



ADAPTATION FUND

**REQUEST FOR PROJECT/PROGRAMME
FUNDING FROM THE ADAPTATION FUND**

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to:

The Adaptation Fund Board Secretariat
1818 H Street NW
MSN P4-400
Washington, D.C., 20433
U.S.A
Fax: +1 (202) 522-3240/5
Email: afbsec@adaptation-fund.org



ADAPTATION FUND

PROJECT/PROGRAMME PROPOSAL TO THE ADAPTATION FUND

PART I: PROJECT/PROGRAMME INFORMATION

Project/Programme Category:	Regular Project
Country/ies:	Uganda
Title of Project/Programme:	Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities
Type of Implementing Entity:	Multilateral Implementing Entity (MIE)
Implementing Entity:	African Development Bank Group
Executing Entity/ies:	Ministry of Water and Environment
Amount of Financing Requested:	2,249,000 (in U.S Dollars Equivalent)

Project / Programme Background and Context:

Provide brief information on the problem the proposed project/programme is aiming to solve. Outline the economic social, development and environmental context in which the project would operate.

Geographical and Socioeconomic Context

Uganda is a landlocked country occupying 241,550.7 km² of land, of which 43,941km² is covered by open water and swamps; its largest water bodies are Lakes Victoria, Kyoga, and Albert. Lake Victoria, the second largest freshwater lake in the world, accounts for about 80 percent of Uganda's water resource. Rainfall is the most important source of water resources in Uganda with mean annual rainfall estimated at 1,180 mm, however precipitation levels varies widely due to the country's topography. Precipitation varies from 750 mm/yr in the Karamoja pastoral dry areas in the northeast to 1,500 mm/yr in the high rainfall areas on the shores of Lake Victoria, around the highlands of Mount Elgon in the east, the Ruwenzori Mountains in the southwest, Masindi in the west and Gulu in the north.

The seasonal and spatial variability of precipitation remains a challenge in the humid and semi-arid regions of the country. Livelihoods of communities are inextricably linked to water resources; over 60 percent of the population is engaged in rain-fed subsistence agriculture dominated by crops and livestock farming, fisheries and forestry. Water scarcity engenders migration into neighboring districts, which can potentially spark ethnic conflicts and lead to the disruption of agricultural production and potentially affecting the development of these communities. Vulnerable groups including women are disproportionately impacted by deficiencies in water supply. Water collection remains the primary role of women and girls, who walk long distances to fetch water. According to the Uganda Water and Sanitation Sub-sector Gender Strategy, about 55% of women and girls' time is spent travelling to collect water daily¹.

Climate change is a potential threat to the country's freshwater resources and the socio-economic activities depending on these resources. Based on projected population growth, the total

¹ Uganda Water and Sanitation Sub-sector Gender Strategy (WSGSIII), May 2017

renewable water resources of the country per capita is expected to drop to 1072 m³/year by 2030, on the brink of a regime of water scarcity especially in arid and semi-arid regions². The population of Uganda has grown significantly over the past decade from 24.2 million in 2002 to about 45.2 million in 2016 and is projected to reach over 100 million by 2050.

Rapid population growth coupled with migration to urban centers, and increased economic activities will exert additional stress on already overstretched physical resources and facilities including water, land and waste management infrastructure and increase vulnerability to climate change effects.

Climate Vulnerability and Resilience

In recent times, Uganda has experienced heavy rainfalls that led to flash floods, which resulted in increased pollution of unsafe water sources and leading to the outbreak of waterborne diseases such as diarrhoea, typhoid and cholera in certain parts of the country. In addition, climate change will not only exacerbate water scarcity problems in semi-arid areas but also impair water quality. Prolonged droughts have also been recorded to affect groundwater levels leading to dry up of boreholes and reduced lake levels that caused serious challenges to water services provision in urban areas³. This causes severe water stress for communities particularly women and girls who are traditionally responsible for collecting water and managing the homes. Women and girls in Uganda bear the impact of inadequate, deficient or inappropriate water and sanitation services.

In addition to safe water access difficulties outlined in the paragraph above, a large proportion of small town communities do not have access to adequate sanitation facilities. The most common type of sanitary facility being used at household level is the ordinary pit latrine (77.8%) followed by Ventilated Improved Pit (VIP) latrines (20.8%)⁴. Hence, flood events could pose serious pollution problems to sources of drinking water, with the potential danger of outbreaks of water borne diseases. Water and sanitation related diseases are among the top ten killer diseases in Uganda.⁵ The poor are the most affected by these disease outbreaks.

In consideration of the water supply problems prevalent in the country, the Ministry of Water and Environment has prepared and is ready to implement the Strategic Towns Water Supply and Sanitation Project (STWSSP) with funding support from the African Development Bank. The identified towns to benefit from STWSSP include Kyenjojo-Katooke (Kyenjojo District), Nakasongola (Nakasongola District), Kayunga-Busana (Kayunga District), Kamuli (Kamuli District), Kapchorwa (Kapchorwa District), Dokolo (Dokolo District), Bundibugyo (Bundibugyo District) and Buikwe (Buikwe District). The STWSSP will utilise surface water sources (rivers and lakes) as shown in the table below:

² Lukas Ruettinger and Dennis Taenzler (2011) Water Crisis and Climate Change in Uganda, A Policy Brief. Initiative for Peace Building

³ Government of Uganda (2017) Strategic Water Supply and Sanitation: Funding proposal to the AfDB.

⁴ WSDP-C Regional Sanitation and Socio-economic baseline survey report 2013.

