PROJECT IDENTIFICATION FORM (PIF)
PROJECT TYPE: Full-sized Project
TYPE OF TRUST FUND: LDCF

PART I: PROJECT IDENTIFICATION

Project Title:	Enhancing capacities of rural communities to pursue climate resilient livelihood options in the Sao Tome and Principe districts of Caué, Me-Zochi, Principe, Lemba, Cantagalo, and Lobata (CMPLCL)		
Country(ies):	Sao Tome & Principe	**GEF Project ID:**	5184
GEF Agency(ies):	UNDP	**GEF Agency Project ID:**	4645
Other Executing Partner(s):	Ministry of Infrastructures and Natural Resources	**Re-Submission Date:**	February 21, 2013
GEF Focal Area (s):	Climate change	**Project Duration (months):**	48 months
Name of parent programme: For SFM/REDD+	n/a	**Agency Fee ($):**	380,000

A. FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative grant amount ($)	Indicative co-financing ($)
CCA-2: Increase adaptive capacity to respond to the impacts of climate change, including variability, at local, national, regional and global level	Outcome 2.2: Strengthened adaptive capacity to reduce risks to climate-induced economic losses	Output 2.2.1: Adaptive capacity of national and regional institutions and networks strengthened to rapidly respond to extreme weather events Output 2.2.2: Targeted population groups covered by adequate risk reduction measures	LDCF	1,000,000	4,000,000
CCA-1: Reduce vulnerability to the adverse impacts of climate change, including variability, at local, national, regional and global level	Outcome 1.3: Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas	Output 1.3.1: Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability	LDCF	2,810,000	11,503,000
Sub-total				3,810,000	15,503,000
Project management cost			LDCF	190,000	697,000
Total project cost				**4,000,000**	**16,200,000**

B. PROJECT FRAMEWORK

Project Objective: To strengthen the resilience of rural community livelihood options against climate change impacts in the Sao Tome & Principe districts of Caué, Me-Zochi, Principe, Lemba, Cantagalo, and Lobata (CMPLCL)						
Project Component	**Grant Type**	**Expected Outcomes**	**Expected Outputs**	**Trust Fund**	**Indicative Grant Amount ($)**	**Indicative Cofinancing ($)**
Developing capacities of the key institutions of relevance to rural development and livelihoods including CBOs and other CSOs to effectively support communities resilience and adaptation to climate change	TA	1) The capacity of the CATAP, CIAT, district governments and assemblies, district councils, CSOs and CBOs to support the enhancement of climate resilience of rural community livelihoods	1.1) A training programme is designed and implemented to provide CIAT experts and technicians with the technical capacity to develop agro-sylvo-pastoral adaptation technologies and climate resilient seeds and seedlings for cocoa, maize, cassava, sweet potato, taro and soybean (150,000) 1.2) A human and technical capacity development plans is designed and implemented for the CATAP to become a national agro-sylvo-pastoral climate change adaptation training center (200,000) 1.3) 200 agricultural extension Services trained on adaptation strategies to support village climate change platform and vulnerable communities transition to climate-resilient livelihoods (100,000) 1.4) Districts and village level climate change platforms created in the 6 districts of CMPLCL and 30 villages to facilitate dialogue and coordination for the elaboration, the implementation and the monitoring of village and districts levels annual adaptation plans and related budgets	LDCF	**850,000**	**4,000,000**

			(150,000) 1.5) 300 representatives of the districts and villages platforms, district governments assemblies trained on how to develop, implement and monitor Annual Adaptation Plans and related budgets (150,000) 1.6) 3 Community based organizations (farmers association, women based groups and other local stakeholders,) in each of the rural community of the 6 districts of CMPLCL are empowered (organization, awareness raising, leadership training,) and mobilized to efficiently contribute in the processes of identifying and addressing the underlying causes of vulnerability and developing adaptative practices in concert with CATAP, and CIAT, (100,000)			

Investments for the protection of communities livelihoods against climate risks	INV	2. Vulnerability of rural livelihoods to climate risks reduced through climate risks management infrastructures and mechanisms	2.1) Small scale community managed infrastructure to fight against climate induced erosion (terracing, rain water control, wind breaks and other forms of erosion control) and crop fields flooding (dykes, bunds) , to collect and distribute rain waters in order to prevent climate induced irrigation water shortage in dry seasons, and resilient irrigation systems are built and maintained in the most vulnerable regions of CMPLCL (900,000) 2.2) Extreme climate and weather disaster safety nets mechanisms such as cereal banks, food cooperatives, and other custom based mechanisms for managing risks associated with climate variability impacts on foods resources, natural and economic assets, and livelihoods are developed in each of the 30 most vulnerable villages of the districts of CMPLCL. (410,000)	LDCF	**1,310,000**	**5,503,000**
Diffusion of climate resilient livelihoods strategies in the most vulnerable communities	TA	3) Adaptation strategies are designed and transferred to strengthen communities climate resilience in the 30 most vulnerable villages of the 6 districts of CMPLCL of Sao Tome and Principe	3.1) District and village annual and multiyear adaptation plans and related budgets are developed to identify, prioritize, coordinate and implement adaptation actions of the supporting institutions and the communities aiming to increase the climate resilience of livelihoods in the 30 villages the most vulnerable in the 6 districts (100,000) 3.2) Priority community	LDCF	**1,650,000**	**6,000,000**

			adaptation projects focusing on enhancement of current livelihoods resilience and livelihood diversification (beekeeping, ecotourism, NPFL exploitation, small ruminant and poultry breading, artisanal activities,…) are implemented for 2,000 rural households in the 30 most vulnerable villages of the 6 districts of CMPLCL (800,000) 3.3) agro-sylvo-pastoral adaptation technologies and climate resilient seeds and seedlings for cocoa, maize, cassava, sweet potato, taro and soybean are developed by the CIAT (600,000) 3.4) At least three micro-credit productsdesigned and offered through financial service providers to increase resilience of current livelihoods (e.g. resilient seeds and animal breeds or efficient water harvesting, irrigation and storage technologies,) and support alternatives income generating activities in village adaptation plans (150,000)			
			Sub-Total		**3,810,000**	**15,503,000**
Project Management Cost[1] inclusive of direct project services (such as procurement of goods and services, permanent project staff and consultants recruitment and other human resources management services) which UNDP will provide at the request of government and itemizes against a schedule of costs set out in UNDP's Universal Price List. An					190,000	697,000

[1] Same as footnote #3.

initial analysis has been completed indicating that these costs will not exceed USD 10,000 per annum)			
TOTAL		**4,000,000**	**16,200,000**

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount ($)
National Government	Ministry of Planning and Development through the Food Crop Project	Grant	3,500,000
Bilateral	European Union	Grant	4,000,000
Private sector	SATOCAO	Grant	8,000,000
GEF Agency	UNDP	Grant	500,000
GEF Agency	UNDP	in-kind	200,000
Total Co-financing			**16,200,000**

D. GEF RESOURCES REQUESTED BY AGENCY, FOCAL AREAS AND COUNTRY

GEF AGENCY	TYPE OF TRUST FUND	FOCAL AREA	Country name/Global	Project amount (a)	Agency Fee (b)	Total c=a+b
UNDP	LDCF	CC-A	Sao Tome and Principe	4,000,000	380,000	4,200,000
Total GEF Resources				**4,000,000**	**380,000**	**4,200,000**

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1 THE GEF FOCAL AREA STRATEGIES

This project is fully in line with LDCF/SCCF focal area objective 1 "Reduce vulnerability to the adverse impacts of climate change, including variability, at local, national, regional and global level" and objective 2 "Increase adaptive capacity to respond to the impacts of climate change, including variability, at local, national, regional and global level".

It is specifically aligned with outcomes linked to these objectives including the outcome 1.3 "targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability" and the Output 1.3.1: "Targeted individual and community livelihood strategies strengthened in relation to climate change impacts, including variability" .It is also aligned with the Outcome 2.2 "Strengthened adaptive capacity to reduce risks to climate-induced economic losses" and the Output 2.2.1: "Adaptive capacity of national and regional institutions and networks strengthened to rapidly respond to extreme weather events" as well as the Output 2.2.2: Targeted population groups covered by adequate risk reduction measures.

A.1.2. FOR PROJECTS FUNDED FROM LDCF/SCCF: THE LDCF/SCCF ELIGIBILITY CRITERIA AND PRIORITIES:

STP is classified as a Least Developed Country (LDC) and Small Island Developing State (SIDS), both of which are recognized by the United Nations Framework Convention on Climate Change (UNFCCC) as the most vulnerable to the impacts of climate change. The country has ratified the UNFCCC in September 1999 and the Kyoto Protocol in April 2008. STP has published its First National Communication to the UNFCCC in 2004. This latter has identified five sectors as particularly vulnerable to climate change: fisheries, forest, health, education, water and agriculture. STP has completed and submitted its NAPA to

the UNFCCC in December 2006. The NAPA has identified 22 urgent climate change adaptation priorities concerning the fisheries, infrastructure, health, water, agriculture/livestock/forestry and energy sectors.

