the UNFCCC, the National Capacity Self-Assessment (NCSA), recent studies implemented within the framework of new initiatives (such as the Great Green Wall) as well as a range of national and sectoral policies and strategies.

The **NAPA** (2006) was based on a large, consultative process at all levels, from Government authorities to vulnerable communities, including priority stakeholders and the most vulnerable segments of the population. The NAPA specifically identifies three sectors – water, agriculture and forestry, and livestock – as adaptation priorities; furthermore, of the 12 key vulnerabilities identified in the NAPA, 5 (flooding, lack of water, loss of property and infrastructure, threats to livelihoods, and livestock stresses) are addressed by the proposed LDCF project. The harmful impacts of the increasing frequency of drought (e.g. page 25) and flooding (e.g. page 12) are accorded particular attention by the NAPA, as is the “devastating human activity” (page 23) of deforestation and vegetation removal driven by grazing and fuelwood pressures. Mountain regions, including specifically Tadjourah (in which Adailou is located) and Ali-Sabieh (in which Assamo is located), are identified as suffering from a suite of heightened pressures, including increasing irregularity of rainy seasons, soil erosion, deforestation and reduced availability of water. Adaptation responses are hampered by (page 43) policy gaps, institutional weaknesses and limited climate change awareness by policy-makers and communities. The LDCF project addresses NAPA Priorities 2 (promoting the fencing of forest areas coupled with the introduction of improved stoves), 3 (implementation of restoration and management actions adapted to surface water), 4 (promotion of integrated agro-pastoral industry) and 6 (promoting the regeneration of pastures).

The **Initial National Communication to the UNFCCC** (2002) identifies Djibouti’s principal environmental problem to be water scarcity and the ephemerality of surface water, compounded by climate change-driven reductions in precipitation (projected (page 51) to be between -4% and -11% up to 2050). Among the proposed adaptation measures (page 16, 53, 71, 80) are mainstreaming of climate change considerations into water resource planning, hydraulic installations for the collection of surface water, sub-surface dams, restoration of grazing areas around rural water points, participatory management of water points, and sustainable management of tree resources (including, specifically, reforestation of upland areas). Capacity development, awareness-raising and fiscal revenue constraints are highlighted as cross-cutting barriers to climate adaptation actions.

The **National Capacity Self-Assessment** (2008) identifies lack of coordination and overlapping mandates between Government entities as a key challenge to ‘joined up’ environmental governance (page 8), and recommends the creation of an Office of Coordination accompanied by capacity development and the provision of tools and resources necessary for Government agencies’ functioning. Community-based capacity building for natural resource management is identified as a key component of the Action Plan (page 9), as is the promotion of reduced logging and land degradation.

Djibouti ratified the UN Convention to Combat Desertification (UNCCD) in 1997 and finalized its **National Action Plan (NAP)** in 2001. However, progress in implementing it has been slow, with only sporadic actions on the ground, despite a renewed focus on legislative and institutional reforms to support environmental conservation. For example, in 2004 the Ministry responsible for implementation of the UNCCD (Ministry of Agriculture, Land and the Sea) was restructured and provided with stronger mandates, including the establishment of a dedicated Forest and Anti-Desertification Service. However, the NCSA found that, like many other Government structures, the

Service suffers from a chronic lack of means and capacities to deliver its mandate.

A number of recent studies have demonstrated that surface water mobilization is of upmost importance for Djibouti and will build the country's resilience to climate change for both rural and urban areas. These assessments include:

- The sectoral reports for the **Great Green Wall Initiative**, which observes that surface water mobilized by earth dams can be used for several months (after rainfall) by pastoralists for livestock. Small-scale forage production plots can be developed near the water ponds.
- The evaluation report of the **African Development Bank** for the project "Mobilization des eaux à usage domestique et agricole" reports the successful development of agricultural activities after water mobilization in Djibouti.
- Scientific studies on Djibouti aquifers stress the imbalance between the current natural recharge and the pumping demand and the need for more water capture and storage for uses such as agriculture.

