



REQUEST FOR CEO ENDORSEMENT/APPROVAL

Major Amendment Request for LDCF Council Circulation\

PROJECT TYPE: Full-sized Project

THE LEAST DEVELOPED COUNTRIES FUND FOR CLIMATE CHANGE (LDCF)¹

Submission Date: December 12, 2016

PART I: PROJECT INFORMATION

GEFSEC PROJECT ID: 3798

GEF AGENCY PROJECT ID: P112611

COUNTRY(IES): Vanuatu

PROJECT TITLE: Increasing Resilience to Climate Change and Natural Hazards

GEF AGENCY(IES): World Bank

OTHER EXECUTING PARTNER(S): Vanuatu Meteorology and Geo-hazards Department (VMGD), with inputs from National Disaster Management Office (NDMO), Department of Local Administration (DLA), Department of Agriculture and Rural Development (DARD), Vanuatu Agriculture Research and Technology Center (VARTC), and Department of Rural Water Supply (RWS)

GEF FOCAL AREA: Climate Change (Adaptation)

Expected Calendar (mm/dd/yy)	
Milestones	Dates
Work Program (for FSP)	10/15/08
Agency Approval Date	11/13/12
Implementation Start	01/14/13
Mid-term Review Completed	12/01/15
Project Closing Date	12/30/18

A. PROJECT FRAMEWORK

Project Objective: To strengthen disaster risk management systems and pilot investments in select villages to increase the resilience to the impacts of natural hazards and climate variability and change.								
Project Components	Indicate whether Investment, TA, or STA ^b	Expected Outcomes	Expected Outputs	LDCF Financin		Co-financing ^a		Total (\$) c = a+b
				(\$) a	%	(\$) b	%	
1. Institutional Strengthening for Climate Change and Disaster Risk Management	TA Investment	National Advisory Board for Disaster Risk Reduction and Climate Change (NAB) Secretariat and NDMO have capacity to mainstream in broader development including through developing and managing climate change adaptation, Disaster Risk Management programs and Early Warning Systems, at national and community levels	Secretariat/PMU staffed to provide effective oversight and implementation guidance for climate change adaptation and disaster management Operational Manuals providing procedures / protocols for Climate Change adaptation & Disaster management projects/programs Multi-hazard Early Warning Systems improved	1,670,000	38	2,700,000	62	4,370,000

2. Increasing Community Resilience in Areas Affected by Tropical Cyclone Pam	TA Investment	Communities in areas targeted under the project have expanded capacity to identify and implement adaptive strategies	Guidelines/manuals/tools based on good local and international practices developed for guiding Community-based Adaptation in Vanuatu Priority resilient activities identified and implemented in areas affected by Tropical Cyclone Pam	2,510,000	82	540000	18	3,050,000
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¹ This template is for the use of LDCF Adaptation projects only.

3. Promotion of Improved Technologies for Food Crop Production and Resilience to Climate Change	TA Investment	Villages with climate resilient investments that are implementing maintained	Village representatives trained on using new material and crops Villages in targeted areas adopting improved varieties and crops contributing to more sustainable production and adaptation to climate change impacts	700000	45	840000	55	1,540,000.
4. Rural Water Security: Increased Access to Secure Water Supply	Investment TA	Communities in areas targeted under the project have increased both the quality and security of their water supply.	Completed national inventory of rural water resources and systems, with priority action plans to increase coverage Water Supply Standards Manual disseminated to, and adopted by, partners in the rural water sector Rainwater harvesting and storage systems installed and functioning in targeted area and villages	700000	66	360000	34	1,060,000
Total Project Costs				5,580,000	56	4,440,000	44	10,020,000

^a List the \$ by project components. The percentage is the share of LDCF and Co-financing respectively to the total amount for the component.

^b TA = Technical Assistance; STA = Scientific & Technical Analysis

B. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT (expand the table line items as necessary)

<i>Name of Co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Project</i>	<i>%*</i>
Government of Vanuatu	National Govt	In-kind	400,000	9
Project beneficiaries	Beneficiaries	In-kind	40,000	1
European Union GCA	Bilat. Agency	Grant	1,270,000	29
Intra Asian Caribbean and Pacific (ACP) Natural Disaster facility (EDF10)	Bilat. Agency	Grant	2,730,000	61
Total Co-financing			4,440,000	100%

* Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

C. CONFIRMED FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Project Preparation Amount (a)	Project (b)	Total c = a + b	Agency Fee	<i>For comparison: LDCF Grant and Co-financing at PIF</i>
GEF financing	150,000	5,580,000	5,730,000	573,000	2,577,272
Co-financing	60,000	4,440,000	4,500,000		3,150,000
Total	210,000	10,020,000	11,730,000	573,000	5,727,272

D. FOR MULTI AGENCIES/COUNTRIES (IN \$)¹

not applicable

GEF Agency	Country Name	(in \$)		
		Project (a)	Agency Fee (b)²	Total (c) c=a+b
(select)				
(select)				
Total LDCF Resources		0	0	0