This proposal is based on NAPA priorities and constitutes an integrated implementation at the community level of the priorities 6, 8 and 10: Reinforcement and diversification of agricultural production; Sustainable management of forest resources; Construction of Infrastructure for protection of vulnerable communities. Furthermore, this project is well aligned with the 3 following pillars of the National Poverty Reduction Strategy (NPRS): (i) "Reform of public institutions, capacity-building, and promotion of a good governance policy"; (ii) "Accelerated Redistributive Growth"; (iii) "Creation of opportunities to increase and diversify the incomes of the poor". Indeed, this project aims to increase STP communities resilience to climate change by i) strengthening Central and local Institutions, CSOs and CBOs capacities to support communities resilience to climate change and variability, ii) developing and disseminate improved climate risk information and adaptation knowledge; and (iii) by protecting rural livelihoods from the impacts of climate change and poverty reduced through economic diversification. It's worth to mention that this proposal was prepared with the full involvement of relevant stakeholders including NGOs and CBOs. Furthermore, this project will be nationally executed to ensure that the country ownership and accountability prevails in line with Aid Effectiveness principle. This project also responds to the food security vulnerability of the most vulnerable groups of the districts of Caué, Me-Zochi, Principe, Lemba, Cantagalo, and Lobata (CMPLCL).

A.2 DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL STRATEGIES AND PLANS AND ASSESSMENTS

In 2007, STP has released its National Adaptation Programme of Action (NAPA) that identified nine (9) priority sectors, among which food security, terrestrial ecosystems and infrastructures related priorities, which this project will deal with:

- Food security: the project will contribute to strengthen the climate resilience of the most vulnerable communities of Sao Tome & Principe by enhancing the adaptive capacities of the institutions and individuals relevant to rural development and livelihoods, including the rural communities and support the development, demonstration and transfer to communities of strategies to improve the climate resilience of current livelihood including the use of agro-meteorological information and climate resilient inputs and promote livelihoods diversification. Furthermore, the LDCF will support the elaboration of extreme climate and weather disaster safety nets mechanisms such as cereal banks, food cooperatives, and other custom based mechanisms for managing risks associated with climate variability impacts on foods resources. It will, therefore, contribute to improve the conditions of economic activities including agricultural production in STP, and contribute to food and nutritional security of the most vulnerable communities of STP.
- Terrestrial ecosystems: the LDCF aims also at protecting agriculture and forest ecosystems against climate changes and variability impacts in order to increase the climate resilience of agricultural systems in STP. For this purpose, the LDCF will support the elaboration and the implementation of local sustainable land and forest management plans conventions (custom laws) integrating climate changes issues and organizing land occupation (farming/ housing; commercial / food crop; irrigation methods, farming technologies,) and the access to forest resources (grazing areas, charcoal production areas and tree species
- Infrastructure: the LDCF targets also to protect vulnerable communities as well as their economic and natural assets against the likely impacts of climate change through the design, development and maintenance of low-costs measures to fight against land water erosion and mudslides, to collect and distribute rain waters in order to prevent climate induced irrigation water shortage in dry seasons, and resilient irrigation systems.

It will additionally contribute to integrate climate change risks issues in biodiversity conservation strategies at the community level and to achieve 3 of the 5 strategic objectives of the NBSAP and which are: the conservation of the inland waters ecosystem; the conservation of the forest ecosystem; and the

conservation of the agrarian ecosystem for the benefits of communities whose livelihoods depend to the good condition of the natural resources. The priority adaptation options of which this project will deal with take also into account STP's PAN/LCD strategies, particularly those related to livelihood production in agricultural communities and to the protection of natural resources and the environment.

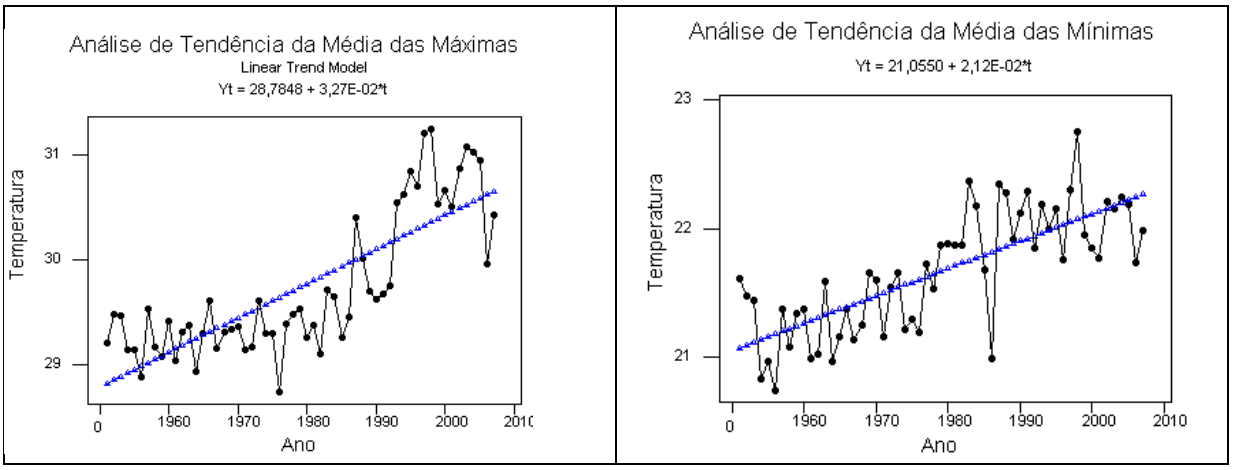
By targeting to develop communities capacities to adapt to climate changes and variability, this LDCF will help to prevent the exogenous shocks to the achievement of the NPRS pillars 2, 3 and 4 as well as at the community level than the national level. Indeed, the pillars 2, 3 and 4 of the NPRS depend highly, among others, on: (i) the reflation of the STP productive sectors, more particularly the primary sector, expected to be the main driver of the national production in the NPRS; (ii) the diversification of the production; (iii) the strengthening of the capacity of communities with a specific focus to women and young; and (iv) an economic growth resisting to endogenous and exogenous shocks among which we can retain the climate change and variability and their impacts. Furthermore, this proposition will be well coordinated with the pillar 1 of the PRSP "Reform of public institutions, capacity-building, and promotion of a good governance policy" which target the acceleration of the decentralization process, the strengthening of the local administration and the involvement of CSOs in the decision making process. Indeed, this project is also targeting to give to national and local institutions (mainly the Districts assemblies and governments) as well as CBOs and others CSOs the needed capacities and policy and institutional frameworks to support communities based adaptation initiatives.

B. Project Overview

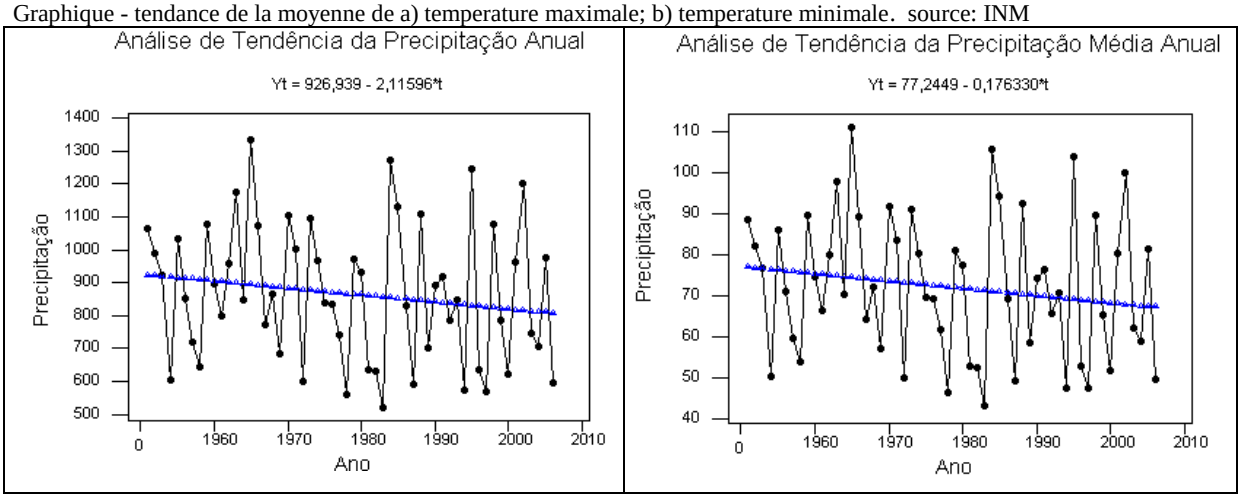
B.1. Describe the baseline project and the problem that it seeks to address

B.1.1 Problem

In Sao Tome and Principe, the agriculture, more particularly the cocoa production remains the main economic activity in the country, the biggest source of incomes for rural families, generating 70% of rural employment and about 80% of export revenues. But despite its importance for the economy and communities, STP agriculture is characterized by a very low productivity due mainly to the lack of good farming practices, the old age of the cocoa plants, the bad state of agricultural support infrastructures (irrigation schemes, rural markets, rural roads, …), the absence of efficient advisory support, and the failures of the agricultural inputs and products markets (lack of strategies to supply the farmers with good quality inputs, and to channel the agricultural product from the farms to the market as well as for their commercialization). This weak baseline of the agriculture is worsening by the stringent climatic conditions under which the farmers are operating. STP is experiencing a drying up of its climate which is highly threatening agriculture. Indeed, Sao Tomé & Principe has recorded an increase of average temperatures of 0.1°C per decade from 1960s to date with a concurrent significant decrease in rainfall (5.2% per decade) in the March -April-May season as well as in October-November-December. This combined with the continuous increased of the length of the dry season "gravana" which last nowadays 6 months (from April to September), while it was usually of 3 months (June to August), is giving rise to drought. It was reported indeed that, despite abundant average rainfall, STP has been experiencing longer and longer periods of drought, which constitutes a new constraint to food production, particularly in the northern part of Sao Tome Island.



