



REQUEST FOR PROJECT PREPARATION GRANT (PPG)
 PROJECT TYPE: Full-sized Project
 THE LEAST DEVELOPED COUNTRIES FUND FOR CLIMATE CHANGE
 (LDCF)¹

Submission date: May 28, 2010

GEFSEC PROJECT ID²:
 GEF AGENCY PROJECT ID: 4069
 COUNTRY (IES): Mozambique
 PROJECT TITLE: Adaptation in the coastal zones of Mozambique
 GEF AGENCY (IES): UNDP,
 OTHER EXECUTING PARTNER(S): Ministry for the Coordination of the Environment (MICOA)
 GEF FOCAL AREA: Climate Change

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	June 2010
Completion date of PPG	May 2011

B. PAST PROJECT PREPARATION ACTIVITIES (\$)

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

C. PROPOSED PROJECT PREPARATION ACTIVITIES (\$)

Describe the PPG activities and justifications:
<ol style="list-style-type: none"> 1. The objective of the LDCF project is to improve the capacity of communities living in the coastal zones of Mozambique to manage climate change by: i) generating climate change risk and adaptation options analysis and mainstreaming it into policies, investment plans and sector budgets at the national and sub-national level ii) piloting demonstration projects in coastal communities to increase capacity to cope with climate change-induced coastal erosion and to improve coastal ecosystem resilience to climate change; and iii) improving knowledge management for replication of climate change adaptation measures in coastal zones. 2. The end-product of the preparatory phase will be a UNDP Project Document, which will outline in detail the following: <ul style="list-style-type: none"> ▪ A clear description of baseline activities in relation to current and planned investments, and the policy and regulatory landscape; ▪ An explicit specification of all adaptation activities to be financed under the LDCF, the additional cost reasoning, and the cost-effectiveness of the project relative to alternative

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

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

- project designs;
 - A clear definition of the target population;
 - Goal, objective, outcomes, outputs and indicators;
 - A clear description of the expected roles and responsibilities of different stakeholders at the national and sub-national level;
 - A clear description of the project management structure;
 - A logframe and description of a Monitoring and Evaluation system, including results-based indicators.
3. The PPG phase activities will be divided into three components; namely 1) Technical and financial feasibility of adaptation options; 2) Project scoping; 3) Stakeholder Consultations.
 4. Project formulation will build on the NAPA and other relevant reports, and in close collaboration with other programmes presently underway, such as the Africa Adaptation Programme (AAP), the long-term adaptation programme under the National Disaster Management Institute (INGC Phase II), the Pilot Programme for Climate Resilience (PPCR) and Strategic Environment Assessment (SEA). These programmes will be undertaking assessments and information gathering exercises that can underpin the design of LDCF financed initiative.

COMPONENT 1: Technical and financial feasibility of adaptation options

5. Project formulation will be based on the methodology set out in the UNDP’s Adaptation Policy Framework’s Document and the UNDP toolkit for designing climate change adaptation initiatives. The project design will follow the *adaptive capacity approach* in formulating specific activities. This approach will ensure that the implementation of NAPA priority 3 “*Reduction of climate change impacts in coastal zones*” is not undertaken in isolation but contributes to ongoing activities executed by the government of Mozambique and other donors already actively engaged in improving coastal adaptive capacity.

(a) Climate change and baseline problem analysis, and identification of adaptation responses in high-risk coastal areas and sectors

6. A detailed review of the scientific literature on climate change impacts and potential costs on coastal systems in Mozambique will be undertaken. The review will also undertake an in-depth baseline problem analysis in relation to the vulnerability of coastal communities in Mozambique to climate change. The risk and vulnerability analysis will guide the identification of the project adaptation responses. Barriers to implementing this solution will be identified, followed by the identification of barrier-removal solutions that can be built into the project design. A detailed cost assessment will be undertaken to ensure that these interventions are affordable and cost-effective in the context of alternative ways in which the project could be designed (see below). This analysis will underpin the formulation of project outputs that could best achieve the project outcomes.
7. The baseline assessment will include a review of: i) on-going and planned investments in coastal zone; and ii) policies, laws, executive regulations and decrees relevant to coastal planning. This review will focus on strengths and weaknesses and gaps of the existing systems/policies/laws in place (as well as proposed interventions) to overcome anticipated impacts of climate change on coastal communities. Useful documents in this regard are: (i) the Government’s Five Year Plan, the Poverty Reduction Strategy Paper (PARPA II), the Plano Quinquenal and/or the PARPA III (depending on whether these latter two documents have been released at the time of PPG implementation) and other relevant strategies, policies and legislation; (ii) National Millennium

Development Goal Report (National MDG Report); and (iii) *UN Common Country Assessment (CCA)*. A review of the UN/UNDP programming documents such as the *United Nation Development Assistance Framework (UNDAF)* and *UNDP Country Programme Document (CPD)* or *Common Country Framework (CCF)* will also be undertaken in order to ensure that the project is anchored on relevant ongoing UN development programmes/projects.

