



PROJECT PREPARATION GRANT (PPG)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: LDCF

Submission date: March 21, 2013

GEF PROJECT ID: 5184

GEF AGENCY PROJECT ID: 4645

COUNTRY (IES): Sao Tome & Principe

PROJECT TITLE: Enhancing capacities of rural communities in the districts to pursue climate resilient livelihood options in the Sao Tome and Principe districts of Caué, Me-Zochi, Principe, Lemba, Cantagalo, and Lobata (CMPLCL)

GEF AGENCY: UNDP

GEF FOCAL AREA(s): Climate Change

A. PROJECT PREPARATION TIMEFRAME

Start date of PPG	April 2013
Completion date of PPG	February 2014

B. PROPOSED PROJECT PREPARATION ACTIVITIES

COMPONENT 1: Defining project scope

1. Project formulation will be based on guidance provided by UNDP's toolkit for the design of adaptation initiatives (2010). This approach will ensure that the design of this agricultural adaptation project is not undertaken in isolation, but contributes to ongoing activities executed by the Government of STP and other donors already actively engaged in the development and the management of small scale farming in STP.

(a) Definition of project baseline

2. A detailed review, including stakeholder consultations, will be undertaken of initiatives that are taking place or planned in different communities in the identified vulnerable rural areas of the 6 districts of Caué, Me-Zochi, Principe, Lemba, Cantagalo, and Lobata (CMPLCL) that are of relevance to the proposed outcomes. The baseline analysis will include a review of ongoing and planned Government financed and donor financed (including UNDP) projects, national and sub-national policies, laws, executive regulations and decrees relevant to rural development, agriculture and other key economic activities in STP's rural areas as well as clarify baseline (non-climate driven) development issues pertaining to agriculture sector development and management.

This exercise will lead to a comprehensive description of the operational connections between the LDCF project and on-going initiatives and also support the development of the co-financing plan the component 4 will produce.

(b) Identification of current and projected climate change risks for the STP rural communities livelihoods

3. PPG resources will be used to undertake a rigorous and detailed review of the scientific literature (including the NAPA and Initial National Communication documents) on climate change risks for the STP rural communities livelihoods and the impacts on social, economic and natural systems, for the purpose of justifying the selection of vulnerable areas that will benefit from LDCF resources. The NAPA has already identified the most vulnerable rural communities to climate change. A detailed technical assessment of the location specific risks facing communities who will ultimately benefit from the LDCF financed interventions will be undertaken. The assessment will carry out an in-depth problem (root-cause) analysis of vulnerability and will identify what the likely impacts are, where they are likely to occur, on what scale and the timing of expected impacts. It will include a robust and scientific-based explanation of how climate change and variability will affect rural communities livelihoods and an estimation of the costs of these impacts. The review will take stock of the range of climate and socio-economic scenarios on which these impacts are projected to unfold and affect communities. PPG funds will not be used to duplicate work already completed through the INC and NAPA processes.

The findings of this risks analysis will guide the identification and confirmation of the adaptation responses that LDCF resources will finance, additionality, and will inform the detailed outputs that the project will deliver (see section (d) below).

4. PPG resources will also be used to estimate the likely costs and benefits of proposed project interventions (including probability of success) to mitigate identified climate change risks.

5. Stakeholder consultations, and validation with relevant governmental and non-governmental agencies, as well as other bilateral donors, will supplement the findings of the climate change risk review and inform the technical feasibility and needs assessment for the proposed project.

(c) Identification of the sites for intervention and adaption options

6. Based on the information in (a) and (b) and clearly defined criteria (including the level of vulnerability, the potential environmental, economic and social risks of interventions, the economic role in the region, the potential of leveraging effect), a participatory based approach will be used to select high priority communities and areas that this project will focus on. The identification of the sites will include community-level consultations to ensure full community level engagement in the design and implementation of the project, that LDCF resources respond to community level priorities and needs on climate change adaptation. All efforts will be made to ensure gender representative views to inform the project design. Also, environment and social screening procedures will be applied to identify and manage environmental and social risks that could be associated to the different adaptation options.