Graphique - tendance de la moyenne de a) temperature maximale; b) temperature minimale. source: INM



Graphique - tendance de la precipitation a) annuelle cumulee; b) moyenne annuelle Source: INM

This climatic trend towards a relative drought become already apparent in the north East of the Sao Tome island with an overall sliding of isohyets towards the south west (fig.…). Such rainfall trend could on the long run affect all the country and evolve towards a deep mutation of the local climate. While it is difficult to evaluate quantitatively the impacts of this phenomenon because of the lack of quantitative data for the agricultural sector, the populations consulted during the NAPA process have pointed out the decrease of agriculture yield as a consequence of this climatic phenomenon. Indeed, 100% of the consulted populations have said that the lack of rains has been causing a high decrease of agricultural production affecting farmers communities income, food security and livelihoods. Besides that, the rainfalls in STP know a high inter-annual variability which can reach 100 to 200 mm from a year to another combined with a variability of the raining period. Also torrential rains are frequents in some areas and lead to hillsides destructions, landfalls and floods resulting in significant losses of material and goods for the communities. This variability constitutes another challenge for the agriculture and rural communities' livelihoods in STP. Thus, the NAPA has considered drought, floods (caused by the rains and waters of the sea), squalls and landfalls as the more preoccupying natural phenomenon for the agriculture sectors and as such for rural communities' livelihoods.

The forecasted climate change will likely amplify this already challenging environment for Sao Tome agriculture and increase vulnerability of rural communities' livelihoods to natural hazards. The available climatic information indicates that the length of dry seasons is likely to increase in STP. Climate change forecasts using simulations generated with the European Center for Medium Range Weather Forecasts Hamburg Global Climate Model (ECHAM4) suggest that an increase in temperature of up to 2ºC can be expected by 2100 coupled with a decrease in precipitation of about 15% in the STP sub-region. IPCC

scenarios also predict an increase in temperature of up to 2 ºC by the middle of the 21st Century for the STP region, with increased variation in precipitation patterns, longer dry seasons, increased flooding and dry fog. More recent analysis of STP future climate projection undertaken by Mark Tadross of Cape Town University has shown that precipitation may decline or increase by 2090, with more extreme events, whilst temperature is expected to increase. Furthermore, a study looking for climatic variants from data gathered from the STP airport meteorological station has found that the confirmation of the current climatic period (corresponding to a dry period) will lead to a decrease of the rainfall of 829.6 mm and an increase of the temperature of 2.84 ºC by 2100, what will be a challenging situation for the agriculture and rural communities in STP.

Underlying causes

The main factors of STP's rural communities' vulnerability are the following:

High levels of poverty within farmers and over-reliance of cocoa farming: Agriculture, above all cocoa, is the main source of incomes for rural families, accounting for more than half of the total cropped area and generating 70% of rural employment. Since independence in 1975, the economy has become increasingly dependent on cocoa, but production of cocoa has declined as a result of drought and fluctuating prices on world markets making the incomes generated from cocoa production erratic and low and maintaining the farmers within the poorest of the STP populations.

Low levels of investment into the agricultural sector, including limited market development and access for agricultural products: The Government of STP is injecting too little resources into developing the agricultural and food security sectors. The government of STP is targeting to increase the production of food crops and the productivity of cocoa to improve the country food security and farmers livelihoods. But The lack of good agricultural support infrastructures (Irrigation schemes, organized rural markets, rural roads, rural credit facilities, good extension services, dissemination of crop cultivars…) do not allow the increase of agriculture production and to reduce the foods crops deficit and the food insecurity.

Poor management of water resources: the STP climatic trend towards a relative drought, a variation in precipitation patterns and an increasing of the frequency of the torrential rains in some areas will require the development of systems for controlling, collecting and storing water during the rainy season and its timely distribution to farmers when needed. The lack of such system contribute to increase the vulnerability of STP farmers and their agricultural lands to the disturbance of rainfall patterns and the water erosion

Low agricultural technologies and knowledge within farmers' communities: Low technical capacity of farmers which, coupled with the lack of technical support (due to a weak national extension service), does not support productive agriculture in STP. The disappearance of most agriculture management structures and the lack of human and financial resources to provide technical services, led to the abandonment of sustainable agriculture practices. Another

The weak financial capacity of farmers and poor access to credit: STP farmers experience low profit margins. This is attributed to low agriculture productivity, inefficient storage, transportation and commercialization systems for agricultural products. With the current prices of cocoa beans of around $3,000/Tons for example, one hectare of cocoa trees, yielding an average of 400 kg per year, generates only $1,200 per year. As pointed out by the food security and vulnerability assessment report published in 2009 by the WFP, farmers and fishermen are the poorest socioeconomic groups (poverty incidence of 68%) in the country and poverty is more pregnant in the rural areas where 65% of inhabitants live under the poverty threshold. Additionally, they have difficulty to access credit due to the low density of decentralized financial institutions. STP farmers, therefore, have difficulty securing financial resources that are necessary to develop efficient and economically viable agricultural practices. High-return

agriculture would require good quality inputs, availability and options for financing efficient agricultural equipment, undertake good landscaping including measures to prevent soil erosion and slopes, and have an efficient irrigation and drainage systems.

Lack of an efficient agricultural inputs distribution system in rural areas.
At the present time supply of inputs such as seeds, fertilizers, pesticides and tools is nominally under the auspices of the Sociedades Agro-Comerciais (SAC's) which are government entities designed to purchase agricultural outputs and sell inputs and consumer goods. In actual fact, while they have been active to some extent in purchasing (e.g. cocoa) they have fallen well short of expectations on the input side. To date SAC's have not been active at all in selling consumer goods in rural areas. This has resulted in a somewhat anarchic situation in which inputs, if they are available at all, are supplied by a variety of foreign donors, NGO's and projects such as PNAPAF. Each of these has its own policies regarding what will be provided, how much and at what price. Consequently, it is virtually impossible to identify a consistent policy or for potential private sector agents to have confidence that a viable business can be built in this area. In addition, the private sector is not encouraged to invest in this sector due to the low financial capacity of the producers, the difficult access to production areas, and the lack of incentive policies (such as exemption from taxes and duties, for example). Consequently, farmers have not able to access to agriculture and livestock inputs in quantity and quality needed and at a competitive price that can enable them to ensure productive agriculture.

Low awareness of farmers of the negative impacts of their farming practices: few STP farmers are aware that their current farming practices contribute to degradation of natural resources, agricultural lands and ultimately to increase the vulnerability of STP agriculture to climate change.

A high population density coupled with the islands' limited land area causes inland migration as a result of a search for fertile land for agriculture. This often leads to deforestation and soil degradation. Increasing population density places additional pressure on limited natural resources (78% of the population are reliant on fuel wood as a primary source of energy) whilst increasing the demand for land. Heavily utilized soils surrounding villages are commonly degraded, and the remaining functional arable land has also become a source of territorial conflict between communities.

Low institutional capacity both in the private and public sectors. Within government, institutional memory is also low because of staff turnover following frequent changes in government and a lack of resources for training and education. Government capacity is low, which obviously does not lend itself to the kind of political push that is necessary to advance the implementation of adaptation priorities. Capacity is often built through various interventions (funded by development agencies) and is then lost as a result of a lack of continual investment in both functional and technical capacities.

Very little relevant information is available for planning climate resilient agricultural activities. Climate forecasts, where they are available, are not used to efficiently plan ahead for expected cropping seasons, or to warn of expected heavy rains or dry spells that will affect farm management decisons e.g. when to plant and what crop/cultivar to plant. The current situation with respect to rainfall, soil moisture conditions, temperature and evaporation, winds etc. is not monitored effectively. In part, this is due to the absence of a a dense enough weather station network that lends itself to credible information being generated and the difficult to access and utulize relevant satellite imagery. This information, moreover, is not used with suitable crop and economic models to explore effective and benefit maximising farm management decisons. Furthermore, this information is not combined with other relevant information for farm management decisions, including current and future fertiliser and seed prices, or the current and expected market price of crops (both domestically and internationally). Relevant information for improved decision-making is further not packaged into advisories suitable for agricultural extension officers to discuss with farmers and inform farm-level decision-making. In terms of future climate

change, there are currently no scenarios for STP agriculture that can be used to effectively plan for future adaptation to expected risks. Neither downscaled or sensitivity based analyses of climate from scenarios produced by different climate models, nor economic valuation of the net-benefits of alternative adaptation options are used in the decision-making process.

Long-term solution and barriers to achieving it:

An ideal solution, in the context of climate change and variability is that decision makers at all levels and rural communities understand the impacts of current and anticipated climate risks to rural livelihoods including farming activities, as well as have the capacity to plan and respond to those risks. Particularly, the District governments and assemblies as well as the other local authorities of the most vulnerable areas of the country should have the capacity to identify, develop, plan and implement measures that could efficiently reduce the vulnerability of rural communities and support them to face any negative impacts of climate change. Communities, including households relying on subsistence level food production should also have adequate information and capacities on alternative approaches, technologies and tools needed to strengthen their resilience to climate risks and benefit from incentives to use them. Any solution therefore needs to at least incorporate the following:

- Increasing the capacity of relevant public and private institutions and rural households to understand and plan for climate-related impacts, including available risk management options;
- Make available up to date information on climate, short term forecasts, seasonal forecasts, long-term climate scenarios, environmental monitoring, and other relevant data, all at a suitable spatial scale and packaged in a manner suitable for making on-farm management decisions. This includes adding the necessary infrastructure and building the required core capacity of human resources;
- Make available climate resilient agriculture advisory support that can engage farmers in discussions of current climate hazards, how best to present and package information for decision support, and help develop appropriate advisories given current technology, forecasts and information;
- Testing of different technologies, crops and strategies to build resilience to climate-related hazards. This could include diversification of farm activities and investigating alternative livelihood options.