(b) Identification of the target population

8. The target population will be chosen on the basis of high vulnerability to climate change, and other criteria to be decided by stakeholders, which could include: a) strong community leadership and social networks b) willingness of communities/demand by communities to try new adaptation approaches; c) existing capacity development or coastal zone investments which the LDCF project could bolt onto d) where the return to investment is likely to be biggest. The project document will specify how many households will benefit from the project, and the replication value (no of households that could benefit from similar interventions).
9. A participatory stakeholder approach to site selection and in designing the adaptation interventions will be used and this will be outlined in the full size project document.

(c) Cost effectiveness analysis

10. The project will assess the cost-effectiveness of the identified adaptation responses and will formulate a strategy to ensure that the interventions are financially sustainable beyond the period of LDCF support. This will comprise:

1. establishing the adaptation target (e.g. minimizing coastal zone losses due to climate change), b) assessing effective demand for project interventions c) designing the project based on technical and financial feasibility,
 2. The cost-effectiveness analysis will gather available evidence from similar interventions in Mozambique.
 3. The cost analysis should take into account lessons learned from past programming experiences in order to ensure that the LDCF interventions are designed in a least cost way.
 4. A detailed description will be given of how the existing institutional/policy/legal frameworks could be adapted to support the replication of the adaptation intervention nationally.
11. Develop financing plan: this will comprise of two parts: a) developing the co-financing strategy with public and, where relevant/ appropriate, private sources of funding, and b) a detailed sustainability strategy to provide for continuation and replication of the project interventions beyond the period of LDCF support.

COMPONENT 2: Project Development

12. The outputs of Component 1 will be used as technical input for the formulation of a Project Document and CEO endorsement request for the proposed project. Key elements that the PPG phase needs to develop vis-a-vis the project document and CEO endorsement request:

(a) The project's logical framework

13. The logical framework represents the nuts and bolt of the project. The Logical Framework will be prepared in a consultative manner, building on the baseline and feasibility work of Component 1. Project indicators will be SMART, identified through a participatory stakeholder approach,

and aligned to the GEF Results Based Management Framework for Adaptation to Climate Change. The UNDP Environmental Finance Results Framework for Adaptation will be used as guidance. The project should be designed and implemented in a gender-equitable way, and project indicators should measure progress on gender equity. Baseline values for the indicators will be gathered and included in the project document.

(b) Definition of institutional roles and responsibilities

14. A detailed implementation strategy, with clearly identified roles and responsibilities of specific institutions for the overall management of the project will be developed, to ensure smooth and timely implementation. Protocols for cross-sectoral engagement should be developed and agreed upon by collaborating sector ministries. A capacity assessment will be undertaken of the proposed implementing partners.

c) Development of Stakeholder Engagement Plan

15. The project itself will require a stakeholder involvement plan so that the activities remain relevant and that lessons are shared and disseminated through the right networks for maximum impact. The stakeholder involvement plan should also include a project communication strategy.

(d) Exit strategy (financial sustainability)

16. A detailed sustainability strategy will be defined in order to ensure the continuation of the project after the four years of project grant. The cost analysis undertaken in Component 1 should include a review of management options to ensure the continuation of the adaptation interventions beyond the project grant. Stakeholders should be fully involved in the design of the adaptation interventions, to ensure that they are designed in a financially sustainable way.

e) Communication strategy

17. A detailed communication strategy will be developed. The communication strategy should assess where the best policy leveraging points are and target those with the adaptation learning generated by the project.

f) Description of adaptation learning points:

18. The project development phase will set out how the pilot interventions that are being tested will help Government and other stakeholders build their knowledge on how to adapt to climate change. Lessons to be extracted during the implementation phase will be identified and spelt out in the project document.

g) Detailed risk analysis:

19. The project document will contain a detailed analysis of what risks could affect project success and a mitigation plan for managing these risks.

COMPONENT 3: Consultation with key stakeholders

20. Stakeholders at the national/sub-national and community level will be invited to contribute to the project design phase by offering their: i) experiences and preferences vis adaptation to potential climate change impacts, ii) understanding of barriers to adaptation, iii) expertise that might be

helpful in designing and implementing the project. The following stakeholder consultation activities will be undertaken:

- Participatory development of the stakeholders' involvement plan in the implementation of the project. Partnership will be established with:
 - Communities
 - Public, private and international institutions that monitor and produce information related to climate change and coastal zone management.
 - A wide array of national agencies coordinated by MICOA and local municipalities, NGOs, international technical cooperation bodies including UN agencies, and local communities will be consulted in order to establish an effective framework for the proposed project.
- Collaboration will be secured with other UNDP practice areas such as BPCR and Capacity Development.
- Identification of partnerships including co-financing opportunities. Relevant ongoing projects and initiatives will be consulted for relevant collaboration and to build on existing analytical work.
- Technical reviews of the various technical inputs and assessments, reviews of documents and stakeholder engagements will be periodically prepared and circulated.
- Validation of draft project document with relevant government and non-government agencies, development partners, academic and research institutes.