⁵ "Intestinal worms, diarrhoea and asthma topped the list of the most prevalent diseases in Kampala city between 2006 and 2009. Kampala City Council's health division says these diseases jointly contribute to more than 80 per cent of the disease burden in the city" (By Lirri of the Monitor Publications, 6 April 2010", Contemporary Issues And Challenges Related To Water, Health And Environment In Uganda

Proposed Town WSS	Water Source
Kyenjojo-Katoke	R. Aswa
Nakasongola	L. Kyoga
Kayunga-Busana	R. Nile
Kamuli	R. Nile
Kapchorwa	R. Atari
Dokolo	L. Kyoga
Bundibugyo	R. Tokwe
Buikwe	L. Victoria

As seen from the table above, 5 towns will abstract water from large water bodies (L. Victoria, L. Kyoga and R. Nile), while the remaining 3 will abstract from medium sized rivers namely Aswa, Atari and Tokwe. The Directorate of Water Resources Management (DWRM) of the MWE, through regional / decentralized Water Management Zones (WMZs), prioritises catchment management interventions for major water basins/bodies in the country with less emphasis on small to medium sized water basins. As such, catchments for L. Victoria, L. Kyoga and R. Nile basins are being managed by the responsible area / regional WMZ. This proposal is aimed at implementing adaption actions for resilient and sustained sub-catchments of rivers Aswa, Atari and Tokwe in order to ensure sustainability and reliability of water sources for Kyenjojo-Katoke, Bundibugyo & Kapchorwa piped water supply systems.

Overview of the project areas/catchments

River Atari (R. Atari) is the water source for the proposed Kapchorwa water supply system and is one of the rivers that feed into Lake Kyoga. The R. Atari bank catchments have been degraded culminating into river siltation and flooding. For the past years, as land use change around the River Atari micro-catchment has progressed towards agriculture, there has been an increase in sediment levels in the river. These land use changes have been attributed to high demographic pressures along and within the river basin. This increase in sediment level has threatened the ecosystem biodiversity, stability and quality of water in R. Atari.

Tokwe River, originates from Rwenzori mountain ranges in Bundibugyo district. The river is faced with challenges of siltation due to numerous landslides and erosion/collapsing river banks and flash floods.

R. Aswa is located in Kyenjojo district in south western Uganda and drains in L. Albert. The related challenges for the sub catchment for this river include high rates of soil loss in some areas, loss of vegetation cover especially along the banks.

The proposed project will execute interventions aimed at improving the resilience of communities, agricultural landscapes and ecosystems in the three sub catchments to the impacts of climate change by reducing the risk of floods, landslides and collapsing river banks. The capacities to adapt and manage these challenges are weak particularly at the community level, where the urban poor have limited resources to cope with the vagaries of climate change. At the same time, institutional capacity, disaster-management capacities and financial resources at the national and local levels, are also limited. The country has developed a National Adaptation Programme of Action (NAPA) based on lessons learnt to guide climate change adaptation activities. Top priority interventions in the NAPA were identified as forestry and water resource management, promoting and strengthening the conservation and protection of watersheds, water catchment areas,

riverbanks and water bodies, including contingency planning for extreme events such as floods and drought.

Other specific areas where climate resilience is necessary include: (a) restoration of water catchment ecosystems to ensure continued sustainable water flow at all times. The degradation of natural resources, exacerbated by livelihood strategies adopted out of poverty, often leads to adverse effects on water availability, access and quality. (b) Some districts are prone to drought and/or floods which, combined with the lack of adequate supply of safe water and sanitation, may result in water borne disease outbreaks such as cholera; (c) Some peri-urban areas lack adequate resources to provide climate-resilient water sources for human consumption and agricultural production, which limits traditional sources of water during extreme climate events. Integrated resource management planning to cope with climate change is therefore key to sustainable development.

It has become imperative that water sector interventions are designed to reduce vulnerability to avoid or cushion the impacts from climate change and enable people to respond to climate hazards, thereby enhancing economic, social and climate resilience.

Project / Programme Objectives:

List the main objectives of the project/programme.

The project's overall objective is increase the resilience of water sources to climate change effects by protecting the catchments for the water supply systems of Kyenjojo-Katoke, Bundibugyo and Kapchorwa. This will ensure sustainable water supply to the beneficiary towns/communities. Specifically, the project will:

- a) Strengthen community structures in environmental and water resources management in alignment with community adaptation to climate change.
- b) Increase the resilience of communities by supporting adaption actions for sustained ecosystems and livelihoods.
- c) Build the capacity of selected stakeholders at different levels in catchment management.

Project / Programme Components and Financing:

Fill in the table presenting the relationships among project components, activities, expected concrete outputs, and the corresponding budgets. If necessary, please refer to the attached instructions for a detailed description of each term.

For the case of a programme, individual components are likely to refer to specific sub-sets of stakeholders, regions and/or sectors that can be addressed through a set of well defined interventions / projects.

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
Component 1: Establish climate resilient catchment management framework for catchments of Rivers Atari, Aswa and Tokwe	Existing Environmental and Social Management Framework (ESMF) is revised for STWSSP to allow for inclusion of robust climate change adaptation actions	Robust management plans for sub catchments established and operational	500,000

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
	<p>Catchment management plans developed for R. Atari, R. Tokwe and R. Aswa</p> <p>Water & Sanitation management Committees established and supported (for the town water supply systems and their sub catchments)</p>		
Component 2: Supporting adaptation actions for increased community resilience and sustained livelihoods	<p>Community equipped with appropriate land use techniques to control erosion and siltation of rivers</p> <p>Degraded sub catchments are restored through tree planting in selected buffer zones</p> <p>Community supported to establish and sustain commercial tree nurseries</p> <p>Degraded river banks restored and buffer zones are protected</p> <p>Community supported to rehabilitate degraded wetlands existent in sub catchments</p>	<p>Improved ecosystems in the three sub catchments.</p> <p>Ensure long term provision of adequate and unpolluted water from the three rivers</p> <p>Community livelihood enhanced through climate change resilient interventions</p>	1,105,932
Component 3: Building capacity of catchment management structures	<p>Training catchment management stakeholders (WSCs, district and local government extension workers, relevant NGOs/CBOs) in climate change adaptation activities</p> <p>Selected women and youth groups trained in establishment and management of tree nurseries</p> <p>Appropriate Information, Educational & Communication materials produced and disseminated in communities</p> <p>Best practices and lessons learnt documented and disseminated and lessons learnt</p>	<p>Improved awareness on climate resilience and suitable adaptation measures/practices</p> <p>Strengthened capacity of communities/stakeholders to climate change adaptation</p>	300,000
6. Project/Programme Execution cost			181,064
7. Total Project/Programme Cost			2,086,996