STP is, however, currently facing several barriers that could prevent the country from achieving this ideal solution. Among these barriers, the following are important:

- Low awareness of decision makers on climate risks and increasing low technical capacity of authorities and officials of key ministries and regional and local governments to incorporate these climate risks and adaptation measures into appropriate policies, strategies, plans, budgets and local development. The UNDP/Government of Japan project
- Low technical capacity of farmers' communities to identify, develop and implement strategies for long-term adaptation to climate change.
- Farmers do not access to agricultural inputs, plant materials resilient to climate risks and appropriate agricultural extension services that could enable them to address current climate variability and later climate change.
- Stakeholders at all levels do not have access to information on agriculture, forestry and climate which would allow them to incorporate climate risks into their decision-making process. In the context of climate change and variability, it is essential that strategies and agricultural programmes are underpinned by relevant agro-meteorological information, such as cropping calendars, agricultural suitability zones, and agro-hydro-climatic forecasts for different time horizons into the future (incorporating a range of planning horizons for managing agriculture). This requires development of a framework for combining multiple sources of information (climate, environmental, social), the infrastructure to access and combine these data, as well as ways to communicate and update such information based on feedback from farmers and extension officers.

- The lack of a performing inclusive finance system to overcome the low financial capacities of farmers in order to allow them to make the necessary investments for strengthening their adaptive capacity e-g afford quality inputs, farms lay-out, anti-erosion, water control and wind-break infrastructures and also diversify their sources of incomes.
- There is little consolidation and dissemination of knowledge and experience on successful models and strategies (including endogenous) for climate risk management.

B.2. Incremental/Additional cost reasoning: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) AND THE ASSOCIATED Global environmental benefits TO BE DELIVERED BY THE PROJECT:

The overall objective of the project is to strengthen the resilience of rural community livelihood options against climate change impacts in the Sao Tome districts of Caué, Me-Zochi, Principe, Lemba, Cantagalo, and Lobata (CMPLCL). To achieve its objective, the project will deliver the following three main outcomes: (i) CATAP, CENFOPA, ISP, CIAT district governments and assemblies, CSOs and CBOs strengthened to identify and develop adaptive practices and strategies and to provide adaptation advisory services to promote and sustain climate resilient rural livelihoods; (ii) Resilience of livelihoods of the CMPLCL rural communities protected from likely the impacts of climate change; .

Component 1: Developing capacities of the key institutions of relevance to rural development and livelihoods including CBOs and other CSOs to effectively support communities resilience and adaptation to climate change

The expected **outcome** of this component is to have the Center for Agro Pastoral Development (CATAP), and the Agronomical research Institute (CIAT), the Center for Ecological surveillance (CES) the district governments and assemblies, CSOs and CBOs strengthened to support the enhancement of climate resilience of rural community livelihoods in the Sao Tome & Principe districts of Caué, Me-Zochi, Principe, Lemba, Cantagalo, and Lobata (CMPLCL).

Baseline

In the framework of the implementation of its Poverty Reduction Strategy Paper, the Government of Sao Tome and Principe, with the support of its partners including UNDP, is implementing a number of initiatives to strengthen the institutional and human capacities within the sectors directly linked to the rural development. These initiatives are meant to develop t the institutional and technical capacity within the local and decentralized institutions, the CSOs and CBOs in charge of supporting the rural communities to face to the development, poverty and livelihoods challenges so that they can be the driving force of the economic growth and provide the required support for fighting against poverty and food insecurity in STP. Indeed, the structural adjustment policies and the withdrawal of the state in the rural sector, had severely affected the agricultural extension and research capacities. Existing capacities of structures such as the Center for Agro Pastoral Development (CATAP), and the Agronomical research Institute (CIAT) are limited (insufficient trained human resources, inadequate logistics and equipment, infrastructure, etc). The overall ambition of these capacity building programmes are to have in place in rural areas support structures and advice close to the communities to facilitate the dissemination of appropriate technologies and coping strategies which are essential to improving food production.. Furthermore, the district government and assemblies of which primary task is to execute and support central government projects do not have the capacity to perform their role. The Government of STP is aware of this situation and, with the support of its partners, has undertaken to implement a number of initiatives to strengthen the institutional and human capacities within the sectors directly linked to the development of rural areas. Among these projects we can consider the following:

a) The European Union " Global climate change Alliance (GCCA)" project for STP (2013 - 2016) (co-financing $ 4.0 millions)

The GCCA in STP (funded at the tune of $ 6,8 millions) aims at enhancing capacity of national key institutions in charge of supporting the strengthening of communities' livelihoods and the reduction of rural poverty and support sustainable development pilot activities in the District of Mezochi and Lemba. To achieve this objective, the GCCA firstly will facilitate the sustainable development policy dialogue through the creation of national consultations mechanisms on sustainable development, poverty reduction and rural development; the capacity building of institutions and policy makers in charge of the rural development (Ministries in charge of agriculture, livestock, forestry, natural resources, social affairs, etc…) on mainstreaming sustainable development principles into existing sectoral policies and also designing new relevant sustainable development sectoral policies and related initiatives. It aims also at strengthening community livelihoods and advance rural poverty reduction by: supporting the installation of community livelihood development related infrastructures (water storage facilities, hydropower and solar energy for supporting economic development activities); creating national capacities for the design, building, operation and maintenance of community development infrastructures including housing; improving access of rural communities to clean energy for improved livelihoods and rural economic activities; and supporting reforestation activities in degraded areas; improving agricultural productivity by facilitating farmers communities access to improved inputs, efficient irrigation systems, agricultural advisory support, efficient technologies and technical agricultural itineraries.

This project is a relevant baseline initiative for strengthening communities' livelihood resilience to climate change. Indeed it is supporting the development of the capacity of national institutions and policy framework for sustainably addressing rural poverty which is one of the drivers of STP communities' vulnerability. Furthermore, the sustainable development policy framework it will create will be a relevant framework for supporting the development and the sustainable adoption of the adaptation strategies necessary for farming communities to cope with expected climate risks. At present, however,, this baseline project does not address some of the capacity related barriers for strengthening community resilience to climate changes. Among these barriers, one can note the absence of mechanism and technical capacity at the local level to facilitate the identification by the communities themselves of their adaptation needs to respond to climate concerns that can hinder the efficiency of the livelihoods supportive infrastructures and strategies supported by the EU GCCA project to sustainably improve community livelihoods. This is essential to promote communities ownership, participation and accountability in the implementation of these adaptation strategies and any sustainable development policy supporting their adaptation needs. Also, capacity limitations both at the national and local levels to translate communities' adaptation needs into appropriate climate resilient agro-sylvo-pastoral strategies and also to provide communities with required advisory support to implement these strategies do not help farming communities to cope with the climate risks that can affect the sustainable improvement of their livelihood options. It is, therefore, necessary that on top of the capacity the EU GCCA project will create, to develop capacity to address climate change rissk both at local and national levels that will allow identifying communities 'climate concerns and develop appropriate adaptation responses to be included in the sustainable policy development process supported by the EU GCCA project.

b) Food Crops Development Project (Co-financing $3.5 millions)

This project, financed to an amount of US$4,824,000 and supported by the Government of Taiwan will be implemented over the period January 2012 to December 2017. It aims at improving food security and safety in São Tomé and Príncipe. For this purpose, the project objectives is to: 1) assist the CIAT and the Agriculture Division to breed and produce high-quality specimens of, maize, cassava, sweet potato, taro and soybean seeds and seedling (12 tons of maize seed per year, 390,000 cassava seedlings, 1.65 million sweet potato seedlings, 435,000 taro seedlings and 3 tons of soybean seeds by 2014; 2) increase annual yields and crop production to reach 1,280 tons of maize, 1,300 tons of cassava, 300 tons of sweet potato,

500 tons of taro and 180 tons of soybean of annual production. For this purpose, the project will: i) support the capacity building and assist personnel at the Center for Agronomic and Technological Investigation (CIAT) and the Agriculture Division at the Ministry of Planning and Development to establish agricultural standard operating procedures (SOP), and a nursery to breed and produce high-quality specimens for the following five main crops (taro, cassava, sweet potato, soybean, maize); ii) assist the Agriculture Division to establish agricultural extension zones in which to promote the production of a range of crops under the principle that crops should be cultivated in the most suitable locations and by providing guidance on good management and cultivation on farms; iii) support the protection of São Tomé and Príncipe's natural environment by providing guidance to community farmers to manufacture organic compost from livestock manure, fishmeal and off-cuts from crops; iv) disseminate efficient production techniques through the CATAP and the extension technicians of the rural delegation and assist local farmers to better organize themselves. These food crops are sensitive to climate changes. Indeed, the climate changes could lead to the outbreaks of pests and diseases such as whitefly, mealybug, cassava brown-streak disease and cassava mosaic disease that could affect the productivity of these crops and impede the project to achieve its objective. Also the increasing of the intensity and frequency of droughts in some regions of the north of STP, and floods overall the country as well as the temporal and geographical disturbance of rains could have negatively affect the yields of these food crops. For this reason, it is necessary to integrate the climate risks and adequate adaptation responses in its implementation. Unfortunately, this project did not make provisions for putting in place the necessary capacity that will allow integrating climate concerns in its implementation. Indeed the CIAT technicians and Agricultural division experts do not have the capacity to integrate the climate risks in the standard operating procedures (SOP) they will develop and to include, into the breeding and production of crop specimen, characteristics that will allow the crops to be more resilient to droughts, floods and pest and diseases outbreaks in order to reduce existing threats and prepare for emerging ones. Also, the Agricultural Division expert in charge of identifying the most appropriate extension zones to promote the production of these crops do not also have the capacity to factor the current and projected climate risks in the selection of current and future production zones. Furthermore, the CATAP and rural delegation technicians and extension staffs do not have the required capacities to support beneficiary farming communities to face to the climate risks related to these crops.