¹ No need to provide information for this table if it is a single country and/or single GEF Agency project.² Relates to the project and any previous project preparation funding that have been provided and for which no Agency fee has been requested from Trustee.**E. PROJECT MANAGEMENT BUDGET/COST**

Cost Items	Total Estimated person months	LDCF (\$)	Co-financing (\$)	Project total (\$)
Local consultants*	299	268000	453000	721000
International consultants*	74	700,000	800000	1,500,000
Office facilities, equipment, vehicles and communications*		70,400	93,980	188,380
Travel*		10,000	50,500	60,500
Total	373	1,048,400	1,397,480	2,469,880

* Details to be provided in Annex C.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Estimated person weeks	LDCF (\$)	Co-financing (\$)	Project total (\$)
Local consultants*	359	240,000	460,000	700,000
International consultants*	104	480,000	480,000	960,000
Total	463	720,000	940,000	1,660,000

* Details to be provided in Annex C.

G. DESCRIBE THE BUDGETED M&E PLAN:

A Monitoring and Evaluation Officer, housed in the PMU, is responsible for coordinating M&E. This individual has been supported by an M&E Specialist with international experience over the last three years of the project. The quantitative information is being obtained from the implementing agencies, through baseline survey at the community level. The project has been under implementation over the past three years and 9 months. A management information system for tracking project progress recently linked to a GIS system has been developed to enable decisions and for monitoring and reporting. As the work at the community level accelerates, regular monitoring and selected activity checks on implementation will be conducted with the support from an NGO/CSO Consortium and line agencies. In addition, as the community-led activities progress, the communities are required to report against the objectives of their community-led micro-projects and key indicators. Through the involvement of the NGO/CSO Consortium, there is already some collation of lessons learned which will also inform subsequent community-led micro-projects.

Quarterly, semi-annual and annual reports and independent financial audits have already occurred and will continue through the life of the project. A mid-term review has also been conducted and informed this restructuring. A final

evaluation review have will be conducted. Reporting against the results framework will also continue to the end of the project.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE THE PROJECT RATIONALE AND THE EXPECTED MEASURABLE ADAPTATION BENEFITS:

The NAB will support activities aimed at building resilience of the most vulnerable and poorest communities on islands affected by the Tropical Cyclone Pam in March 2015. These are subsistence communities in approximately 150 villages. They have already been adversely impacted by a category 5 cyclone and drought since the project started. They also face high risk from climate extremes and change due to their location on islands that have seasonal droughts and are increasingly in cyclone paths. Relief efforts are difficult because of the distance, limited port facilities and disasters disrupt transport. There is little savings in these communities either as cash or in kind and trade is unreliable. Under these circumstances, water security and diversification of crops and practices like agroforestry will contribute to water and food security. The staple diet in the communities is based on root and tuber crops and bananas. The farming system is supplemented by shifting cultivation and a few free range animals. The challenges from increasing population and climate-related extremes is putting stresses on food supply and availability of reliable and potable water, as has been demonstrated in the drought in early 2016.

Government's ability to respond to the increasing needs of island communities is severely constrained, both by the remoteness of many communities and by the very limited presence of government staff/extension workers outside the national capital region. Compounding this is that while a number of multilateral/bilateral agencies have/are providing assistance, capacity constraints even at a national level limit government's ability to take full advantage of these cooperative programs, which themselves are often characterized by their short term nature.

Accordingly, the strategy underpinning the project has, in the first instance, been to accommodate the very limited capacity constraints in the public sector, especially when it comes to providing services to rural/ remote areas. The approach therefore involves development of mechanisms to engage an NGO/CSO Consortium and other service providers in working with communities. Provision has also been made for a considerable amount of technical assistance, linked to government plans for provision of additional staffing to support the implementation of the community level investments. The design builds on best-practices elsewhere on communities leading the identification of the activities which are then prepared and implemented with the support of multiple and relevant agency staff and a centralized procurement for all contracting. The effects of the TC Pam has also introduced a focus on certain islands/Province, which is the main rationale for this restructuring and re-orientation of the Project.

Component 1 of the project will produce measurable adaptation benefits to address the institutional and technical capacity issues by:

- strengthening institutional structures and capacity to deliver climate-resilient investments at the provincial to local levels;
- strengthening the communications and networks in support of Early Warning Systems.

These activities are expected to provide climate change adaptation benefits by improving the coordination, synergy, and information flow of climate change- and disaster management-related projects and programs in the country, supporting implementation of investments at the community-level in the TC Pam affected areas and in addition strengthening the monitoring and flow of data relevant to Early Warning Systems.

Component 2 of the project will produce measurable adaptation benefits by increasing the ability of national, regional and community-level stakeholders to work together to enhance disaster and climate resilience in rural communities by

- supporting up to 60 communities in the island of Tanna and Shepherds Province affected by Tropical Cyclone Pam through community-based adaptation and DRM investments.

These activities are expected to provide climate change adaptation benefits by providing coordinated support to the communities affected by TC Pam to implement climate resilient activities and improve the resilience of the poorest and vulnerable people to climate-related shocks from cyclones, storms and droughts.