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			162,004
Amount of Financing Requested			2,249,000

Projected Calendar:

Indicate the dates of the following milestones for the proposed project/programme

Milestones	Expected Dates
Start of Project/Programme Implementation	Jan 1, 2019
Mid-term Review (if planned)	July - August 2020
Project/Programme Closing	Dec 31 st 2021
Terminal Evaluation	April 2022

PART II: PROJECT / PROGRAMME JUSTIFICATION

A. Describe the project / programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.

Inadequate access to water has profound effects on socio-economic and overall wellbeing of the populace in urban and peri-urban settlements of Uganda. In many small towns and peri-urban settlements specifically water stressed areas, people inhabit highly polluted, over-crowded and unhygienic environments where they are subject to outbreaks of waterborne diseases. Due to the exponential population growth in such towns and rural growth centres, the water and sanitation challenges have become acute and severe. Climate change effects (droughts and floods) will impact water quantity and quality in these towns.

The proposed project is expected to complement the African Development Bank funded Strategic Water Supply and Sanitation project, which is being prepared to support the Government of Uganda’s efforts to increase access to water and sanitation services in towns have strategic socio-economic importance to the district headquarters. These are areas of high population growth and industrial development.

Specifically, the proposed adaptation project seeks to integrate critical adaption measures in the baseline project, which will ensure continued water supply to the communities at all times, during the drought period, while conserving/protecting water resources from the floods and related risks.

The proposed adaptation project will ensure all-year round access to water that would eliminate the water shortages, improve socio-economic and overall health conditions for the beneficiary population.

Project Target Towns:

(i) Kyenjojo - Katooke TWSS: The water supply area of the proposed water supply and sanitation scheme covers the Town councils of Katooke, Kyenjojo and Butunduzi in Kyenjojo District. The current population in the water supply area is 22,792 people. The proposed water supply area includes the entire Town councils of Katooke, Kyenjojo and Butunduzi, in addition, the water supply and sanitation scheme will serve other trading centres along the pipeline route that include Nyakiisi, Munjeru, Mwikoono, Nyamwandara, Kaiganga, Rwamukora (Along the Katooke-Kyenjojo route) and Kyanayiti, Kihuura and Matiri (Along the Kyenjojo-Butunduzi pipeline route). The proposed water supply system is designed to serve approximately 59,281 people in 2037. The system is based on abstraction of water from R. Aswa via a water treatment plant with a water production capacity 2,360 m³/d. The total length of the transmission main is 79km and a total of 113km of distribution pipelines. The total water storage is 750m³.

(ii) Bundibugyo TWSS: Bundibugyo Town Council is located in Bundibugyo District approximately 356km west of Kampala City. It is approximately 35km west of Fort Portal town. The town had a population of approximately 30,000 people in 2015. The town has a piped water supply system that is not sufficient. The proposed water supply area includes the entire Bundibugyo Town Council and the surrounding villages. The proposed water supply system is designed to serve approximately 79,010 people in 2040. The system is based on gravity flow of water from River Tokwe with a production of approx. 2,500m³/d. The total length of the proposed transmission main is 10km and a total of 100km of distribution pipelines. The total proposed water storage is 450m³.

(iii) Kapchorwa TWSS: Kapchorwa Municipality is located on the slopes of Mt Elgon in Kapchorwa District in Eastern Uganda approximately 310km northeast of Kampala City and 65km northeast of Mbale Municipality. The Municipality has a current approximate population of 52,397 people. Binyiny Town Council borders Kapchorwa District to the West and hosts the Kween District headquarters. The proposed water supply area includes the entire Kapchorwa Municipality and the trading centres of Kaserem, Chema and Tegeres in Kapchorwa District and Binyiny Town Council in Kween District. The proposed water supply system is designed to serve approximately 98,000 people in 2035. The improved system is based on an abstraction of water from Atari River via an expanded water intake and treatment plant of capacity 6,000m³/d. The total length of the transmission main is 10km and a total of 90km of distribution pipelines. The total designed water storage is 1,120m³.

Component 1: Establish climate resilient catchment management framework for catchments of Rivers Atari, Aswa and Tokwe

Building resilience of piped water supplies is critical to address pressures related to urbanization, resource use and population growth requires action such as catchment protection and rehabilitation to climate-proof water supply infrastructure against extreme weather events.

The forested mountainous areas of Elgon and Rwenzori are an asset to the country as they protect water catchments ensuring supplies of domestic water; maintaining downstream fisheries and hydro-electric power generation and also ameliorate local climatic conditions providing suitable conditions for agriculture.. Floods wash away the top soils in these mountainous areas, thereby causing soil erosion and soil degradation, while during the dry seasons, the areas are not easily served by household water supplies. Communities therefore trek long hilly distances and terrains to get water in the slippery valleys.

Under this component, the following activities shall be implemented:

- Development of catchment management plans for 3No rivers (R. Atari, R. Tokwe and R. Aswa)
- Review of the existing Environmental and Social Management Framework (ESMF) for STWSSP to allow for inclusion of concrete climate change adaptation actions in the catchments of 3No rivers (River. Atari, River. Tokwe and River. Aswa).
- Environmental and Social Audit of the climate adaptation project in consideration of the revised ESMF and developed catchment plans
- Establishment and support of Water & Sanitation Management Committees to undertake distinct catchment protection activities within the project areas

Component 2: Supporting adaptation actions for increased community resilience and sustained livelihoods

As a measure to ensure long term sustainability of the quantity and quality of water provided by the rivers, there will be need to protect both the rivers and their catchments. Once rivers are polluted it can be very costly to treat the water and make it potable for drinking and other domestic purposes; and besides, degradation of drinking water catchments can lead to a reduction in quantity of water available for abstraction and supply to beneficiary communities.