(d) Clarifying Additionality of Proposed Outcomes and Interventions

7. The additionality of the proposed project will be clarified in the context of the proposed outcomes and outputs. Comprehensive explanations will be provided on how LDCF funding will be directed towards the additional cost of ensuring that baseline activities are transformed into one that incorporates climate change concerns (i.e. the adaptation scenario). Towards this end, stakeholder consultations, will be undertaken to assess the current range of resilience-enhancing and/or mal-adaptive activities that are taking place in different communities in the identified vulnerable areas that are of relevance to the proposed outcomes. This assessment will clarify a) where additional “climate-proofing” components are required to increase the resilience of activities proposed under existing development planning, and b) which areas have the greatest potential for technical enhancement and modification to effectively provide added value in increasing resilience to climate risks. Based on the results of the baseline analysis, the climate risks assessment and economic analysis of the baseline and proposed project funded interventions, the additionality of the proposed interventions (with respect to address climate change pressures on

agricultural communities) will be assessed and confirmed. The details on the baseline and additional activities will contribute towards clarifying how the baseline situation will be amended through the proposed project in order that risks associated with climate change, including variability are addressed.

8. This review will take into account who is doing what, at which scale and in which district. This information will ensure that the LDCF project can be designed to build on ongoing and planned activities. This inventory, together with the main findings of the climate risks assessment and economic analysis (see section a), will contribute towards explicitly confirming and describing the most urgent and appropriate adaptation responses, which qualify under the additionality criterion. PPG resources will then be utilized to assess the technical feasibility of the identified project interventions, using cost/benefits analysis and robust feasibility criteria (e.g. likelihood of success, alignment with local capacities, scalability, etc.).

9. The review and stakeholder consultations will also facilitate discussions with other local and international institutions who may be pursuing similar objectives/outcomes and identify important partnerships including co-financing opportunities. It will also facilitate discussions with other agencies such as AfDB, IFAD, WB, the EU, FAO, bilateral cooperations and others on potential partnerships whereby the comparative advantage of these agencies can be brought to bear on the design and implementation of this project.

(e) Identification of the main entry points for the integration of the project with national development plans, policies and complementary projects

10. The project is designed to integrate climate change concerns and adaptation options into the key development policies and plans affecting the agricultural sector : Millennium Development Goals (MDGs), the national Poverty Reduction Strategy (NPRS), Agricultural Policy and Rural Development Charter (APRDC), the Strategy for the Gender Equality and Equity, the Strategy for Education and Training, the National Action Plan for the Education for All, the national and regional agriculture sector development plans, relevant national agriculture, livestock and forestry development plans and policies and also be aligned with core UNDP activities in STP. For this purpose, a review of the above cited relevant national documents, as well as the Disaster Risk Reduction and Climate Change Adaptation Programme for the STP, UNDAF, and CPAP will be undertaken with a view to identifying specific entry points and detailed outputs that will ensure that this LDCF financed project is value added to STP. The review will be done with a view to understanding and then reflecting in the project design the structural environment for advancing climate change adaptation in STP agriculture sector that this LDCF project seeks to achieve. The review will focus on strengths and weaknesses and gaps of the existing system (as well as proposed interventions) to overcome anticipated impacts on agricultural communities as well as the identification of constraints to the integration of climate changes in agriculture sector development activities and the implementation and the sustainability of agricultural protection measures. The information collected in this exercise will contribute to a detailed root-cause analysis of climatic and non-climatic drivers that exacerbate communities' vulnerability in times of growing uncertainty and environmental change. This analysis will be the basis for the definition of tangible demonstration activities proposed under the full-sized project.

COMPONENT 2: Institutional arrangements, Monitoring and Evaluation

11. The outputs of Component 1 will be used as technical input for the formulation of a UNDP Project Document for the proposed project. In order to finalize the project document, the following activities will need to be completed.