Component 3 of the project will produce measurable adaptation benefits to address food security issues by:

- providing technical and material assistance to produce, multiply and distribute improved plant genetic material including in the villages affected by TC Pam. As needed, good and services will be procured to facilitate the multiplication of the material.
- strengthening the capacity of Department of Agriculture Extension services to work with and through partners in multiplying and distributing superior planting material and technologies to communities in the island of Tanna and the Province of Shefa, This component, as needed, will also support small works and procure goods to facilitate the multiplication of climate-resilient food crop varieties

These activities are expected to provide climate change adaptation benefits by identifying, multiplying and disseminating superior planting materials and farm technologies to communities. By increasing access to, and knowledge of, strategies and technologies for adapting to climate change and variability, these activities will increase the resilience of communities to climate-related shocks such as crop damage from cyclones, storms and droughts.

Component 4 of the project will produce measurable adaptation benefits to address these water security issues by:

- Supporting the completion of the national rural water survey, and the maintenance of the national rural water inventory to strengthen data-driven reporting, priority-setting, and implementation of action programs;
- Strengthening the capacity of Ministry of Water Resources to work with and through other partners in the rural water sectors, including CBOs, NGOs and church groups; and
- Supporting the installation or improvement of rainwater harvesting and storage systems and gravity-fed systems.

These activities are expected to provide climate change adaptation benefits by increasing the total volume of potable water in and through strengthening the Department of Geology, Mines and Water Resources. By increasing and diversifying the sources of potable water, these activities will reduce the impact of drought and storm surges on quality and availability of freshwater resources, therefore increasing resilience to the impacts of climate change on freshwater supply.

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL/REGIONAL PRIORITIES/PLANS:

The Bank's assistance to Vanuatu is guided by the Government of Vanuatu's own priorities articulated in the Priorities and Action Agenda 2006-2015 (PAA), NAPA and the Disaster Management National Action Plan. The proposed project aligns well with the PAA. For example, with respect to the intention to increase the productivity of the agriculture sector, the project will facilitate the adoption of more sustainable and less climate-sensitive agricultural practices. This will be achieved by, for example, increasing the research effort on traditional food crops and strengthening extension services. The PAA Supplementary for Mainstreaming Disaster Risk Reduction and Disaster Management recognizes disaster risk management as a development issue. Through such activities as providing increased protection of coastal areas from storm surge and flooding, and by increasing freshwater storage capacity, the proposed project will ensure that development gains are at less risk from climate change. This will, in turn, improve the livelihoods of upland farmers and coastal communities by increasing their resilience to the impacts of climate variability and change as well as weather related hazards.

The project directly addresses the two top priorities identified in Vanuatu's National Adaptation Plan of Action (NAPA), approved by GoV in 2007, namely a. Agriculture and Food Security; and b. Water Management Policies/Programs (including rainwater harvesting). The project supports the GoV in addressing these priorities in addition to supporting the emerging institutional structure of the National Advisory Board for Climate Change and Disaster Risk Management (NAB) at the national level and community-based adaptation planning at the local level.

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH LDCF ELIGIBILITY CRITERIA AND PRIORITIES:

The UNFCCC agreement of March 1994 entered into force in Vanuatu in that same month. Vanuatu is included in the list of Least Developed Countries (LDCs) and is therefore eligible for support under the LDCF. The proposed project is consistent with the guidance for the LDCF (GEF/C.28/18 May 2006) and will implement priority actions specified in the 2007 NAPA. Component 3 addresses NAPA priority #1: Agriculture and Food Security; Component 4 addresses priority #2: Water Management Policies/Programs (including rainwater harvesting); while Component 2 could address a number of priorities depending on needs identified by local communities, eg., forestry management, land use planning, integrated coastal zone management, livestock management, sustainable tourism, etc.

The project is leveraging significant co-financing from the EU and the ACP Natural Disaster Facility as a testament of these partners' support for the project objectives. The project supports priority interventions that are eligible under the LDCF guidelines, namely it will integrate climate change risk considerations into water resource management and agriculture development activities and investments; and expand community-based adaptation measures to increase resilience against climate change risks.

GEF involvement through the LDCF would provide long-term program assistance and capacity building to communities and domestic institutions to address the issues described above. The effectiveness of ongoing external assistance is often limited by the local capacity to absorb the technology being transferred and by the short-term nature of the funding of that assistance. The proposed project would not duplicate the work of other donors but would bring resources to expand successful pilots and to strengthen domestic capacity to be an effective partner.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

Co-financers were fully engaged during the project preparation and have participated in the implementation support missions. Extensive liaison has been undertaken with other donors to increase the overall impact of the programs. The project has directly engaged with a number of the initiatives listed below, as well as benefit from, and contribute to, knowledge sharing through the NAB.

The **Building Resilient Communities** project, jointly supported by UNICEF, FAO, and UNDP through the Department of Local Authorities of the Ministry of Internal Affairs, supports adaptation activities in 12 communities in areas such as a. institutional strengthening; b. food security; c. water and sanitation; d. disaster risk reduction; and e. microfinance.