Activities under this component will include:

- i) Catchment situation assessments to delineate the catchments / sub catchments and establish baseline conditions
- ii) Community equipped with appropriate land use techniques to control erosion and siltation of rivers
- iii) Restoration of degraded sub catchments through tree planting in selected buffer zones
- iv) Communities will be supported to establish and sustain commercial tree nurseries
- v) Degraded river banks will be restored and buffer zones protected
- vi) Communities will be supported to rehabilitate degraded wetlands located in delineated catchments and sub catchments
- vii) Planting of appropriate tree species / vegetation and creation of diversion channels for storm water management

- viii) A community based organization or local NGO will be selected from beneficiary communities and facilitated to implement catchment protection activities such as training of communities on catchment management practices and procurement and distribution of suitable species of tree seedlings to the households within the beneficiary community.

Component 3: Building capacity of catchment management structures: Knowledge management and dissemination

This component will support climate change education for a range of stakeholders from the local to national level to ensure better understanding of climate change impacts, their causes, and means of responses available. It will facilitate the mainstreaming of climate resilience in urban water and sanitation sector planning. Communities will be trained to address declining water levels that will involve activities such as damming of streams to collect and store seasonal overflows, rainwater harvesting to supplement water supply, investment in technology to explore higher yielding wells and deep well construction. Other activities will include:

- Training catchment management stakeholders (WSCs, district and local government extension workers, relevant NGOs/CBOs) in climate change adaptation activities
- Training selected women and youth groups in establishment and management of tree nurseries
- Documentation and dissemination of best practices and lessons learnt from the implemented climate adaptation activities including development of a communication strategy.

B. Describe how the project / programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations. Describe how the project / programme will avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund.

The proposed project will enhance the resilience of communities and ecosystems to the impacts of climate change by ensuring safe and reliable freshwater supply to a vast majority of the vulnerable population (women and children) in selected strategic small towns of Uganda.

Economic benefits

Climate variability and change is expected to have an impact on Uganda's performance in the agricultural sector, the mainstay of the economy. Some of the effects include high food prices, lower domestic revenues and an increase in the current budget deficit due to low export earnings. The UN's Food and Agricultural Organization found that the drop in the growth of the Ugandan economy from 6.6% in 2004-2005 to 5.3% in 2005-2006 was largely due to the variability of the weather, specifically its impact on agriculture.

Improved access to clean water will alleviate adverse health effects and allow for the reallocation of time dedicated to fetching water towards engaging in other productive activities. The interventions proposed will therefore improve household/family incomes as they have more space

and time to diversify their revenue streams by building new businesses and expanding gardens and agricultural crops.

Further, sustained water access in towns will trigger economic growth through stimulation of commercial activities such as hotels, and support to end-user social services like health centres, educational institutions, and agro-based industries all of which are essential ingredients for development. These directly benefit women and youth who will benefit from increased employment opportunities and trade.

Social benefits

The highly vulnerable groups in the community (women, children and youth) are entrenched in poverty due to limited options for improving their livelihoods. Thus, they need to be supported to have alternative income generation activities to help improve their livelihoods. This is key in stabilizing and improving the social welfare in the communities thus reducing migration of people to urban centers in search of income generation activities.

Women and girls play a significant role in the water sub-sector as major water users, water collectors, and promoters of sanitation and hygiene. Bringing water nearer will free women's time to engage in other economic activities, and free time for young girls for school attendance. This gender gap is caused by unequal access to safe drinking water and sanitation facilities. All these issues will be considered in the project design.

The expected reduction in water collection distances and times will be particularly beneficial to women and children, especially girls, who bear the burden of fetching water and have to walk long distances or queue for long periods. It will mean more opportunities for girls to attend schools and more time for women to engage in other economically beneficial activities. Access to clean water and improved sanitation will produce beneficial social impacts, including the elimination of current water shortages, improvement of water quality, improvements in public and household sanitation, awareness of personal hygiene and overall improved health conditions for the beneficiary population.

The proposed project will also focus on employment creation for women and youth and the enrolment of graduate trainees thus contributing to skills development, improved health, hygiene, and the economic empowerment of women and youth. A gender analysis will be undertaken to identify the existing youth and women groups and what enterprises they can engage in. The economic empowerment activities including establishment of commercial tree nurseries, water vending, and recycling, and management of water kiosks.

Approximately 125,000 people will benefit from the planned adaptation measures initially in 2020, growing to 270,000 by 2040. The proposed project will lead to minimization of incidences of water borne diseases especially in children and foster development by increased productivity of the population especially the women.

Environmental Benefits

The project areas are faced with rampant ecosystem and environmental degradation, soil loss, siltation of rivers, erosion of riverbanks and reduction in biodiversity, which contribute to low resilience to climate change. The proposed project is expected to have positive environmental impacts as it supports catchment and water protection practices, including catchment planning and soil conservation measures (e.g. terracing, reforestation). All these factors are critical to enhance the resilience of ecosystems and ensure long term and sustainable water availability and security. Specifically, the project adaptation activities will support the sustainability of critical catchments and sub catchments for 3No Rivers (R. Atari, R. Aswa and R.Tokwe).

C. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme.

The proposed project will allocate \$2.5 million to increase the resilience of water resources to climate change effects by protecting the catchments for the water supply systems of Kyenjojo-Katoke, Bundibugyo and Kapchorwa. Specifically, this adaptation project will focus on strengthening community structures in environmental and water resources management in alignment with community adaptation to climate change, enhancing the resilience of communities by supporting adaption actions for sustained ecosystems and livelihoods, and capacity building of stakeholders at different levels in catchment management in the 3 project areas. These adaptation measures will improve efficiency, increase water availability and reduce losses from extreme events.