(a) Finalization of a strategic result framework and definition of monitoring and evaluation provisions

12. PPG resources will be utilized to outline a detailed logical framework with elaboration of the project objective, outcomes, and outputs (including related activities) and a fully developed work plan, and budget for the implementation phase. Qualitative and quantitative SMART indicators (including baseline measurements) at the project objective and outcome level will be determined. A Monitoring and Evaluation strategy will be defined including clear identification of responsibilities and institutions, as well as an appropriate budget allocation (based on best practices and UNDP guidelines). This will also reflect the requirements of the Implementing Agency vis-à-vis its standard reporting and evaluation mechanisms. The Monitoring Plan will make reference to the above described qualitative and quantitative indicators that will measure the state of adaptive capacity at various stages of project implementation. Provisions for independent evaluation and provisions to ensure learning of lessons from implementation will be included.

(b) Definition of roles and responsibilities of Implementing Partner and Responsible Parties

13. A detailed delivery strategy, with clearly identified roles and responsibilities of specific institutions for the overall implementation of the project will be specified. An in-depth analysis will be undertaken on the capacity of the Implementing Partner and Responsible Parties including IGEBU (Geographic Institute of STP), Office of the 2nd Vice President; Ministry of Commerce, Industry, the Post and Tourism, Ministry of Agriculture; CAPAD (Confederation of Agricultural Producer Associations for Development); Agri-Business Sector Chamber of Commerce; STP Coffee Growers Confederation “CNAC-MURIMA W’ISANGI” and the other institutions that are identified during the design phase as having an important role in the implementation of the project. Details on reporting requirements for technical activities, including requisite reporting procedures will be established. UNDP guidelines, as articulated in the Results Based Management (RBM) framework will be followed in formulating these details.

(c) Exit Strategy (Sustainability)

14. A detailed sustainability strategy will be defined in order to ensure replication of project benefits beyond the lifetime of the project. The PPG phase will focus on tangible milestones and agreements within the project cycle to ensure propagation of additional investment decisions for the replication of project benefits.

COMPONENT 3: Engagement with key stakeholders

15. PPG resources will be utilized to engage key stakeholders at the national/District and community level during the project design phase. In alignment with the approved project objective, comprehensive stakeholder consultations will be conducted to determine stakeholder needs vis-à-vis adapting to climate change impacts in the context of the project, barriers that need to be overcome, and expertise that might be helpful in supporting communities during the implementation phase of the project. The following activities will be undertaken:

(a) Mobilize and engage stakeholders who will benefit from the project interventions

16. Identifying key stakeholders who need to be consulted during the design phase. Gender representative stakeholders will be identified, consulted and documented during the design phase.

17. Participatory based development of a detailed delivery work-plan including approval and endorsement by key stakeholders.

18. The successful completion of the preparatory phase will require the participation of a number of key stakeholders. Partnership will be established with:

- Public, private and international institutions that monitor and produce information related to climate change and agriculture sector development and management. A mechanism for sharing information on agriculture sector management systems that effectively integrate CC risk management techniques and strengthening technical capacities of communities and relevant institutions will be designed during the preparatory phase;
- National agencies coordinated by the Ministry of Agriculture (and extension services, NGOs, international technical cooperation institutions, CBOs, and local communities, will be consulted in order to establish an effective framework for the proposed project. Consultations with these groups will be fully documented; and
- A plan for project management and stakeholders involvement during the implementation phase of the project will be discussed and finalized during the preparatory phase. In this regard, a group of stakeholders not directly involved in the project including NGOs, Civil Society Organizations, CBOs, research (CIAT), training and academic institutes (CATAP), and regional institutions/organizations will be among the project partners.

(b) Definition and extension of partnerships

19. The PPG phase will include identification and finalization of partnership requirements for support and co-funding at various levels (including government, NGO, relevant research and technical institutes, and bilateral partnership arrangements). These partnerships will be explored and outlined in the project document. Involvement of the media will be clarified and summarized under a defined communication strategy aimed at performing policy advocacy and dissemination of lessons learned.

(c) Community Mobilization

20. A detailed work plan based on a participatory stakeholder approach will be developed to mobilize local communities in implementing relevant components of the project. This may include community participation in tracking the delivery of specific project outcomes.

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

a) Facilitation and support of Government negotiations and consultations on project-related issues

21. PPG resources will be used to finance the cost of facilitating and supporting the Government of STP to reach agreement on project objective, outcomes, outputs and indicators and finalize government contributions and partnerships for support and co-funding of the envisaged project results.