Given the limited water availability in Djibouti, the development of more efficient agro-pastoral systems is a key national priority for the Government, as illustrated by many national development programmes and plans that have underlined the necessity of integrated rural development initiatives based on improved water management and agro-pastoral development. As such, the 2003 **Poverty Strategy** aims to stop rural decline in the country through the rationalization of the exploitation of natural resources and assistance to drought-prone pastoral communities while improving agricultural yields and food production. Djibouti's 2009 **Poverty Reduction Strategy Paper (PRSP)** is oriented along three inter-related pillars: financial stabilization and economic restructuring; social development and environment; and regional integration. The Social Development and Environment pillar of the PRSP foresees the implementation of a disaster prevention strategy focusing on drought and flood prevention, as well as the promotion of food security through alternative livelihoods. In parallel with the PRSP, the Djiboutian Presidency launched the **Social Development Initiative (INDS, 2006)**, to which all ministries are required to contribute through the development of sectoral plans and programmes. The priorities of the INDS are to promote access to basic social services, to foster economic growth, poverty reduction and employment generation, and to provide assistance to those in precarious situations.

The **National Programme of Action for the Environment (PANE)** and **National Plan to Combat Desertification (PAN)** also underline the urgent need to protect the environment and better manage soil, water and pastoral resources. The **National Micro-Finance Policy (2012-2016)** stipulates a plan of action and strategic goals for the micro-finance sector in Djibouti. The mission of the Policy is to assure the access of poor populations to financial lending services, to coordinate the development of micro-finance institutions, and to improve management tools and operational capacities of these institutions so as to create a range of innovative and diverse services. The project is also fully consistent with the **Comprehensive Africa Agriculture Development Programme (CAADP)** – in which Djibouti participates – which calls for urgent action in areas related to investment in water and land management.

B.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities:

- **Country ownership:** The Government of Djibouti has ratified the UNFCCC and is classified as an LDC non-Annex 1 Party. Djibouti has also developed and submitted its National Adaptation Plan of Action (NAPA) and is entitled to benefit from the LDC Fund for the implementation of priority measures identified in its NAPA. The NAPA, which dates from 2006, was developed according to the guidelines set out in decision 28/CP.7 of the United Nations Framework Convention on Climate Change regarding the annotated guidelines for the creation of the National Adaptation Programmes of Action for the Least Developed

Countries. In implementing priority interventions identified in the NAPA, the project is consistent with the Conference of Parties (COP-9) and also satisfies criteria outlined in UNFCCC Decision 7/CP.7 and GEF/C.28/18. In addition to supporting NAPA priorities, the project is in line with a number of Government policies and strategies, as outlined in Section B.1.

- The project focus is aligned with the scope of expected interventions as articulated in the LDCF programming paper and decision 5/CP.9. As climate impacts fall disproportionately on the poor, the project recognizes the links between adaptation and poverty reduction (GEF/C.28/18, 1(b), 29).
- Compliance with programme and LDC Fund policies: The project complies with several specific NAPA-identified priorities (2, 3, 4 and 6), all of which are relevant for supporting national development goals and for achieving Millennium Development Goals 1, 3 and 7.
- Financing: The project is designed to accommodate the additional adaptation costs of priority actions identified in the NAPA and build on several other baseline projects and programmes. The co-funding for this project is also within the stated guidelines as regards prospective co-funding. The relevance of the co-financing to the proposed LDCF project is outlined in Section A.1 and will be further elaborated on during the project preparation phase.
- Institutional synergy and coordination: The project outcomes will be implemented through national implementation. The PIF therefore outlines project management costs that will be incurred by implementing partners at the national level (below 5%).
- Monitoring and Evaluation: The implementation of the project's activities will reflect UNDP-GEF monitoring and evaluation standards and procedures, in line with the requirements of the LDCF. Details of monitoring and evaluation will be articulated during the project preparation phase.