Additionnality: Building on the European Union GCCA project and the Taiwan foods crop development project, this outcome will implement climate change capacity development related activities at the national and local levels for the management of climate risks in STP agro-sylvo-pastoral ecosystems. These capacity development activities will support the following objectives: i) facilitate the climate change consultation at the district and villages levels; ii) the creation within the country of capacity able to design, and support the implementation and the sustainable adoption of adaptations options able to increase communities' livelihood resilience to climate change particularly those outlined in the outcome 2; iii) the creation of capacity to support the mainstreaming of climate change concerns in districts development planning process. The capacity developed under this outcome will be critical for the successful implementation of the outputs of the outcome 2 aiming to strengthen the resilience of rural livelihoods from the impacts of climate change. Furthermore, this capacity will benefit to the future initiatives aiming to strengthen the livelihood resilience in the rural areas of the districts of CMPLCL.

The ***output 1.1*** will support the design and the implementation of a training programme for CIAT experts and technicians to be able to develop appropriate agro-sylvo-pastoral adaptation technologies and produce resilient seeds and seedling (in the output 2.2). This output will finance the costs for the integration of climate change adaptation in the CIAT and Agricultural Division capacity building programme supported by the Taiwan foods crop development project in order for them to include climate change concerns in the development of agricultural standard operating procedures (SOP), the breeding of the main food crops and the identification of the food crops extension areas. This training programme for CIAT will be implemented in partnership with an international climate change adaptation training center. This output

will also support the development of a strategy for the sustainability of CIAT climate change adaptation research programme. Under the ***output 1.2***, the LDCF will support the design and the implementation of human and technical capacity development programme for the CATAP to become an agro-sylvo-pastoral climate change adaptation training center. Several initiatives like the PRIASA are supporting the renovation, equipping and improvement of the CATAP curriculum and capacity to support the STPs Government objective to make this centre the agro-sylvo-pastoral training center of reference for STP. In this framework, the EU GCCA project, to facilitate farming communities access to appropriate agricultural advisory support, is also supporting the improving of CATAP curriculum and capacity to strengthen capacity of existing extension services and also create new agricultural technicians. The LDCF will, therefore support the integration of climate change in the EU GCCA CATAP curriculum development and support the creation within CATAP of human and technical capacity able to design and carry out tailored agricultural adaptation capacity development programmes for agricultural extension staffs and other agricultural officers at the national and regional levels. This will allow the CATAP to undertake the capacity building activities planned in the other outputs of the Outcome 1 needed for the successful implementation of the outcome 2 and all the other climate change adaptation training initiatives in the future. To this end, this output will support the training of 20 CATAP trainers in the climate changes adaptation agricultural technologies that will be identified by the CIAT in the output 2.2 and the integration of climate change adaptation modules (developed in collaboration with CIAT) in the CATAP curriculum. This output will also support the development of a partnership between the CATAP and a south international agricultural and climate change training center to facilitate the CATAP technical staff capacity update and the development of a strategy for the sustainability of the CATAP adaptation training programme. The ***output 1.3*** will support the design and the implementation by the CATAP of a training programmes for at least 200 extension staffs of the rural delegations, (with priority given to the extension staffs who will support the implementation of the outcome 2 activities), on the adaptation technologies identified by the CIAT under the output 2.2... To promote the sustainability of the adaptation advisory support developed through this output and within the CATAP center, the LDCF, In the framework of the cooperation with the SATOCAO under the output 2.3, will support the elaboration of a Public Private Partnership between the SATOCAO and the government of STP for the participation of the SATOCAO in the financing of the climate change advisory support provided to the farmers by the rural delegation after the project life. This output will, therefore, additionally help to provide the agriculture sector decision makers and technical staffs with the experience and skills to negotiate the contribution of any other future private company that will operate in the STP agricultural sector in the adoption of agricultural adaptation strategies and also in the functioning of the CATAP center. Furthermore, the training materials that will be developed under this output will be designed in a way to facilitate their update when it will be deemed necessary and facilitate its use by other projects and programmes beyond the scope and the life of this project. For this purpose, this output will support the CATAP, to document the lessons learned and experience from the training activities during the project implementation in order to be integrated in the update of the training module at the end of the project. Under ***the output 1.4***, Districts and Village levels platforms (climate change committees) will be created in the 6 districts of CMPLCL and 30 villages of these districts to facilitate dialogue on climate change, a greater awareness and understanding amongst stakeholders of climate change issues and their linkages with rural livelihood options and the coordination for the design, implementation and monitoring of districts and villages annual and multiyear adaptation plan (CC/AAP) (*planned under the output 2.1*). These platforms will be made up of the staff of the decentralized institutions, representatives of the districts government and assemblies (for autonomous district of Principe) and districts councils (for the other STP districts) , representative of NGOs and CBOs of the districts and the technical monitoring teams for the agricultural lands set up under the APRDC. These platforms will be the mechanism for identifying and addressig the underlying causes of vulnerability and developing adaptative practices in concert with relevant institutions including the CATAP. This will be done through the development of annual adaptation plans (*supported by the output 2.1*) that will encompass all the measures that must be implemented by the government, the local authorities and the communities themselves to make their livelihoods option more

resilient to climate change. The districts and villages CC platforms will be also responsible for the implementation of the climate resilient plans for the use of the natural resources that will be developed *under the output 1.7 below*. Under the ***output 1.5***, the CATAP will design and implement training programme for representatives of the district and community level platforms including other decentralized institutions staffs, local government and district assemblies' members as well as NGOs staff (particularly the NGOs MARAPA, ADAPPA, ALISEY, ZATONA ADIL which are currently supporting the implementation of certain projects like PRIASA) and CBOs leaders, the land monitoring teams of the APRDC, (300 in total) on how to develop, implement and monitor annual and multiyear adaptation plans and related budgets (*targeted under the output 2.1*). The trainings will include climate risk and vulnerability assessment, land use monitoring, how to use the vulnerability maps and other information produced by the Center for Ecology Surveillance, the climate and hydro-meteorological information and EWS advisories in water, land and agricultural activities management, the planning of adaptation measures under CC/AAP, as well as the budgeting of CC/AAP. the ***output 1.6*** will support the empowerment (organization, climate risks awareness raising, leadership training, …) of the community based organizations (farmers association, women based groups and other local stakeholders,) and their mobilization (under community consultation mechanisms) to identify and defend the community needs in the CC/AAP elaboration process in each of the rural community of the 6 districts of CMPLCL. This output will also support the creation, within the communities, of capacity for the building, the operation and the maintenance of the low-cost community infrastructures to counter climate-induced soil erosion and floods under the output 2.3.

2) Vulnerability of rural livelihoods to climate risks reduced through climate risks management infrastructures and mechanisms

Through the ***Output 2.1***, the LDCF will support the design, the implementation and the maintenance of low-cost community infrastructures to counter climate-induced soil erosion and crop fields floods. Activities include terracing, strengthening drainage systems, rain water control, landscaping, wind breaks and other forms of erosion control as well as dykes and bunds to protect fields against flooding. Additionally, low-cost infrastructures to collect and distribute rain waters to counter periods of water shortage, and develop water saving irrigation systems in the most vulnerable communities will be built. Furthermore, this output will support the integration of climate and weather information (rain forecast, evapotranspiration, humidity, cyclones) in the design, the use and management of irrigation systems (quantities of water to be used, when to use the irrigation systems,) that will be built by the SATOCAO as well as the by this LDCF in order to promote efficient use of water resources. Additionally, the LDCF will support the communities to render the community infrastructures supported by the SATOCAO project more resilient to climate risks and extreme disaster events. This output will also support the design of the management scheme of the low infrastructure which will organize the use, the mobilization of the resources for the operation and the maintenance of the infrastructures.. The empowerment of communities targeted under the *output 1.4* will include training on the management and also the maintenance of the infrastructures. The ***Output 2.2*** will support the development of extreme climate and weather disaster safety nets mechanisms such as cereal banks, food cooperatives, and other custom based mechanisms for managing risks associated with climate variability impacts on foods resources, natural and economic assets, and livelihoods in each of the 30 most vulnerable villages of the districts of CMPLCL. During the project preparation, a first livelihoods analysis will be carry out in the communities to understand how people access and control various resources (forest, lands, waters, credit, agricultural advices, …) and activities, and how these differ within and among households in ways that affect their ability to achieve the outcomes they desire in their lives including satisfaction of basic rights, as well as sustainable access to basic needs like water, shelter, and food… This analysis will also help to determine how these are influenced by external factors such as gender and other social norms, policy frameworks, economic trends, and the physical environment. This exercise will use tools like the climate vulnerability capacity assessment in order to apply a climate "lens" to livelihoods analysis.