(b) Exploration of Multilateral and Bilateral co-funding opportunities

22. PPG resources will be used to finance the cost of partnership development and the pursuit of co-financing opportunities at various levels with bilateral and multi-lateral funding institutions. The PPG will enable networking at the global and national level in order to ensure a coherent and sustainable financing approach with perspectives beyond the project lifetime.

(c) Preparation of official endorsement letters and guarantees

23. An official endorsement letter will be prepared by the GEF Operational Focal Point of the Government of STP. A co-financing guarantees will be collected from participating government institutions, bilateral development partners, multilateral development partners and NGOs who provide in cash or in kind contributions to this project.

24. Collecting information for the preparation of the AMAT framework.

List of proposed project preparation activities	Output of the PPG activities	Trust Fund	Grant Amount (a)	Co-financing (b)	Total c= a+b
1. Defining project scope	<p>1.1. Project goal, objective, outcomes, outputs and activities finalized</p> <p>1.2. Additionality of Proposed Interventions clearly defined</p> <p>1.3. Project intervention areas identified and described</p> <p>1.4. Gender sensitive agriculture adaptation measures to be financed by the LDCF identified and technically specified and their cost-effectiveness vis-a-vis to alternatives approaches demonstrated</p> <p>1.5. The operational connections between the LDCF project and on-going initiatives comprehensively described</p> <p>1.6 Environment and social screening of agricultural adaptation options completed</p>	LDCF	30,000	20,000	50,000
2. Institutional arrangements, monitoring and evaluation	<p>2.1. Project management, the roles and responsibilities of implementing partners and reporting arrangements defined</p> <p>2.2. Gender and social vulnerability sensitive workplan with detailed roles, responsibilities and timeline for project implementation developed</p> <p>2.3. Strategic results framework and M&E system defined with quantifiable and verifiable impact indicators.</p> <p>2.4 A sustainability strategy to ensure project benefits replication beyond the project life elaborated</p>	LDCF	15,000	20,000	35,000
3. Stakeholder engagment	3.1. Stakeholder involvement plan with focus on community level beneficiaries produced	LDCF	25,000	15,000	40,000

	3.2. Detailed list of all stakeholder consultations during PPG elaborated				
4. Financial planning and co-financing definition	4.1. A co-financing plan developed and approved by the co-financers 4.2. Endorsement letters and letters confirming co-financing commitments obtained	LDCF	5,000	10,000	15,000
5. PPG closure	5.1. List of all PPG activities including financial reconciliation elaborated 5.2. UNDP-GEF compliant full-sized project document including AMAT framework finalized and submitted to the LDCF.		0	10,000	10,000
			75,000	75,000	150,000

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


	Project Preparation	Agency Fee
GEF financing	75,000	7,125
Co-financing *	75,000	
Total	150,000	7,125

E. PPG BUDGET

Cost Items	Total Estimated Person weeks (pw)**	LDCF	Co-financing (\$)	Total (\$)
Local consultants *	33	20,000	13,000	33,000
International consultants*	12	20,000	16,000	36,000
Travel		20,000	15,000	35,000
Technical workshops, Consultation fora		15,000	21,000	36,000
Communication, Translations		0	5,000	5,000
Miscellaneous		0	5,000	5,000
Total PPG Budget		75,000	75,000	150,000

F. GEF AGENCY(IES) CERTIFICATION

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

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Adriana Dinu, Officer-in- Charge UNDP/GEF		March 21, 2013	Henry Rene Diouf UNDP/GEF Regional Technical Advisor (Gr- LECRDS)	+27 83 442 9989	henry.rene.diouf@u ndp.org