The **SPC-GIZ** project includes the establishment of a pilot site at the Teouma community to undertake field trials of root crops (sweet potato, island cabbage and yam) to assess their resilience under various climate change conditions, the establishment of a pilot site at Pele Island to promote sound farming systems for soil fertility and fallow improvement, including use of alley cropping, leguminous species and agroforestry, the development of seasonal climate forecasts with adaptation advice to farmers.

The **FSA** projects include supporting agricultural training in rural training centres in Malekula, Epi, Pamma and Tanna, including programs on organics spice network, vetiver grass for erosion control, vegetables, a working horse progra, poultry and planting materials, and setting up a training center in Efate, which focuses on training rural workers on how to manage a farm.

NZAID, AUSAID and JICA have been strong supporters of the rural water sector program in the past, and efforts will be made to identify areas of collaboration in any future activities they might support.

The UNDP GEF Regional Pacific Adaptation Project has supported development of climate resilient infrastructure in one site in Vanuatu. Lessons learned from this project would help guide implementation. PIFs have also been recently submitted to the GEF by the Asian Development Bank and UNDP for LDCF supported projects in Vanuatu. Although these projects have not yet been developed therefore specific coordination arrangements cannot be specified at this time, it is more than likely that such arrangements will be facilitated through the NAB which has responsibility for coordinating climate change adaptation and disaster risk management and is being directly supported by the proposed project.

Many successful approaches to **community-based adaptation**, disaster risk reduction and natural resource management are being piloted and implemented in Vanuatu by a range of government and non-government institutions. There are currently at least 27 organizations engaged in some form of climate and disaster related adaptation awareness and

implementation in Vanuatu. A selection of successful past and current community-based initiatives are: the Capacity Building for the Development of Adaptation Measures in Pacific Island Countries (CBDAMPIC) program which developed the Community Vulnerability and Capacity Analysis methodology; the FSP Vanuatu initiative which uses the LMMA approach to facilitate the formulation of community based resource management plans around some communities of North Efate, Vanuatu Red Cross Building Resilient Communities initiative which applies the Vulnerability and Capacity Assessment Toolkit, Care International in Vanuatu who are applying the Climate Vulnerability and Capacity Analysis method, SPC-GIZ Coping with Climate Change in the Pacific program which developed the Vanuatu Climate Change Agriculture Assessment Tool, and; the Joint UN Vanuatu Community Resilience to Climate Change & Natural Disasters program. Government and non-government agencies involved in adaptation have identified a need to consolidate the good-practices, lessons learned, methodologies and implementation mechanisms in order to develop a more consistent, shared approach to community-based adaptation and, importantly, to ensure agencies are able to facilitate community-based adaptation in a coordinated and strategic way in Vanuatu. The project will standardize and improve processes, methods and protocols in order that the agencies involved in adaptation in Vanuatu are able to better share capacity, experience and knowledge and therefore facilitate CBA in a more strategic and consistent manner.

E. DESCRIBE ADDITIONAL COST REASONING:

The adverse impacts of climate change and variability are already affecting the targeted areas and sectors of Vanuatu, and the government is committed to ensuring that the country future development is guided by climate change risk considerations. However, human capacity – particularly the ability to implement projects according to donors’ requirements- and financial resources in this small island development state are a serious constraint to the government’s ability to act.

Without the LDCF grant, government and donor interventions to address climate change risks for the most vulnerable sectors (agriculture and rural water supply) and areas (coastal communities) will remain ad-hoc and piecemeal, limited to a few pilots, based on traditional protection or reactive measures. Interventions to protect the coastal areas would be sporadic and insufficient to meet the increasing pressure of extreme weather events. Policy makers and disaster management professionals will not be able to effectively interpret climate risk data, anticipate climate hazards and integrate adaptive measures into policies and programs; in turn, storm surges, sea level rise and increased salinity of soil and aquifer will continue to degrade the freshwater supply and in turn deteriorate the livelihoods of coastal communities, while changes in rainfall, intensity and frequency of storms, and changes in soil productivity will continue to put traditional crops, and the rural households that depend on them, at risk.

With the LDCF additional funding, the country will be able to implement a comprehensive program that addresses the key climate-related threats on its most vulnerable communities and sets the basis for enhanced preparedness for extreme weather events. By improving the quality and management of climate change data and strengthening the capacity of the institutions in charge of climate change technical and policy work, the LDCF funding will ensure that climate change risk considerations guide the development of future economic policies and programs. By supporting coastal communities to identify and mitigate climate-related risks, the LDCF funding will contribute to reducing the vulnerability of those communities to current and future impacts of storm surge, coastal erosion and flooding, and ecosystem-supported livelihoods such as coastal fisheries. By supporting development and dissemination of enhanced planting materials and cropping techniques, LDCF will contribute to reducing the negative impacts of drought, disease, and soil degradation on crop yields. Finally, by supporting the installation of rainwater catchment and storage systems in rural areas, strengthening the governance and management of the water sector and increasing communities’ involvement in developing and implementing such adaptive measures, the LDCF funding will contribute to reducing the impact of droughts and storm surges on the livelihoods and wellbeing of the Vanuatu population.

Focusing on the poorest and vulnerable communities that were devastated by the TC Pam will provide resilience to communities from the current extremes and also help prepare them for future changes.