3) Adaptation strategies are designed and transferred to strengthen communities climate resilience in the 30 most vulnerable villages of the 6 districts of CMPLCL of Sao Tome and Principe

Baseline

Along with other small and island countries in the developing world, Sao Tome and Principe shares the constraints of small internal markets, dependence on one or two exports (cacao in this case), high rates of imports of goods that cannot be produced internally and vulnerability to external factors including the climatic risks. This situation contributes to increase vulnerability of farming communities, of whom, the main source of revenues is the erratic international market of cocoa, while the other consumer's goods have high prices they cannot afford. The climate change and variability pose high risks for the agriculture production and the possibilities for increasing the productivity and income as well as the food security of the smallholders whose livelihoods highly depend on the natural resources and a rudimentary and undiversified agriculture and who form the overwhelming majority of STP's rural poor. To address this vulnerability, the government of STP and its development partners has undertaken through different projects and strategies a set of actions aiming to increase smallholders technical capacities, access to improved agricultural inputs, to build support infrastructures for the agricultural production, processing, storage and marketing with the view of increasing food security and smallholders incomes. Among these initiatives we can consider the following:

a) SATOCAO Villages project (2011-2015) (co-financing : $ 8.0 millions)

SATOCAO is a private enterprise founded in December 2010 by Swiss investors and registered as Sao Tomean Company. The main objective of the SATOCAO village project (funded at the tune of $9,3 millions) is to increase the cocoa production quality and quantity from currently 1,500 tons /year to 6,500 tons/year in the next 9 years. To achieve this ambitious objective, SATOCAO village project targets to : i) rehabilitate abandoned plantations and encourage the replanting of 65,000 ha of cocoa; ii) assist small and medium planters improve the standards of their production and plantations and productivity by strengthening their technical knowledge, combining traditional practices with modern processes and providing them with agriculture advisory support; iii) develop local social and economic organizations across the federation of small and medium planters common in cooperatives; iv) promote cocoa excellence by contributing to the creation of a label of STP COCOA (currently in negotiations between the World Intellectual Property Organization (WIPO) and the Government of Sao Tome and Principe; v) develop microfinance to facilitate farmers access to credit and vi) improve farmers' incomes and communities food security. This project by promoting the increase of the productivity and the quality of the cocoa production, will contribute to increase rural poor earnings and improve communities food security and livelihoods. However, it is well known that cocoa production is vulnerable to climate change, above all the increase of the intensity and frequency of droughts, the disturbance of rain regimes and the floods and other climatic disasters. Unfortunately, this project in its design did not integrate these climate risks that could hinder it to achieve its objectives and has not developed adaptation responses. It is therefore necessary to provide the cocoa producers with adaptations strategies, technologies and skills in order to make the cocoa growing more resilient to climate changes. Furthermore, even if the measures to increase income from the existing cocoa crop have the potential to increase exports and at the same times the earnings of the rural poor, comparative advantage studies and volatility in international cocoa prices argue strongly for export diversification in the medium to long run. There is therefore a pressing need for cocoa exporters to diversify into other types of exports and also other incomes generating activities so that they are not as hurt by and as highly dependent on the evolution of cocoa prices.

Additionnality

To improve livelihoods and food security in STPs rural communities, it is necessary to integrate climate change adaptation in STP local development projects above all the initiatives targeting the increase of

food and cash crops productivity, the development of the livestock farming, the forest exploitation and management, in short the livelihoods of rural communities. The integration of climate changes and variability in rural livelihoods will allow communities to perform a sustainable and climate change resilient agriculture using improved agriculture and livestock inputs and practices, promoting sustainable land, forest and water management (SLFWM) strategies in rural communities and integrating climate information into farming decisions. Also, the support needed for advancing the diversification of rural economy (including saving and credit systems, management advices, development of new commercial channels,…), must be secured in order to give to communities other income generating alternatives activities,. And all this must be supported by a disaster risk reduction strategy and social organization (stronger community and women based organizations, traditional welfare and social support …) which will protect communities' assets against the climate changes and variability. It is about in fact, putting in place the conditions which will allow to sustainably increasing communities resilience and capacities to adapt to climate change. All these initiatives and strategies must be identified and planned by the communities themselves, with the support of the CATAP, CIAT and the district assemblies and governments, in the framework of the village and district adaptation annual plans.

Through the ***Output 3.1,*** the LDCF will provide support (consultations costs, technical support) for the development of the districts and village annual and multiyear adaptation plan (CC/AAP). The CC/AAP will provide the communities with the mean to identify their own adaptation needs, prioritize, coordinate, plan and take the ownership of the necessary actions to increase their adaptive capacity and the resilience of their livelihoods. The CC/AAP will compile and plan on an annual and multiyear basis all the actions that need to be implemented by the supporting institutions and the communities themselves to increase the climate resilience of their livelihoods. They will include all the activities planned under the outcome 2 for making more resilient livelihoods options and will go beyond by being the systematic tools for planning adaptation initiatives and strengthening the climate resilience of the development activities in the future. After the end of this project, these adaptation annual plans will be submitted to the central government and the other private institutions members of the climate change platforms for implementation support. The ***output 3.2*** will support the development by the CIAT of agro-sylvo-pastoral adaptation technologies[2] and climate resilient seeds and seedlings for cocoa growing to support the enhancement of the SATOCAO project resilience. It will also support the Taiwan food crop project to include climate changes concerns in the food crops seeds and seedling production and the elaboration of agricultural standard operating procedures (SOP). The identification of the adaptation technologies will take in account the adaptations technologies successfully piloted by the AAP and other pilot projects at the international level and also the adaptation needs identified by the communities themselves through the climate change district and villages platforms. Through the ***output 3.3,*** LDCF resources will finance, (*with the technical support of extension staffs and agricultural division technicians trained under the outcome 1*), the design by the community themselves and the implementation of priority community adaptation projects, focusing on enhancement of current livelihoods resilience (cocoa farming, food crops) and livelihood diversification (beekeeping, ecotourism, NPFL exploitation, small ruminant and poultry breading, artisanal activities, resilient inputs supply, …) for the benefit of 2,000 rural households (with a special emphasis on households of which women are head of family) in the 30 most vulnerable villages of the 6 districts of CMPLCL. The adaptation projects aiming to strengthen current livelihoods option, namely agricultural activities, will promote, through the implementation of training package (by the CATAP and the extension staff trained in the outcome 1), for the beneficiary farmers (1,500 out of the 2,000 targeted for this output), the diffusion and sustainable adoption of climate resilient agro-sylvo-pastoral technologies identified by the CIAT under the output 2.2. As a reminder, these technologies will include water-saving irrigation techniques, climate resilient land, forest and soil fertility management

[2] These technologies will include water-saving irrigation techniques, climate resilient land, forest and soil fertility management strategies and the use of relevant climate information and agrometeorological products like meteorological bulletins, disaster warnings (that will be produced thanks to the LDCF/EWS project), and other strategies.

strategies and the use of relevant climate information and agrometeorological products like meteorological bulletins, disaster warnings (that will be produced thanks to the STP LDCF/EWS project), and other strategies. The climate resilient alternatives livelihoods options will also include the support for the creation of art crafts workshops and SME for the construction and the maintenance of the low cost community infrastructures (*under the output 2.4*). Under the ***output 3.4,*** At least three micro-credit products will be designed and offered through financial service providers to increase resilience of current livelihoods (e.g. resilient seeds and animal breeds or efficient water harvesting, irrigation and storage technologies,) and support alternatives income generating activities (*under the output 2.3*). The project will work with a wide range of micro-finance institutions and help adjust their schemes to deploy adaptation finance. Flexible repayment installments, yearly or seasonal will be tested to consider the seasonal or inter-annual climate variability as well as the seasonality of the alternative incomes generating activities. This will be done without undermining an overall repayment schedule and financial discipline of all parties. Micro-finance institutions will be supported to adopt a wholesale approach and include adaptation services to the communities. The project will help the MFIs to identify communities' members with willingness to participate in the scheme, and to accept the terms and conditions of the project; also identify demonstrated interest to innovate on current livelihoods options (assessment may be obtained from the resident extension officers and NGOs) and provide incentives (e.g. through flexible repayment) for adoption of adaptive practices, including training and technical service package from the partner extension providers.

B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS. AS A BACKGROUND INFORMATION, READ Mainstreaming Gender at the GEF.:

As a result of the outcome 1 of the project, 300 targeted stakeholders (CATAP trainers, rural delegation staffs, district council members, NGOs and CBOs technicians) will have developed skills and capacity on how to design, implement and monitor climate resilient agriculture measures and strategies, how to develop and implement community adaptation plan and how to mainstream climate change into districts development process. This will allow them to support and facilitate the implementation of appropriate community based adaptation measures that will contribute to make the livelihood options of the most vulnerable communities of STP more climate resilient. The project will also demonstrate how the management of the rural communities' economic activities can be adapted to climate change within a prevailing situation of considerable climatic variability in order to improve communities' livelihood resilience to climate risks. To ensure the sustainability of these capacities, the project will support the documentation and the codification of the knowledge and lessons drawn from the mainstreaming of climate changes and the implementation of agriculture adaptation measures. These knowledge materials will be accessible to the line ministries technical staff, the NGOs involved in the rural development and poverty alleviation and will benefit to future initiatives and training related to the mainstreaming of climate change in the main sectors supporting rural development and the development of community based adaptation strategies in STP. The adaptation benefits of the outcome 1 of this project include the support to the climate change policy dialogue for the development of strategies, plans and policies, at the national and local levels, that will sustainably remove the main barriers for the adoption by the communities and the up-scaling of community based adaptation measures the project will develop. This will benefit to 2,000 rural actors and their dependents.