B.3 The GEF Agency's comparative advantage for implementing this project:

UNDP has long-standing experience in supporting climate change adaptation, climate finance, water management and rural development projects. Over the past decade, UNDP has actively supported work on National Adaptation Programmes of Action (NAPAs) and National Communications to the United Nations Framework Convention on Climate Change in some 140 countries. Recent UNDP efforts have focused on assisting national and sub-national agencies in their efforts to formulate and implement green, low-emission and climate-resilient development strategies (Green LECRDS).

At the global level, UNDP has demonstrable expertise in climate finance, investment de-risking, the design and operation of national climate change funds, national climate planning and policy formulation (and, importantly, the mainstreaming of climate change into broader national development agendas), water management, forestry and reducing pressures on forest resources, rural development, market access, and micro-finance. In Djibouti, UNDP has had a permanent Country Office presence since 1978, today staffed by 20 professional-level staff including a full-time Climate Change Policy Advisor.

UNDP's work in Djibouti is guided by the United Nations Development Assistance Framework (UNDAF - for the period 2013-2017) and the Country Planning Document (CPD - for the period 2013-2017). The UNDAF emphasises Djibouti's risk exposure to climate change and natural disasters and seeks to strengthen national institutions responsible for poverty reduction. The UNDAF framework for management of natural resources proposes to establish: (1) an integrated environmental safeguard strategy, (2) a framework for fighting desertification, (3) a flood early warning system; and (4) the active involvement of rural communities in the prevention and management of natural hazards. The CPD is based on the 100 priorities enunciated in the Government's National Development Strategy, the global UNDP strategic plan, the lessons drawn from the previous cooperation framework and the results of the programme assessment (ADR). It also derives from the Istanbul Action Plan, particularly with regard to the strengthening of renewed

partnerships in order to better promote national economic development and combat extreme poverty. The third (of three) element of the CPD consists of interventions designed to “improve the resilience of the communities most vulnerable to the effects of climate change and to preserve the environment”. Interventions by UNDP are primarily directed towards: (a) strengthening national governance of food security within the framework of the responses jointly offered by the United Nations system to the chronic food crisis; (b) establishing machinery for the management of risks and the effects of disasters and capacity building in national institutions and civil society in this area; (c) strengthening mechanisms for adjustment to drought in rural communities; (d) investigating and introducing new methods and technologies to enhance the adaptation of communities to the effects of climate change; and (e) strengthening interventions for the preservation of protected ecosystems on land and in the sea. The expected results are “a lessening of the vulnerability of peoples and ecosystems to shocks and disasters and an enhanced capacity of institutions and communities to preserve a healthy and lasting environment”.

UNDP's portfolio of projects and programmes in Djibouti directly relevant to this LDCF project is extensive and includes activities relating to disaster risk management, water infrastructure works, livestock re-stocking, revegetation and reforestation, pasture-land rehabilitation, decentralised political authorities and poverty reduction (see Section A.1 for details), as well as national-level policy work. Furthermore, over the past six months UNDP has run a series of discussion and capacity development workshops for Government institutions specifically dedicated to climate change adaptation.


For the purposes of the LDCF project, UNDP will contribute \$560,000 of TRAC (core) resources, \$2 million of cash co-finance associated with relevant complementary baseline projects and programmes, and \$300,000 of in-kind co-finance in the form of staff time. The total programming budget of the UNDP Djibouti Country Office is approximately \$4.5 million/year, and this cash co-finance (\$2.56 million) over the 4-year duration of the project therefore represents a significant (14%) fraction of the Country Office programming budget.

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Dini Abdallah Omar	GEF Operational Focal Point	MINISTRY OF HABITAT, URBANISM AND ENVIRONMENT	MARCH 10 2013

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	DATE (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
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