F. INDICATE THE RISK THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MITIGATION MEASURES:

The key risks to the project are the limited capacity in most government departments and the possibility of extending the project area to a large number of dispersed islands. The project will provide resources to carefully strengthen and supplement existing capacity. Given the capacity constraints, project design has been kept simple and is largely based on ongoing projects which have piloted adaptation technologies. This risk will be largely mitigated through the strong

support to be provided by the project in institutional strengthening. This will take the form of strategically placed TA, training and the development of various operational manuals which can guide future project implementation. This capacity strengthening will also help mitigate other significant risks such as governance and delivery, monitoring and sustainability. Other risks are mostly moderate and will be mitigated through a number of measures during project implementation. Due to the overriding significance of capacity, the overall implementation risk rating for the project is substantial.

Risk	Rating
Stakeholder Risk	Low
Operating Environment Risk	
• Country	Substantial
• Sector	Moderate
Implementing Agency Risk	
• Capacity	High
• Governance	Substantial
Project Risk	
• Design	Moderate
• Social and Environmental	Moderate
• Program and Donor	Moderate
• Delivery, Monitoring and Sustainability	Substantial
Overall Implementation Risk	Substantial

G. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:

The economic value of the proposed project would be an increase in food and water security, and an increase in the capacity of select communities to adapt to climate change-related and other external shocks. The remoteness of the islands, irregular transport, and little purchasing power intensifies the impact of droughts, cyclones, floods and other weather-related events. Their location in the cyclone belt elevates risk and uncertainty while the constrained income of the Government hampers relief efforts. Planting of commercial crops (coffee, cocoa, vanilla) at the expense of food crops (bananas, taro, yams, cassava, sweet potatoes) exposes communities to hunger when trade is disrupted. In addition, the difficult budget circumstances of the research and extension services of Government has resulted in communities being largely left to themselves and without the benefits of low –cost advances being made elsewhere. One of these is the collection, screening and distribution of improved planting material to broaden the narrow genetic base of root crops in food gardens. This would enable selection of lines adapted to changing climate and resistance to pests and diseases without use of pesticides and other purchased inputs. A drop in production of root crops would result in increased imports of grain, currently worth over US\$10million per year. A recent study by McGregor et al., concluded that a 25% increase in grain imports would result in an extra US\$3.6 million per year cost to the economy and that the probability of a root crop disaster sometime in the next decade is high.

It is difficult to quantify the damage associated with future climate events and therefore the project benefits associated with climate change adaptation measures. Climate-related risks include the potential loss of lives and livelihoods, slowed economic growth, demand pressures on water and associated threats to public health and human productivity, increased pressure on natural resources, loss of land area do to inundation and erosion, damage to infrastructure and reduced delivery of services.

The economic costs of past natural disasters provide one useful benchmark given that one expected result of climate change is increased frequency and severity of natural disasters. Vanuatu, during past natural disaster years, suffered, on average, economic losses of 30 per cent of their nominal annual GDP, or about Vatu 300 billion. In 2004, at the sector level, Cyclone Ivy affected 90 per cent of water resources, 70 per cent of roads, 60 per cent of health infrastructure, and over 80 per cent of food crops. Monetary damage from this one event was estimated at VT427.6 million (\$3.8 million of 2004 USD), and damages from other cyclones are estimated to be much higher. When combined with the impact climate-related, but non-disaster, events such as increasing drought conditions or incremental sea level rise, these conomic

costs of climate change are expected to rise.

The economic benefits of improved water security through the provision of rural water supply -systems include improved supply of clean water for human consumption and related reductions in public health costs. The economic benefits derived from more resilient coastal communities include reduced damage to livelihoods and enhanced ability to return to subsistence and income-generating activities more quickly and easily after a disaster or climate-related event occurs. While there is a paucity of quantitative assessments of the economic costs from climate change and the economic benefits of climate change adaptation measures, there is a growing consensus that the costs of inaction greatly outweigh the cost of action, especially in highly vulnerable countries like Vanuatu.

The project will support and utilize existing or emerging government structures instead of establishing a separate PMU whose sole purpose would be to service the project. Advisers and specialists to be supported under the Project would be responsible for supporting other climate change adaptation projects to the extent their availability allows. Technical Assistance under the project will focus on strengthening government implementing agencies to be facilitators of service providers, instead of simply being service providers themselves, thereby enabling a more robust expansion of activities by working with and through partners. Where possible, costs savings by purchasing materials in bulk will be pursued, for example in the procurement of materials for rainwater catchment shelters and storage tanks.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. PROJECT IMPLEMENTATION ARRANGEMENT:

Project oversight is the responsibility of the National Advisory Board that has been developed through the support of this Project. Key outputs include i) six-monthly reviews of the progress in implementing the project along with guidance and facilitation to overcome bottlenecks that may arise; (ii) endorsement of annual work programs (Program Agreements) focused on the communities in the island of Tanna and the Shepherds Province for the remainder of the project..