The outcomes 2 and 3 will result in more than 2,000 people (among which at least 1,000 women) and their families in rural communities being better prepared to becoming more 'resilient' to the emerging long-term risks of climate change. Communities will be better equipped to manage their environment and make it more resilient to climate change. They will correspondingly be able to apply improved practices with respect to agriculture management and other livelihoods supporting activities what will be

particularly useful in the context of a changing climate and will beneficiate from the low cost community infrastructures the project will support. These activities, combined with the capacity building and climate change mainstreaming activities that will be implemented through the outcome 1, will benefit actors beyond those targeted in this outcome notably a big share of the 63,000 STP's rural (in which 52 % are women in 2010). This project will therefore mainstream gender concerns within the context of climate change. As said above, the alternative income generating activities will give a special emphasis to women, above all the women head of family who are one of the groups suffering the most of poverty and food insecurity. The project will contribute to make them more resilient to climate change and improve their livelihoods. The community based organization empowerment activities planned by the project will also include the women based groups to allow them to have a voice in the local decision making process related to climate change adaptation. The risk and vulnerability assessment that will be done during the project preparation will put a special emphasis on gender disparities and related vulnerability and the special needs in term of financial and technical capacities, support and organization faced by women active in agricultural sector will be introduced in the design and the implementation of the agriculture adaptation measures and the diversification of rural livelihoods strategies. Thus, during preparatory phase, the project work plans will be formulated to be sensitive to gender and social vulnerability on the identification, test and dissemination of community based adaptation strategies in the rural areas. Information about climate change and adaptation measures will therefore be designed and disseminated in gender-sensitive ways and be combined with explicit efforts to ensure that women and girls – especially those who are poor or have been denied the right to formal education – can easily have access to and absorb the necessary information. The project will ensure that the capacities and skills gained by the women through these activities will be sustained by developing strategies to include them in the informal alphabetization programmes in rural areas. In consultation with the project proponents and stakeholders who will lead the operational design of this project, indicators will be integrated into the logical framework to ensure that gender dimensions are adequately addressed throughout the implementation phase.

The project benefits also concern the reduction of the food insecurity in the country. By contributing to the increase of the agricultural productivity and production, the project will promote an increase in the food availability in STP and in the cover rate of the national diet by the local production. The current STP level of food crop production cannot cover the country needs and the gap is imported making STP food security more vulnerable to the international market of foods. This project by securing and improving the agricultural production, will increase the food availability within the country, reduce the needs of food imports and therefore improve the food security at the national level. Another positive impact is in a certain way related to the above mentioned benefit given that the reduction of food import will contribute to reduce the deficit of the trade balance. Indeed, food is among the lead import of STP. For example, in 2003 the food imports represented 40 % of STP total imports. In the same vein, the improvement of the agriculture resilience against climate risk and the improvement of the production of commercial crop (mainly cocoa, coffee, vanilla, pepper, …) will also contribute to reduce the deficit of the trade balance given that all these products are targeting the international market. STP as a LDC has a free access to the European market in the framework of the EU-ACP agreement which will assure to the STP commercial agricultural production meeting the European market standard an export outlet. An additional economic impact is the increase of the GDP that the development of the rural communities will lead to. The contribution of the rural sector in STP economy is 19%.

B.4. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS

Risk	Level	Mitigation
Continue falling down of commercial crop (cocoa, coffee, ...) prices:	Medium	Studies have revealed that when cocoa prices are low, STP cocoa producers complement the decrease of agricultural incomes with charcoal production and selling and this has contributed in forest

Risk	Level	Mitigation
		resources depletion in STP. Then, if the commercial crops prices experience a continue falling, this may lead to a disinterestedness of farmers for the project activities related to these crops, negatively affect the achievement of project objectives to preserve forest ecosystem integrity and the project success at whole. The project emphasis in climate change resilient alternative income generating activities will help to mitigate this risk by giving to the farmers more secure revenues sources less vulnerable to the international market context.
Lack of enough technicians able to support rural areas	Medium	STP has few technical agents who can support the farmers and knows a high rate of brain drain in the governmental institutions. And the project success depends on the availability of technician able to support communities in applying resilient agricultural technologies and strategies. To mitigate this risk, the project has opted to have a high portion of local communities members among the persons trained to support communities. These community members are less likely to migrate than the government staffs.
Political and institutional instabilities	Low	STP has known the last years various government changes which have led to an instability in the key ministerial departments whose coupled with the modest experience of the government agents in project management can impede the good execution of this project. STP is putting in place in the framework of the AAP a National Climate Change Committee (NCCC) which will encompass the representatives of all the ministerial departments and will coordinate the implementation of all climate change activities in the country including this project. Thus, this NCCC will help to mitigate the risk related to the political and institutional instabilities, hoping that even if a NCCC member moved to another department it will seat in this NCCC.
Weak institutional capacity	Medium	The ministries involved in the execution of the project have few capacities in oversight, technical and fiduciary implementation of projects. But the project activities in capacity building will help mitigate the risk associated with the weakness of institutional capacities in STP. Technical assistance will also used to support the government in the implementation of this project
Microfinance Institutions (MFIs) ability to develop innovative products to finance adaptation can affect their engagement, as they can be deterred from incurring upfront expenses even when the overall balance of costs and benefits is positive.	Medium	The presence of in-house climate change capacity and knowledge in these microfinance institutions can enable them to assess climate risks, develop and implement adaptation financing products more easily. The output 2.5will support the raising awareness about risk climatic and capacity strengthening of MFIs' staff son the development of appropriate innovative financial products. The presence of a private sector partnership with the public sector could also convince the MFI about the relevance and profitability to develop new appropriate products.
Climate risk reducing and alternative income generating activities financing mechanisms increase indebtedness and vulnerability	High	Capacity building and technical support programmes will be designed and implemented for any innovative financial product intended to finance climate risk reduction that will be introduced. The capacity building will target to improve the capacity of MFI to assess applicants suitability for any climate risks reduction credit facilities and the economic profitability of the climate risks reduction strategies seeking financing.
Cultural barriers in accepting new techniques can be expected from populations and impede	Medium	The project preparation phase will support multi-stakeholders consultations (including communities) to identify the most appropriate resilient strategies to be tested and developed through

Risk	Level	Mitigation
the transfer of climate resilient strategies under the outcome 2.		this output. Identifying the climate resilient strategies with the communities will contribute to sensitize them about the relevance of these strategies and lead them to accept these strategies. In addition, the project will enter into strategic partnerships at the local level, not just with local government, but in particular with local NGOs and community based organisations. Understanding the local reality and having the project intervention being facilitated by organisations already on the ground will be crucial to overcome cultural barriers. The project's communication and outreach strategy will take this into account. Many of the expected communication products will be adapted to local languages and skill-sets
Natural disaster: Unusual and catastrophic climatic events may happen during project implementation	Medium	Unusually difficult climatic circumstances could threaten the demonstration projects. Although the overall mitigation strategy is to diversify agricultural production and income generating activities and build climate resilient livelihoods systems, major natural disasters could hamper the local level demonstrations. As the project intervention is planned over a four years time period annual variations should be accounted for.

B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES, AND THEIR RESPECTIVE ROLES, AS APPLICABLE:

STAKEHOLDER	RELEVANT ROLES
Ministry Of Infrastructures And Natural Resources	• Will assume the role of implementing agency and therefore will be accountable for programme execution. • Will be part of the Steering Committee. • Will chair the project technical committee (CTP). • Will designate a national director for the project within it. • will host the project management team (allocate appropriate work spaces, including water and electricity). • will implement project activities and assure the involvement of its representing institutions at the 2 islands level • Will ensure the integration and sharing of lessons learned from the project in sharing knowledge networks.
Agriculture Division, Ministry of Planning and Development	• Will be part of the Steering Committee • Will participate in the selection of the project sites • Will share responsibility for supporting and monitoring the project at local and community level
Agricultural Development associations and cooperatives intervening in the project implementation areas	• Participate in the selection of three sites at the local and community level • Facilitate the efficient coordination of the project at the national, local and community level • Be responsible for community mobilization • Will share responsibility for supporting and monitoring the project at local and community level
Center for Agro Pastoral Development (CATAP)	• Will be part of the Steering Committee. • Provides technical supervision of beneficiary farmers; • Technical support and advice for the benefit of the beneficiary communities; • Implementation of training programmes and extension of good agricultural practices to adapt • Will be responsible for the identification and the test of climate resilient agriculture technologies packages • Will support the CIAT in the design and implementation of a training package

	on climate resilient agriculture technologies packages • Will ensure the integration of climate change in any research programme on agriculture • Work in collaboration with the CIAT for the development of a national platform for sharing knowledge and experiences from the climate change adaptation projects including this project
Agronomical research Institute (CIAT)	• Will be part of the Steering Committee. • Will be responsible for the design and implementation of a training package on climate resilient agriculture • Will be responsible for the identification and tests of climate resilient agriculture technologies • Participate in the development and review of the policy of the country in research on agricultural development • Work with the CATAP for the development of a national platform for sharing knowledge and experiences from the climate change adaptation projects in the agricultural sector, including this project
Federation of NGOs – FONG STP	Execution of the project above all on aspects related to the implementation of building communities capacities and other support activities to protect communities livelihoods against climate change
Local communities	Execution and control
Community leaders	Community supervision and represent communities in decision making processes

B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

Based on initial discussions with the Government, the Ministry of Infrastructures and Natural Resources (MINR) will provide overall leadership for the project as national implementing partner, in close collaboration with the DGE *(*General Direction of Environment) and the DGA (General Direction of Agriculture) and the District Assemblies and Local Governments. The PMU will be located within the MINR.

The MINR will be the lead agency of the European Union " Global climate change Alliance (GCCA)" project for STP which provides the baseline and the main entry point for the component 1 on the strengthening of the adaptive capacity of national, local and decentralized institutions mandated to support STP's rural communities livelihoods. The Taiwan Food crops which is coordinated by the Agriculture Division of the Ministry of Planning and Development will provide further entry points for component 1, particularly the output 1.1 and also the output 2.2 for the development by the CIAT of climate resilient technologies and inputs.