List of Proposed Project Preparation Activities	Output of the PPG Activities	Project Preparation Amount (a)	Co-financing (b)	Total c = a + b
Component 1: Technical and financial feasibility assessment of adaptation options	<ul style="list-style-type: none"> • Climate change and baseline problem analysis, and identification of adaptation response in high risk coastal areas and sectors • Identification of target population • Cost effectiveness analysis • Develop the financing plan 	40,000	41,000	81,000
Component 2: Project Scoping	<ul style="list-style-type: none"> • Developing project's logical framework, indicators and baseline values. • Definition of stakeholder engagement plan • Definition of exit strategy • Develop communication strategy 	21,000	37,000	58,000
Component 3: Stakeholder consultations	<ul style="list-style-type: none"> • A stakeholder participation plan, with a clear focus on community involvement; • Identification of partnership • Consultative technical reviews • Prodoc validation workshop 	30,000	11,000	41,000
PPG management budget costs*		-	20,000	20,000
Total Project Preparation Financing		91,000	109,000	200,000

*The PPG management budget covers in-country operational management costs and expenditures related to facilitation of PPG activities and delivery of PPG outcomes. No UNDP Implementing Agency Services costs will be charged to the PPG Management Budget. All such costs will be charged to the IA fee.

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

	Project Preparation	Agency Fee
GEF financing	91,000	9,100
Co-financing	109,000	
Total	200,000	9,100

E. FOR MULTI AGENCIES/COUNTRIES

GEF Agency	Country Name/ Global	(in \$)		
		PPG (a)	Agency Fee (b)	Total c = a + b
(select)				
(select)				
(select)				
(select)				
(select)				
(select)				
Total PPG Requested		0	0	0

F. PPG BUDGET REQUESTING LDCF FINANCING

Cost Items	Total Estimated Person weeks (pw)**	LDCF	Co-financing (\$)***	Total (\$)
Government personnel	48	-	48,000	48,000
National consultants *	37	22,000	15,000	37,000
International consultants*	18	39,000	15,000	54,000
Communication, technical workshops, travel management		30,000	11,000	41,000
		0	20,000	20,000
Total PPG Budget		91,000	109,000	200,000


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

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

*** UNDP Country Office in Mozambique is committing 41.000 USD regular resources to the PPG.

G. GEF AGENCY (IES) CERTIFICATION

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

Agency Coordinator, Agency name	Signature	Date	Project Contact Person	Telephone	Email Address
Andrew Hudson Officer-In-		May 28 2010	Jessica Troni	+27 12 354 8056	Jessica.troni@undp.org

Charge UNDP/GEF					
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Annex A

Consultants Financed by the Project Preparation Grant (PPG)

Position Titles	\$/ person week*	Estimated PWs**	Tasks to be performed
National			
Climate change adaptation expert	1,000	37	<ul style="list-style-type: none"> – Coordinate all PPG activities, lead on in-country consultations; contribute technical inputs into produc. <p><u>Technical and financial feasibility analysis</u></p> <ul style="list-style-type: none"> – Help lead technical reviews – Contribute to detailed problem analysis (root-causes, barriers, solutions); – Set up processes to identify appropriate adaptation options and measures; – Review and analyze existing policies and regulatory and institutional frameworks, including adaptation incentives, disincentives and barriers; – Contribute to the design the project’s capacity development plan; – Support design of on-the-ground pilot adaptation measures and prepare pre-feasibility studies and cost/benefit analysis; – Contribute to developing the cost-effectiveness analysis – Lead the process of identifying the target population; <p><u>Project scoping</u></p> <ul style="list-style-type: none"> – Contribute technical inputs – Lead the development of the stakeholder involvement plan; – Organise participatory engagement into development of logical framework – Help develop the project’s replication and exit strategy (sustainability); – Establish baseline values for the project indicators. <p><u>Stakeholder consultation</u></p> <ul style="list-style-type: none"> – Facilitate negotiations with stakeholders and potential partners (e.g. organize and facilitate a series of technical workshops and consultative workshops); – Help build partnerships and mobilize resources; – Liaise with Government counterparts, UNDP and international consultants on technical matters.

International			
GEF/LDCF climate change adaptation specialist	3,000	18	<p>Lead the PPG team; Provide overall quality control, lead on the development of the project document.</p> <p><u>Technical and financial feasibility analysis</u></p> <ul style="list-style-type: none"> - Develop ToRs for the technical reviews; provide supervisory function - Develop cost estimates of the business as usual and adaptation scenarios - Develop the cost-effectiveness analysis - Develop the logical flow of analysis and narrative for all aspects of the prodoc, as set out in Section C of this PPG request. <p><u>Project scoping</u></p> <ul style="list-style-type: none"> - Develop all required project documentation - Help to source technical advice for the project <p><u>Stakeholder consultations</u></p> <ul style="list-style-type: none"> - Help develop workshop agendas - Conduct outreach to potential co-financiers to the project; - Make connections to UNDP practice areas - Stimulate partnerships and help mobilize resources.

* Or person month, if applicable. Please indicate clearly.

** Provide weeks or months as appropriate that corresponds to the rate provided in the previous column.