The project management team will continue to be responsible for i) coordinating the overall work plan and budget for the project, ii) providing continuous oversight and resolving problems in project implementation, iii) monitoring project progress and measuring impact, iv) ensuring environmental compliance, v) audit of the project accounts, vi) financial management, and vii) all procurement involving contracts. The expected outputs from the Project Management Team would be i) preparation of six-monthly progress reports for review by the NACCC/NAB, and as an input for regular Bank supervision review missions, and ii) compilation of Operation Manuals for subproject selection and implementation, including procurement, financial management, safeguards and M&E.

The Secretariat/PMU is fully staffed and will support the implementation of all components and will work closely with the Provincial, local government and national line agencies to ensure effective support to the communities in the island of Tanna and the Shepherds Province.

Responsibility and role of each agency is outlined in the table below.

Project Implementation Organization	Management Roles and Responsibilities
Implementing Agency (IA) – Vanuatu Meteorology and Geo-hazards Department (VMGD)	<ul style="list-style-type: none"> • Responsible for the overall execution of the project. • Houses and operates the PMU and Secretariat to the NAB. • Responsible for procurement and financial management of the project through its PMU • Coordinates project implementation • Works closely with firms and individuals responsible for implementing and supervising various aspects of the project. • Responsible for compliance with environmental and social safeguards policies • Checks and certifies work done by all consultants and contractors and arranges payments. • Reports progress to the GOV and the donors.
NDMO, DLA, DARD, VARTC, DGMWR-RWS	<ul style="list-style-type: none"> • Responsible for the day-to-day implementation of specific components/sub-components that have largely been completed
National Advisory Board (NAB)	<ul style="list-style-type: none"> • Oversees and monitors project implementation • Advises the GoV of any issues or concerns affecting project implementation and proposes remedial action
World Bank	<ul style="list-style-type: none"> • Responsible for administering GEF, GFDRR and EU grant that co- finance components of the project. • Responsible for overall administration of the project. • Responsible for supervision of all procurement financed under the Grants • Responsible for overseeing the implementation of the project EMP and the Bank's environmental and social safeguards measures.

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIE:

Following Tropical Cyclone (TC) Pam, and the changed context and priorities of the Government of Vanuatu (GoV), it is proposed that the project activities be focused on piloting micro-project investments in areas heavily affected by the cyclone, as well as supporting investments that are already underway including in early warning, preparedness and water supply. In addition, with the closing of a baseline grant from the EU, the total cost of the project has now been reduced from USD11.52 million to USD10.02 million (USD9.58 million from grants and USD0.44 million as in-kind contribution from the government of Vanuatu).

The focus of the majority of the activities is proposed to be on micro-projects that enhance the resilience and adaptive capacity of the communities (or villages) affected by TC Pam and vulnerable to other climate related events such as droughts. These micro-projects are village- and provincial government-led activities. It is also proposed that some of the activities in agriculture and water-related components are integrated within the micro-projects. It is proposed that the component focused on institutional strengthening continues without change to ensure sufficient support and links between national-provincial-village institutional structures and to facilitate effective implementation of micro-projects.

The following changes are proposed:

(i) Change in PDO:

- Original PDO: 'The objective of the Project is to help increase the resilience of communities in Vanuatu to the impacts of climate variability and change and natural hazards on food and water security as well as livelihoods.'

- New PDO: 'The PDO is to strengthen disaster risk management systems and pilot investments in select villages to increase the resilience to the impacts of natural hazards and climate variability and change.'

(ii) Change to Component 1: There are changes to the component.

(iii) Change to Component 2: Change in name and focus - from 'Increasing Community Resilience on Active Volcanic Islands and in Coastal Areas' to 'Increasing Community Resilience in Areas Affected by Tropical Cyclone Pam'. Cost of the component will change from USD2.43 million to USD3.05 million;

Sub-component changes:

Component 2.1 - from 'Strengthening methods, processes and protocols for climate change adaptation and DRM' to 'Supporting delivery of village- and Provincial government-led investments and strengthening methods, processes and protocols for climate change adaptation and Disaster Risk Management.';

Component 2.2 - from 'Enhancing Community and Ecosystem-based Adaptation and Disaster Risk Management in Coastal Areas and on Active Volcanic Islands' to 'Climate-Resilient Community Investments.'

As a result of these proposed changes, additional safeguards are likely to be triggered. A revised ISDS has been prepared and will be disclosed once the Board date to review this restructure is confirmed.

Other proposed changes: In addition, it is proposed to remove the reference to grants to be provided to communities and include provision of goods and services delivered to the villages and localities in the islands of Tanna and Shepherds to help implement micro-projects identified by communities/villages as well as Provincial government so as to enhance resilience and adaptive capacity of the population. Such micro-projects could include building evacuation centers; multi-purpose shelters; surface, ground and rain water harvesting, storage (in tanks) and distribution; improving small sections of secondary road for all season access to services and markets; and promoting climate-resilient crop varieties and farming methods.

(iv) Component 3: Change in cost from US\$2.48 million to US\$1.54 million to reflect the proposal to deliver the remaining agriculture and crop related activities through the micro-projects. There are no further changes.