The Agriculture Division which is coordinating also the SATOCAO project will likely act as the responsible party for the components 2 and 3 aiming at reducing the vulnerability of rural livelihoods through protection investments and at transferring adaptation strategies to the communities respectively. It will also collaborate with the Agronomical research Institute (CIAT) for the development of the climate adaptation agricultural technologies, the Center for Agro Pastoral Development (CATAP) for the design and the implementation of community training activities, and the Gender National Institute in the identification and development of the climate resilient alternative income generating activities in order to take in account the gender issues. It will furthermore collaborate with the National Institute of Meteorology (INM) which will be the national executing agency for the LDCF-EWS project currently under development. Indeed, the LDCF/EWS will make available relevant climate and weather information and support the development of agrometeorological tools to enhance the climate resilience of STP's agriculture. The Agricultural Division will coordinate with the INM in order to make sure that the

EWS will also provide the required climate and weather information the communities will need to successfully implement their CCA annual and multi-year plans in order to strengthen the climate resilience of their livelihoods. Additionally, it will support the INM to develop a strategy for an efficient dissemination of climate and weather warning information towards rural communities to better face to climate and weather events.

The IFAD "Participatory Smallholder Agriculture and Artisanal Fisheries Development Programme (PAPAFPA)" coordinated by the DGA started in 2002 to be ended in 2014 propose to develop its actions with organized professional organizations, by focusing on the development of production channels and by relying on the initiatives providing complementary incomes to farmers families in targeted communities. Nevertheless, it is worth to mention that it is not covering all the territory. The LDCF project will coordinate with this project in the framework of the empowerment of CBOs and the promotion of alternative income generating activities. The fund for community infrastructures (FIC), put in place in 2008 has allowed to launch several project of agricultural and social micro-infrastructures, such as micro-irrigation projects, punctual repairing of access roads or drinking water supply. The FIC has been used by other partners (EU, Taiwan cooperation) for the implementation of small community based markets and appears as an appropriate institutional instrument for this project. Coordination and management arrangements will be addressed during the detailed design phase.

Discussions have commenced between UNDP and the World Bank in Sao Tome regarding coordination of this new initiative with the ongoing WB/LDCF project "Sao Tome - Adaptation to Climate Change" that is coordinated by the DGE (General Direction of Environment) and has been under implementation since September 2011. The WB-led project is due to end in December 2016. The aim of the ongoing LDCF project includes: i) setting up an early warning system and enhancing safety at sea for fishermen and coastal communities; and ii) strengthening coastal communities' protection against sea level rise, floods and other impacts of climate changes. The UNDP supported LDCF will draw on, during the design phase, lessons identified by the World Bank from the four pilot interventions that are currently ongoing. LDCF resources will be used to expand activities based on these lessons to the other vulnerable communities who stand to benefit from this new UNDP supported initiatives. Furthermore, the WB supported LDCF is currently developing the procedures for its community based activities. The MINR will coordinate with the DGE to learn from and harmonize the implementation of component 2 of the UNDP supported LDCF with the procedures developed by the WB led project. Additionally, the DGE will work towards ensuring that the selection of the pilot communities will take in account the experience, the results of pilot activities and the necessity to upscale the successful adaptation strategies supported by the WB/LDCF project. The possibility to jointly design, organize and implement capacity building activities will further be explored during the project preparation phase. Additional discussions with the World Bank will take place during the PPG phase for this new initiative.

C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

UNDP's comparative advantage in implementing this project is underpinned by its Country Programme Document for the current cycle (2012-2016). Specifically Outcome 1.2 is focused on improving access of vulnerable populations, notably the young and women, to productive resources and decentralized basic social services. Outcome 1.3 focuses on the adoption by the STP central and district governments as well as the populations of techniques and behavioral change that is more favorable to a sustainable environment and is conducive to prevention of risks and natural disasters. Institutional capacity building and reform is one of UNDP STP's flagship programming areas. UNDP has already conducted several programmes for assessment of capacity building needs and formulation of action plans relating thereto, including the implementation of the UN Framework Conventions on Biodiversity, and Climate Change, respectively, as well as for environment and natural resources management. The development of national capacities for the successful implementation of priority areas of the strategy for agricultural and rural development has also been supported. The proposed capacity development programme indicated under

Component 1 of the LDCF project will benefit from UNDP STP's experience and overarching and strategic role in this area, helping to ensure that related outcomes are sustainable in the long-term. Since 2007, UNDP has been helping to finance the advancement of decentralization in STP through the strengthening of the capacity of Districts and the Autonomous region of Principe as well as the elaboration of the development plan of the district of Caue and of the autonomous region of Principe. This is providing a starting point for the proposed capacity building of district governments and assembly members under the Component 1 of the LDCF project.

UNDP has a rich history of experience on community livelihood strengthening programmes through its poverty reduction and MDGs programmes. Under these programmes, UNDP STP has been supporting the Government of STP in areas like: a) strategic planning, including the design of planning tools and strengthening of national capacity in term of monitoring and evaluation of national and district development policies and strategies; b) production and analysis of decision making support information; c) coordination of development support from other development partners; d) trade integration and strengthening the business environment. This experience will support the implementation of component 2 of the LDCF project that aims to strengthen the resilience of rural livelihoods from the likely impacts of climate change. UNDP will leverage many years of experience to support the implementation, monitoring and evaluation of district level, annual and multi-annual adaptation plans, including the realization of low cost community infrastructures and the development of innovative microfinance products to support community access to financing for investments, to support the resilience of livelihoods to climate change. Furthermore, UNDP is supporting STP's government since the early 2000 in the areas of: a) mainstreaming sustainable management of the environment in the country development agenda through the strengthening of national capacity and the development of national and sectoral planning tools, including the NAPA and the national emergency plan; b) climate change adaptation through financing from the Africa Adaptation programme and the preparation of the Initial and Second National Communication on climate change.

The programme will engage the Poverty and Environment and Energy practices, as well Democratic Governance practice area and will be fully supported by Senior Management of UNDP-STP. The Poverty and Environment and Energy practices in the country office has currently a Programme Specialist (with a strong community/rural development background), Programme Analyst (with a strong environment and rural development background) and a Programme Associate who work as a team to coordinate and support a number of poverty–environment initiatives including on infrastructure development. The Democratic Governance practice area has three Programme Specialists and one Programme Associate with a strong experience in policy mainstreaming, institutional capacity building and gender equality. Additionally, the CO has built strong partnerships with the National Climate Committee (NCC), the District Government and Assembly members, and rural communities as the main stakeholders for this project. The existing partnership has facilitated the implementation of several activities aiming to strengthen rural communities livelihoods in STP.

Finally, UNDP has an extensive history of working at the community based level, including on adaptation and climate resilient agriculture. UNDP is already supporting a number of initiatives on community based adaptation and climate resilient agriculture in many countries including the islands and other countries like Comoros and Rwanda that are tackling similar challenges to that seen in STP (eg. slash and burn and hilly agriculture) and other cocoa producing countries like Ivory Coast, and Liberia.

C.1. indicate the co-financing amount the GEF agency is bringing to the project:

UNDP will bring a co-financing of $700,000 to this project made up of a cash contribution of $500,000 and in-kind contribution of $200,000.

C.2. HOW DOES THE PROJECT FIT INTO THE GEF AGENCY'S PROGRAMME (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:

The project is in line with three of the four priority areas of cooperation within the UNDAF 2008-2014 which are: i) Sustainable economic growth and fight against poverty; ii) Democratic governance and social cohesion, and iii) Environment and Sustainable Development. Activities and results that will be developed under this project are also fully consistent with the UNDAF outcome 1: "By 2014, revenues, jobs, decent work and security food of the poor and vulnerable people are improved; and the UNDAF outcome 4: "By 2014, ecosystem integrity is preserved and eco-services they provide are valued for the benefit of the population and vulnerability to natural and climate hazards is significantly reduced in a sustainable development perspective." In addition, this programme is in line with the Country Cooperation Framework, as well as its action plan (CPAP) and focus on three priority areas: (i) poverty reduction strategy, especially in the field of the result area A1: promoting inclusive growth, gender equality and the MDGs; (ii) Democratic governance, particularly the result areas B1: encourage inclusive participation, and B2: promoting governance institutions more responsive and accountable, and (iv) environment and sustainable development, through its result areas D1: integration of environmental and energy concerns in the development and implementation of policies, strategies and programmes, and D3: adapt to climate change and take systematic account of the management of risks associated with climate change and extreme weather hazards into national development strategies.

This LDCF project will also benefit from a solid expertise on climate change adaptation issues from the EEG/GEF Region based Technical Advisors in Pretoria, the EEG/AAP Coordination Team (in Dakar), and from the other region-based teams of the UNDP Regional Center in Dakar namely the Gender, MDG, Capacity Building, and Monitoring and Evaluation teams. The country offices are supported by Regional Technical Advisors at UNDP offices in Pretoria, as well as by policy, adaptation, economics and climate modeling experts in New York, Cape Town and Bangkok.

At the Global and regional level, the UNDP EEG has established a technical unit which provides support for the designing and the implementation of Low Emission Climate Resilient Development (LECRD) strategies at the regional, national, and local levels and a green commodity facility (GCF) which is supporting the greening and the climate resilience of the main cash crop like cocoa. This LDCF project will thus benefit from technical support residing within relevant UNDP technical teams.

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):

NAME	POSITION	MINISTRY	DATE *(MM/DD/YYYY)*
Mr Monteiro Lourenco de Jesus GEF Operational Focal Point	Environment Statistics , Education and Social Communication Director	Ministry of Infrastructures and Natural Resources	10/10/2012

B. GEF AGENCY(IES) CERTIFICATION

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

Agency Coordinator, Agency name	**Signature**	**Date**	**Project Contact Person**	**Telephone**	**Email Address**
Adriana Dinu Officer-in-Charge UNDP/GEF		Feb 21, 2013	Henry Rene Diouf UNDP/GEF Regional Technical Advisor (Gr-LECRDS)	+27834429989	henry.rene.diouf@undp.org