A detailed assessment of the project's cost-effectiveness will be undertaken as part of the development of the full project proposal.

D. Describe how the project / programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.

The policy framework for the management and development of water resources in Uganda is based on the National Water Policy (1999). The National Water Policy promotes an integrated approach to the management of the water resources in ways that are sustainable and most beneficial to the country. In addition, the NWP recognizes the economic value of water, promotes the participation of all stakeholders, including women and the poor, in all stages of water supply and sanitation, and confirms the right of all Ugandans to safe water. Other policy documents which complement the policy include: National Environment Management Policy (1994); the Wetlands Policy (1995), the upcoming Land Use Policy; National Health Policy and Health Sector Strategic Plan (1999); National Environmental Health Policy (2005); the School Health Policy (2006); and the National Gender Policy (1997).

Water supply and sanitation is also recognized as key issue under the National Development Plan (NDP) covering the period 2010/11 to 2014/15, 2015-2016-2019/20. The NDP is the key government document for fighting poverty through rapid economic development and social transformation replacing the second Poverty Eradication Action Plan (PEAP) of 2004. Water resources development is also enshrined as key undertaking within the National Vision 2040, which seeks to transform the socio-economic livelihood of Ugandans.

The National Climate Change Policy (NCCP) is Uganda's integrated response to climate change that clearly defines a pathway for dealing with the challenges of climate change within the socio-economic context.

E. Describe how the project / programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and complies with the Environmental and Social Policy of the Adaptation Fund.

The proposed project is designed to align with the Environmental and Social Policy of the Adaptation Fund as well as the environmental and social safeguard requirements of the Government of Uganda and the African Development Bank (AfDB). The project activities are in line with national policies of environment, gender, land, etc.

Given the small-scale interventions as well as focus on environmental/catchment protection of natural resource systems, it is unlikely that the project would generate significant impacts requiring Environmental Impact Assessments (EIA). More so, the baseline project was validated Category 2 in accordance with the Integrated Safeguard Systems of the AfDB, which indicates that the anticipated environmental and social risks are temporal, minimal and can be readily mitigated based on measures elaborated in site-specific environmental and social management plans (ESMPs). Additionally, an Environmental and Social Management Framework (ESMF) has been prepared to provide guidance on the screening of all project activities, assess potential risks and development of ESMPs. The ESMF was prepared and submitted to the AfDB and National Environmental Management Agency (NEMA) for approval on the 22nd of November 2017. The town specific ESMP shall assess legal and regulatory compliance in detail, identify possible management options and propose effective monitoring and evaluation procedures to ensure compliance.

F. Describe if there is duplication of project / programme with other funding sources, if any.

This is the first integrated approach project that is designed to supplement the AfDB-funded *Strategic Towns Water Supply and Sanitation Project* with the aim of scaling up climate resilience in three water stressed, environmentally degraded, and vulnerable towns in western and eastern regions of Uganda (Bundibugyo, Kyenjojo-Katoke and Kapchorwa). As a result, there is no duplication of this project with other funding sources.

The project will also focus on contributing to institutional capacity building, strengthening adaptive capacity and resilience to climate change, and dissemination of key climate-related knowledge for awareness raising.

G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.

Knowledge management of lessons learned on climate resilience through reducing pressure on water resources, encouraging environmentally and sustainable land use practices and sustainable climate resilient measures in small towns against drought effects will contribute to the knowledge and facilitate information sharing, knowledge exchange visits and documentation of success stories (newsletters and other knowledge dissemination materials and WASH learning

forums). The lessons learned will be synthesized to include knowledge based on implementation processes, impacts of the project activities and best practices.

Concretely, in order to enhance learning and knowledge management, the project will prepare a strategy for the dissemination and communication of lessons learned from the project implementation and impacts. The communication strategy will be developed in the full proposal. The strategy will ensure that lessons learned reach the target audience in the appropriate format. The target audience will include policy makers; WASH advocates, key development partners and different communities across the county that value and understand the threat of climate change and committed to building climate change resilience.

H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund.

The consultative process for the Concept Note development mirrored the existing stakeholder's structures and networks established under the NAPA and NEMA, specifically looking at "strengthening adaptive capacity and resilience to Climate in the project target areas/communities.

The formulation of this Concept Note has aligned with the development of the baseline project, which has involved consultation with a range of stakeholders during the Preparation (21st August - 1st September 2017) and Appraisal (2nd – 10th November 2017) missions. The consultation process included meetings, and working sessions that encompassed various stakeholders including technical staff and beneficiaries.

- i. Technical Working Sessions: Technical staffs at the national and town levels were involved in the planning and provision of data on the existing water and sanitation systems and the investment plans for relevant towns, which helped identified the needs, selection of towns and guided the design of the proposed project.
- ii. Field visits and Meetings: These were conducted to proposed project sites to engage with local governments and beneficiaries' to establish their level of involvement in the planning process and to better understand the environmental and climate change issues at the proposed intakes and water sources. The project focal team held preliminary discussions with local authorities, existing water management committees (responsible for water supply, sanitation and hygiene and environmental conservation), community groups (including women), household heads on the proposed project activities and objectives, beneficiary needs with respect to water resources and climate risk management. During the meetings to Bundbujo and Kyenjojo district local governments, communities expressed demand for the proposed interventions services and indicated an overwhelming interest in the proposed project, which was deemed critical to address water scarcity and poor sanitation concerns particularly amongst women who spend time collecting water and caring for their families.

Consultations will continue and shall remain at the core of the development of the full project proposal.

I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

Scaling-up of safe water supply and sanitation using appropriate technologies for vulnerable communities has been identified as one of the Uganda National Adaptation Programmes of Action. This is also echoed in various national and sector policy directions including National Development Plan (NDP), Water Supply and Sanitation Sector Programme Support (WSSPS) and the Medium Term Expenditure Framework (MTEF).