(v) Component 4: Change in cost from US\$2.24 million to US\$1.06 million to reflect the activity under implementation to repair and improve the resilience of Tongoa Water Supply System in Shepherds that has been affected by TC Pam and deliver the remaining water related activities through the micro-projects.


(vi) Remove reference to Small Grant in disbursement category 2. Accordingly the reference to small grants in disbursement categories for the GEF (TF13810) and GFDNR grant agreement (TF13694) will be removed and replaced by village- and Provincial government-led micro-projects.

(vii) Changes to legal covenants (this will also have to be included in the portal under covenants)

Although the legal covenants are met, the simplified implementation structure makes some of these redundant and it is proposed that they be removed.

(viii) Revise Results Framework: The Results Framework will be amended to accommodate the revised focus of Component 2 on micro-projects for resilience. This will result in reducing the original 16 indicators (4 GEO and 12 Intermediate) to 9 indicators (2 GEO and 7 Intermediate).

PART V: AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with LDCF policies and procedures and meets the LDCF criteria for project endorsement.					
Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Karin Shepardson		Please add	Jiang Ru	202 473 8677	jru@worldbank.org

ANNEX A: PROJECT RESULTS FRAMEWORK (revised from the original submission)

Global Environmental Objective Indicators

Indicator Name	Core	Unit	Base-line	Cumulative Target Values					Frequency	Data Source/ Method-ology	Respons. for Data Collection	Description
				YR1	YR2	YR3	YR4	End Target				
(NEW) Number of beneficiaries from climate resilient investments directly supported by the project (disaggregated by gender, water-related, agriculture-related investments)		Number Also disaggregated by:	0	0		600		2,000	Twice	Survey	PMU, GoV (DLA, DARD, VARTC, DGMWR, NDMO)	Total number of people in the villages supported by the project that are implementing and benefiting from climate resilient activities. Disaggregated by gender: Percentage women beneficiaries (60% women).
Beneficiaries (disaggregated by gender)		Number	0	0				120,000	Annual after post Pam	Survey	PMU, GoV (DLA, DARD, VARTC, DGMWR, NDMO)	Total number of people benefiting from the project. Disaggregated by gender: Percentage women beneficiaries (50% women).

Intermediate Results Indicators

Indicator Name	Core	Unit	Base-line	Cumulative Target Values					Frequency	Data Source/ Method-ology	Respons. for Data Collection	Description
				YR1	YR2	YR3	YR4	End Target				
(Revised) Strengthened institutional structures and capacity to deliver climate-resilient investments at the provincial to local levels.		Number	0	0				80	Twice	Project Reports and Survey	PMU, GoV	Actual: current (Yr 3) All the project key positions have now been filled and the PMU is now operating at full capacity and has capacity for the effective oversight and management of the project

(New) Villages receiving climate resilient investments		Number	0				3	60		Survey	PMU, GoV (DLA, DGMWR, DARD)	Number of villages goods and services to implement climate and disaster resilient activities in areas affected by Tropical Cyclone Pam.
(NEW) Number of early warning system established and/or repaired.		Number	0	0				9	end of project	Survey	NDMO/ VMGD	Number of system network sites established/and or repaired based on post-Pam damage assessment.
(NEW) Number of water systems repaired through support from the project for post-TC Pam recovery efforts.		Number	0	0				17	Once (year 4)	Project Reports and Survey	PMU	Number of systems identified as part of the GoV's post-Pam damage assessment that have been repaired with the support of the project.
(NEW) Investments that met immediate post TC-Pam recovery needs.		Number	0	0				monitored	Once (year 4)	Project reports, Survey	PMU	Actions through the project that are aligned with GoV Food Security and WASH national clusters. This includes enhancing the capacity of the staff in the clusters to deliver their program.
(REVISED) Improved operational and decentralized disaster management centers.		Number	0	0		1	2	2	End of project	Project Reports	NDMO/ VMGD, PMU	Number of provincial Disaster Centers constructed, fully equipped, and operational.
(REVISED) Data communication links established to all active volcano sites		Number	5	5				11	Annual	Project Reports	NDMO	Percentage of active volcano sites that have repaired or newly established data communication, which Includes setting up protected sites with new equipment (e.g., video monitoring).

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, Responses to Comments from the Convention Secretariat made at PIF)

This was from the submission of October 2011 and will be updated when comments are received.

The GEF Secretariat review highlighted no major issues with the project at PIF stage. Responses to review comments are below.