Annex A**Consultants Financed by the Project Preparation Grant (PPG)**

Type of Consultant	Position / Titles	\$/ person week	Estimated PWs	Key Tasks to be performed
Local	Climate change adaptation expert	1000	16	<ul style="list-style-type: none">- Based on a review of existing regional models, and stakeholder consultations, identify a range of climate change scenarios with particular reference to the rural sector, for the project to take into account in its design,- Support the identification of the underlying problem analysis (root-causes, preferred solution, barriers, and project specific interventions ;- Identify and outline gaps in baseline projects in terms of current and planned investments that the proposed project will build on;- Support the design of the adaptation measures and prepare pre-feasibility studies and costs-benefits analysis for adaptation measures to be supported by the project- Support the development of the adaptation trainings programmes for the- Identification of the technical, financial, regulatory and other constraints for the adoption by the communities of the strategies for livelihoods enhancement and diversification and make recommendations to address these constraints- Assist in clarifying additionality of proposed outcomes and activities- Identify and validate relevant national and regional development plans that need to integrate climate risks and the means to do so.- Validate adaptation options and measures based on the scope outlined in the PIF through a series of stakeholder consultations- Refine system boundaries and project's scope based on input from stakeholder consultations;- Identify specific sites for interventions through this project based on stakeholder input and the results of the vulnerability analysis;- Identify key elements of a monitoring programme that will be put in place by the LDCF project- Based on stakeholder input, suggest options for specific roles and responsibilities and suitable institutional/ implementation arrangements for the implementation phase of the project;.
Local	Rural livelihoods risks Management Expert	1000	12	<ul style="list-style-type: none">- Collect baseline information about the socio-economic situation in the rural sector- Undertake vulnerability and climate risks

Type of Consultant	Position / Titles	\$/ person week	Estimated PWs	Key Tasks to be performed
				<p>assessments (VRA) that are pertinent to inform the project design and identify the socio economic potential impacts of climate change</p> <ul style="list-style-type: none"> - Estimate the cost of climate change impacts on rural communities livelihoods in absence of adaptation -Based on the VRA and the assessment of potential socioeconomic costs of climate change in communities, propose sites for project intervention that is of relevance to the scope of the proposed project - Assess current coping strategies and propose solutions for effectiveness and sustainability; - Support vulnerable communities to identify strategies for coping with climate change and variability and priority adaptation needs - Identify required additional investments for climate resilient livelihoods that the LDCF project could finance -Identify key element of the climate risk management capacity development programme that will be rolled out during the implementation phase of the project - Support the climate change adaptation local and international experts to design adaptation measures and prepare pre-feasibility studies and costs-benefits analysis - Review and analyze existing policies and regulatory and institutional frameworks for the agricultural sector, including adaptation incentives and disincentives, barriers, etc... - Conduct institutional and individual capacity gaps and needs analysis; - Design the project's policy, institutional and capacity development strategy and action plan; - Propose suitable institutional/ implementation arrangements; - Help build financing partnerships and mobilize co-financing resources;
Local	Stakeholders engagement specialist	1000	5	<ul style="list-style-type: none"> -Help coordinate all PPG activities and ensure the quality of outputs based on UNDP-GEF standards - Support negotiations and consultations with potential partners including coordinating consultations with government and non-government agencies, local project stakeholders and potential project partners; - Help to organize and facilitate a series of stakeholder meetings; - Help build partnerships and mobilize resources.
International	GEF/LDCF	3000	12	<ul style="list-style-type: none"> -Lead the consultants' team and help scope PPG activities and work plan;

Type of Consultant	Position / Titles	\$/ person week	Estimated PWs	Key Tasks to be performed
	climate change adaptation specialist			<ul style="list-style-type: none"> -Control quality of inputs and outputs of all consultants and subcontractors; -Validate project's problem and barrier analysis; -Help determine the project's system boundaries and scope; - Conduct stakeholders analysis and develop stakeholders participation plan, including community mobilization strategy; - Design the adaptation measures and prepare pre-feasibility studies and costs-benefits analysis - Design the climate risk management capacity development programme that will be rolled out during the implementation phase of the project - Define the logical framework, work plan and budget for the project; -Clarify the additionality of proposed outcomes and activities -Investigate potential options for the project's institutional and implementation arrangements; -Design Knowledge Management and M&E component (including learning mechanisms and impacts indicators); -Develop the project's sustainability/scale up plan. -Help build partnerships and mobilize resources. -Demonstrate cost-effectiveness of the project's interventions -Develop co-funding and financing plans; -Stimulate partnerships and help mobilize resources; and -Develop the FSP Request for CEO Endorsement and UNDP Prodoc.