High population growth in these small towns (population is expected to bump up by over 100% by 2040) has led to overwhelming demand for safe water supply services thus straining the existing water resources. Climate change related effects such as floods and droughts have compounded the situation, with the need for re-thinking development approaches aligned to IWRM with due consideration for possible climate change effects. This approach has not received prominent implementation in the development of water and sanitation infrastructure in small towns, which has been the reason behind the failure of existing water supply systems during extreme climatic events. Hence the project is designed to build the resilience of water supply systems through protection of catchments and encouraging other sustainable climate resilient measures in project areas.

The provision of safe water will increase water access and reduce the burden of work on women and children who walk long distances to fetch water, the storage techniques will allow women to save time that can be used instead to engage in other productive activities.

The proposed project will lead to minimization of incidences of water borne diseases (especially for children) and foster development by increased productivity of the population especially the women. The provision of sustainable piped water supply systems in the target towns will trigger economic growth through stimulation of commercial activities such as hotels, and support to end-user social services like health centres, educational institutions, and agro-based industries all of which are essential ingredients for development.

J. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project / programme.

Financial sustainability: There is high political will and demand for water supply services in small towns in Uganda, due to the high populations and importance to socio-economic development of the Country. However, the budget allocation by Government towards activities aimed at increasing resilience of communities to climate change effects in relation to sustained access to safe water supplies is insufficient. This funding request under preparation is expected to help foster interventions geared at protecting selected water sources and their catchments and strengthening community adaptation measures. Continuous catchment protection interventions (during operation of constructed water supply systems) will be financed from generated revenue from monthly water sales.

Institutional sustainability and strengthening of capacities: The MWE established WSDF regional offices in order to implement different programs targeted to the specific region, as opposed to stand-alone projects, which have limitations on institutional sustainability. The

WSDFs and the Umbrella Organizations (UO) are permanently present in the regions to ensure continuity of all projects benefits. Institutional sustainability is also enhanced through the various implementation manuals, policies and databases developed within the project, which will always be available for future generations. Through this proposed project, capacity will be built in feasibility studies, detailed designs, tender documentation, contract management and supervision. The MWE and Local Government professional staff will benefit directly from exposure and will utilize gained experience in other similar sector work/assignments. Also, capacity will be received by contractors and consultants who will participate in the studies and works and this capacity will be used by the public sector which is regularly employed by the MWE. As a policy of MWE, the constructed water supply facilities are transferred to the local governments, and managed by outsourced qualified water operators, procured through competitive means to offer management services. Through this management arrangement, the water supply systems are managed competently to generate revenue which is used for day to day management.

Ownership: The high response to call for applications for water supply and sanitation infrastructure in the country demonstrates the need for the services. From implementation realised in previous MWE projects especially under the WSDFs, communities avail land and actively participate in the implementation and monitoring of the projects, demonstrating high commitment to ownership of the same. Once completed, the infrastructure will be handed over to the local governments, which will also be gazetted as water authorities to take charge of ownership of all assets and take up management of the service. The monitoring of proper functionality of the system will be the responsibility of the Regulation Unit of the MWE who together with the UO will also monitor the quality of the water on a regular basis. The MWE through UO will finance downstream activities especially expanding the network and increasing connections in order to increase the business volume and make the system economically viable and sustainable

K. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project / programme.

The proposed baseline Strategic Town Water Supply and Sanitation project has been classified category 2 in line with the AfDB's Environmental and Social Management Procedures and the Integrated Safeguard System, which indicates that the anticipated environmental and social impacts can be readily managed with appropriate mitigation/enhancement measures. The project will have significant environmental and social benefits including protecting the natural habitats of critical ecosystems through catchment protection, enhance the resilience of vulnerable groups to drought/flood events, and promote public health and improve livelihoods through increased availability of water.

The Ministry of Water and Environment, in line with NEMA guidelines for environmental protection, has developed an Environmental and Social Management Framework (ESMF) for the proposed project (awaiting approval by AfDB and NEMA). In accordance with the ESMF, site-specific Environmental and Social Management Plans (ESMPs) shall be developed as well to ensure compliance to all environment and social regulatory and legal frameworks of the GoU, AfDB and the Adaptation Fund.

During preparation of the full project proposal, detailed assessment will be undertaken to identify pertinent E&S risks that may be associated with the proposed project interventions.

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
<i>Compliance with the Law</i>	The project will comply with all international and national laws and regulations currently in force in Uganda.	Due to the small-scale interventions and environmental protection activities, the project will have minimal impacts that can be managed based on measures elaborated in ESMPs (which will be developed as part of the full proposal). The project will operate within the prevailing laws and regulations of Uganda.
<i>Marginalized and Vulnerable Groups</i>	The project will facilitate the integration of marginalized and vulnerable groups.	Social analysis including interviews with beneficiaries will be undertaken to ensure needs of the potential marginalized and vulnerable groups are identified and mainstreamed in the project. Project documentation will be provided and community awareness meetings will be held with women and youths to ensure consultation and compliance.
<i>Human Rights</i>	Uganda's constitution considers access to safe water by all as a fundamental human right.	The fundamental right to safe water will be strengthened. The project has no potential human rights risks.
<i>Gender Equity and Women's Empowerment</i>	In line with the MWE gender strategy, the proposed project is designed to mainstream gender considerations, including increasing water availability to women, which will result in time savings to engage in other income generating activities.	This project will address gender issues and ensure the project design is inclusive and participatory. The project will particularly facilitate gender equity and women's involvement through stakeholder involvement in water resource management.
<i>Core Labour Rights</i>	N/A	The project will be managed in accordance with the Ugandan Labor Law, which prohibits forced labor, child labor, and discrimination and allows freedom of association.
<i>Indigenous Peoples</i>	The project will not create any negative impact on the indigenous people	A comprehensive social analysis will ensure the needs of all social groups (including potential indigenous groups) in the beneficiary communities are taken into account when developing the full project proposal
<i>Involuntary Resettlement</i>	There will be no involuntary resettlement as a result of the project.	N/A. The project is not likely to induce involuntary resettlement given that project activities will be