Review criteria	Review comment	Response
Project design	Component on Community-based Adaptation (CBA) might stretch the capacity of the PCU to implement	CBA activities to be implemented by Department of Local Administration with support of PCU
Project context	Focus on Climate Change and Variability (not just Change) and look for emerging opportunities due to variation in climate	Incorporated in project

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT (updated table)

<i>Position Titles</i>	<i>\$/ person month*</i>	<i>Estimated person months**</i>	<i>Tasks to be performed</i>
For Project Management			
<i>Local</i>			
Project Management Unit	5000	36	Management oversight over project
Procurement Officer	2500	60	Procurement of goods and services
M&E Officer	900	36	Monitoring and Evaluation and Reporting
Finance Officer	1150	70	Financial Management and Reporting
Contract	2600	48	Records, general office system support
Community Outreach Officer	2400	24	Facilitate micro-project selection & community capacity building
CCA/DRR Scientific Officer	2000	12	Ensure environment safeguards
M&R Officer	3200	13	Monitoring and reporting of micro-projects
<i>International</i>			
Procurement Specialist	6160	7.4	Support to Procurement Officer
Project Management Advisor	11400	33	Support to PMU
Financial Management Spec.	15,000	15	Support to Finance Officer
M&E Specialist	16500	18	Support to M&E Officer
Justification for Travel, if any: Project operating on multiple islands over 1,300km from north to south			
Project management staff are expected to travel to selected sites to support implementation and monitoring			
For Technical Assistance			
<i>Local</i>			
Smart Stream System Development and	7500	2	Integrate contract management and reporting into Smart Stream system of MFEM.
Vatu Mauri Consortium	1580	19	Facilitate Community-based Adaptation planning and implementation for Comp 2.2
DRM NDMO Coordinator	2600	13	NDMO coordination support Comp 1.2
Prov. Disaster Officer (Sola)	1200	36	DRM implementation support in Torba
Prov.. Disaster Officer (Isangel)	1200	36	DRM implementation support Tanna
Legislation Review Specialist	23400	1	Review of NDMO legislation
DLA Program Coordinator	1800	12	Coordination support to Comp 2.1
Agriculture	450	60	Support to agri. research activities
Department of Agriculture	3340	12	Coordination support to Comp 3.2
Water Planner (South)	2,000	36	Planning support to Comp 4
RWS Programme Coordinator	2,000	36	Coordination support to Comp 4
Database Officer (RWS)	1,000	48	Maintain Nat. Water Resources Inventory (Comp 4.1)
VARTC Coordinator	3500	24	Coordination support to Comp 3.1
NRM Programm Coordinator	4100	24	Continuation of Coord. support to 3.1
<i>International</i>			
GIS Support Specialist (TA)	2200	12	GIS support to DRM activities
Early Warning System Advisor	3100	32	Technical support to early warning activities
CCA/DRR Advisor	7750	12	CCA/DRR technical support
CDD specialist	30000	3	Technical support for micro-projects
Root Crop Specialist	8000	3.5	Support yam hybrid research - Comp 3.1
Agricultural Extension Specialist	9000	5.5	Support extension program - Comp 3.2
Water Engineer (TA)	7160	12	
IRCCNH Water/PMU Civil Engineer Specialist	8000	24	
Justification for Travel, if any: project operating on multiple islands over 1,300km from north to south			
Technical consultants are expected to travel to sites to provide support to micro-project selection, implementation and supervision.			

* Provide dollar rate per person weeks or months as applicable; ** Total person weeks/months needed to carry out the tasks.

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

There have been no changes to this since the submission in October 2011. The proposed restructuring does not affect this

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN.

The activities financed by the PPG have been achieved and have greatly contributed to project design, particularly the results of the technical and institutional reviews of how CCA and DRR is currently being handled by various government, and non-government, agencies.

B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY.

A key finding of the PPG-financed activities is that the institutional capacity of many government agencies is sub-optimal. The project has been designed to accommodate this gap in capacity by ensuring a significant amount of funds for technical assistance is available.

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

<i>Project Preparation Activities Approved</i>	<i>Implementation Status</i>	<i>LDCF Amount (\$)</i>				<i>Co-financing (\$)</i>
		<i>Amount Approved</i>	<i>Amount Spent To-date</i>	<i>Amount Committed</i>	<i>Uncommitted Amount*</i>	
Technical and institutional reviews of how climate change adaptation (CCA) and Disaster Risk Reduction (DRR) are presently handled in the various government ministries/departments. The reviews would assess the application and use of climate risk and DRR information, including planning and regulatory implications, and recommend the most effective ways of mainstreaming these concerns at national, provincial and community levels.	completed	50,000	50,000			0
A technical study of capacity building needs in the agencies responsible for provision of climate risk and disaster risk information, including climate projections and forecasts at various timescales, hazard maps, weather forecasting and information dissemination and vulnerability assessments.	completed	20,000	20,000			5,000

A study of CCA and DRR investment opportunities in key NRM sectors (including agriculture, watershed management and water resources), to increase resilience to climate change	completed	25,000	25,000			15,000
A study of CCA and DRR investment opportunities in the tourism sector to increase resilience to climate change	completed	15,000	15,000			0
A study to prepare a program for the development of land use planning policies, plans and regulations that include climate and disaster risk considerations as well as other natural hazards.	completed	20,000	20,000			0
Environment and social analyses including safeguards	completed	0	0			20,000
Preparation of a detailed M&E plan and design of an M&E system for the project and for specific adaptation activities	completed	10,000	10,000			5,000
Stakeholder consultations and preparation of a public awareness plan.	completed	10,000	10,000			0
Preparation of Project Documents	completed	0	0			15,000
		150,000	150,000			60,000

* Uncommitted amount should be returned to the LDCF Trust Fund. Please indicate expected date of refund transaction to Trustee.