Checklist of environmental and social principles	No further assessment required for compliance	Potential impacts and risks – further assessment and management required for compliance
		carried out on existing systems.
<i>Protection of Natural Habitats</i>	The potential of the project to affect natural habitats is low	The project will facilitate protection of natural habitats including the critical watersheds of rivers Atari, Aswa and Tokwe. This will enhance recharge and restoration of water systems including groundwater.
<i>Conservation of Biological Diversity</i>	The project will not negatively impact biodiversity.	Project activities will enhance conservation of biological diversity in the target catchments.
<i>Climate Change</i>	Project activities will not result in a significant or unjustified increase in greenhouse gas emissions or other drivers of climate change.	The proposed project is designed to integrate climate resilience into the project activities to climate proof investments and ensure long-term sustainability of infrastructures. Afforestation activities will minimize GHG emissions.
<i>Pollution Prevention and Resource Efficiency</i>	The project will support pollution prevention	The project will help address unsustainable practices that impair water quality; and issues of river pollution will be managed.
<i>Public Health</i>	No potential health impacts are expected during project implementation?	Improved public health is an outcome of this project. Routine Water quality monitoring and sanitation and hygiene promotion through sensitization and awareness programmes
<i>Physical and Cultural Heritage</i>	N/A	The project activities will not be implemented in an area known for having physical cultural resources, cultural sites and sites with unique natural values. If cultural resources are discovered, the relevant technical ministry will be notified.
<i>Lands and Soil Conservation</i>	The project is expected to yield positive impacts on the land and soil	The project interventions will support sustainable soil and land management practices.

PART III: IMPLEMENTATION ARRANGEMENTS

A. Describe the arrangements for project / programme implementation.

The Executing Agency (EA) is the MWE, who will be responsible for the overall coordination of planning, implementation and monitoring of the programme. The implementation of the programme will be managed through existing national decision making structures, utilizing national planning, procurement, budgeting, accounting and reporting systems. The program may be implemented as sub-component of the Joint Water and Environment Sector support program, under Joint Partnership Fund.

Operational implementation for Component 1&2 shall be implemented through the Urban Water Supply department under the Water and Sanitation Development Facility – Central Program of the MWE. Component 3 shall be implemented by the Water Sector Liaison department which is responsible for the overall sector capacity support.

The overall monitoring setup, as part of the JPF includes overall Sector Reviews, held twice a year, Technical Review in March and Joint Sector Review in September. In addition the sector conducts regular technical reviews, surveys, VFM and tracking studies. The programme will make use of these existing MWE monitoring and evaluation (M&E) system, which is part and parcel of the Government’s M&E system.

B. Describe the measures for financial and project / programme risk management.

The table below identifies the key risks that the project management may face in achieving these objectives and provides possible mitigation measures to address these risks.

Risk	Risk Mitigation measures incorporated into programme design
Country -Weaknesses in government public financial management systems and procurement systems.	To address the high level of country risk, a government led Public Financial Management Reform Programme is under implementation which addresses issues of procurement and its related enforcement. New Procurement regulations (2014) have been enacted to mitigate procurement challenges in the public sector.
Entity level- (MWE) - Delays in project implementation as a result of poor coordination	The coordination of the project will be vested with the Water Sector Liaison Department which is responsible for overall sector activities coordination and reporting.
Project level – Inability to use funds efficiently and economically for purposes intended. -Identification of adequate water resources (ground water/surface	Use of the Ministry’s Internal Audit Department to provide checks and balances. Extensive ground water investigations and test drilling will be conducted in the region and local

Risk	Risk Mitigation measures incorporated into programme design
water) on accessible land is a major risk	stakeholders involved in acquisition of the land identified Extensive stakeholder involvement and sensitization will be ensured.
External Audit - Delays in submitting the audit reports. Financial audit limitations to verify economic use of resources.	The Auditor General will be responsible for the audit but has the power to subcontract to competent private auditors should capacity be an issue. Draft ToR will be agreed upon with the office of the AG at commencement of the project.

C. Describe the measures for environmental and social risk management, in line with the Environmental and Social Policy of the Adaptation Fund.

Site-specific environmental and social impact assessment and management plans (ESIA/ESMPs) will be developed for each small town interventions in compliance with environmental and social regulatory framework of the Government of Uganda, AfDB and the Adaptation Fund

D. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.

Project M&E will be undertaken in accordance with the procedures and rules of partners and donors involved, including the Adaptation Fund with respect to business planning, reporting, monitoring and evaluation procedures. The overall monitoring set up, as part of the JPF includes overall Sector Reviews held twice a year, Technical Reviews and Joint Sector Reviews. In addition the sector conducts regular technical reviews surveys and tracking studies.

Monitoring and evaluation (M&E) will be part of the regular M&E system. M&E activities will be based on the logical results framework (to be developed). The overall M&E format for the project will follow the instructions and guidelines of the Adaptation Fund, including compliance with the Fund's Environmental and Social Policy (ESP).

A mid-term evaluation will be conducted focusing on the effectiveness and efficiency and where necessary corrective action will be taken for successful project implementation. The Final Evaluation will occur at the end of the project and will be based on the same approach as the mid-term evaluation. It must also make recommendations on additional actions for sustainability. In addition, an ex-post assessment will focus on the sustainability of project results and lessons learned including best practices, anticipated

costs, applying the lessons at the sectoral and thematic levels as the basis of the policy development and future planning. Independent of the Final Evaluation an ex-post assessment will be undertaken, focusing on assessing the sustainability of project results, lessons learned, including best practices and cost-benefit in relation to vulnerability and resilience. Both ex-post assessment and final evaluation will also provide key messages for policy development and future adaptation planning, including NAPA revision.

- E. Include a results framework for the project proposal, including milestones, targets and indicators.

To be provided at the next stage of the proposal

- F. Demonstrate how the project / programme aligns with the Results Framework of the Adaptation Fund

To be provided at the next stage of the proposal

- G. Include a detailed budget with budget notes, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

To be provided at the next stage of the proposal

- H. Include a disbursement schedule with time-bound milestones.

To be provided at the next stage of the proposal

PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

- A. Record of endorsement on behalf of the government⁶** *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

⁶. Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

<p>Mr. Keith Muhakanizi <i>Permanent Secretary / Secretary to the Treasury Ministry of Finance, Planning and Economic Development</i></p>	<p>Date: (Month, day, year)</p>
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B. Implementing Entity certification *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

<p>I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p>	
<p>Ayanleh Daher Aden</p>  <p>Implementing Entity Coordinator</p>	
<p>Date: <i>January 15th, 2018</i></p>	<p>Tel. and email: (+225) 20 26 43 47; a.daheraden@afdb.org</p>
<p>Project Contact Person: Andrew MBIRO</p>	
<p>Tel. And Email: +256772403854; A.MBIRO@AFDB.ORG</p>	

ANNEX 1
Consultation Proceedings: List of Participants

Ministry Of Finance Officials

	Name	Designation	Email/ Contact
1	Fredrick Twesiime	Ag Comm, Development Assistance and Regional Corporation Department	'Fred.Twesiime@finance.go.ug'
2		Desk Officer	

Ministry Of Water Officials

	Name	Designation	Email/ Contact
1.	Mr. Alfred Okot Okidi	Permanent Secretary – MWE	alfred.okidi@mwe.go.ug
2.	Eng. Dominic Kavutse	Commissioner/UWSSD	dominic.kavutse@mwe.go.ug
3.	Eng. Disan K. Ssozi	Commissioner/ WESLD	disan.ssozi@mwe.go.ug
4.	Helmut Jung	Technical Advisor - WSDF MWE	helmut.jung@mwe.go.ug
5.	Finn Lauritsen	Financial Management Advisor- MWE	finn.lauritsen@mwe.go.ug
6.	Reinold Seidelmann	O&M Advisor	0774644572
7.	Godfrey Katongole)	Manager, Corporate Strategy, NWSC	0772670128
8.	Eng. Herbert Nuwamanya	Assistant Commissioner- UWSP	herbert.nuwamanya@mwe.go.ug
9.	Eng. Richard Matua	Assistant Commissioner - P&D	richard.matua@mwe.go.ug
10.	Eng. Felix Twinomucunguzi	Principal Engineer/BM – WSDF-C	felix.twinomucunguzi@mwe.go.ug
11.	Eng. Ian Birungi	PE – WESLD/MWE	ivan.birungi@mwe.go.ug
12.	Eng. Frank Kweronda	PE – Regulation Department	frank.kweronda@mwe.go.ug
13.	Eng. Hillary Mutabazi	Principal Engineer/BM- WSDF-SW	hillary.mutabazi@mwe.go.ug
14.	Joel Kiwanuka	Principal Sociologist - MWE	joel.kiwanuka@mwe.go.ug
15.	Eng. Enoch Mwanje	Sen. Engineer (P&D) DWD	enoch.mwanje@mwe.go.ug
16.	Peter Ajuna	JPF Accountant - MWE	peter.ajuna@mwe.go.ug
17.	James Tinka	Component Accountant – MWE	james.tinka@mwe.go.ug
18.	Benson Bainomugisha	Internal Auditor - MWE	0702 809 190
19.	Edmund Rwigyi Kiiza	Senior Engineer – Regulation Dept	0392 940 851
20.	Eng. David Kaahwa	Senior Engineer-WSDF-C	davidkaahwa@yahoo.com
21.	Sarah Nyiramugisha	Senior Sociologist - WSDF-C	sarah.nyiramugisha@mwe.go.ug
22.	John Kiberu	Sen. M&E officer	john.kiberu@mwe.go.ug
23.	Stephen Tusingwire	Senior Environment and Sanitation Officer – WSDF-C	istephenus@yahoo.com

24.	Mohamad Ssemambo	Climate Change Unit - MWE	0704 993 344
25.	Maria Sseruwo	Sociologist - WESLD	maria.sseruwo@mwe.go.ug
26.	Grace Kihembo	Administrator WSDF-C	gkihembo@gmail.com
27.	Eng Pariyo Bernard	Sr Eng WSDF SW	0772609472
28.	Asimwe Arnold	Eng MWE	0702655017
29.	Namara Samantha	Com Officer WSDF SW	0783 563 476

Bundibujjo and Kyenjojo District Local Governments

	Name	Designation	Email/ Contact
1	Opolot Peter	SW	0772925273
2	Maato Jackson	SEO	0774281622
3	Biira Julian	SCDO	0777917909
4	Kobusingye Jackline	SATC	0772690659
5	Maisaba Edmond	DCDO	0772395975
6	Akorabirungi Salezious	Ch WB	0782922072
7	Mategeki Ronald	LCV	0782141274
8	Bigirwa Kalisa Sam	DCAO	0772659563
9	Alipher Asuman	S/C Speaker	0773838776
10	Mwesige Hillary	PO	0777740310
11	Muhindo B Robert	D/eng	0772359893
12	Tusiime Ismail	DWO	0772618393
13	Bamwitirebye Mary	STT	0772855518
14	Lwanzo Sam	Water Tech	0782024545
15	Alfred Katuramu	Support Staff	0785756002
16	Kyamukama Bonny	DHI	0772962788
17	Kinyamujule	Ag S/C Chief	0779741622
18	Kajumba Enid	D/CAO	0772870772
19	Kyomuhendo Edson	DWO	