



## ADAPTATION FUND

AFB/PPRC.22/9  
23 February 2018

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Adaptation Fund Board  
Project and Programme Review Committee  
Twenty-Second Meeting  
Bonn, Germany, 21-22 March 2018

Agenda Item 8 d)

## **PROPOSAL FOR UGANDA**

## Background

1. The Operational Policies and Guidelines (OPG) for Parties to Access Resources from the Adaptation Fund (the Fund), adopted by the Adaptation Fund Board (the Board), state in paragraph 45 that regular adaptation project and programme proposals, i.e. those that request funding exceeding US\$ 1 million, would undergo either a one-step, or a two-step approval process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Programme Review Committee (PPRC) and would have to receive the endorsement of the Board. In the second step, the fully-developed project/programme document would be reviewed by the PPRC, and would ultimately require the Board's approval.

2. The Templates approved by the Board (Annex 5 of the OPG, as amended in March 2016) do not include a separate template for project and programme concepts but provide that these are to be submitted using the project and programme proposal template. The section on Adaptation Fund Project Review Criteria states:

*For regular projects using the two-step approval process, only the first four criteria will be applied when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.*

3. The first four criteria mentioned above are:

- (i) Country Eligibility,
- (ii) Project Eligibility,
- (iii) Resource Availability, and
- (iv) Eligibility of NIE/MIE.

4. The fifth criterion, applied when reviewing a fully-developed project document, is:  
(v) Implementation Arrangements.

5. It is worth noting that since the twenty-second Board meeting, the Environmental and Social (E&S) Policy of the Fund was approved and since the twenty-seventh Board meeting, the Gender Policy (GP) of the Fund was also approved. Consequently, compliance with both the ESP and the GP has been included in the review criteria both for concept documents and fully-developed project documents. The proposals template was revised as well, to include sections requesting demonstration of compliance of the project/programme with the ESP and the GP.

6. In its seventeenth meeting, the Board decided (Decision B.17/7) to approve "Instructions for preparing a request for project or programme funding from the Adaptation Fund", contained in the Annex to document AFB/PPRC.8/4, which further outlines applicable review criteria for both concepts and fully-developed proposals. The latest version of this document was launched in October 2016 following an update of the Operational Policies and Guidelines in March 2016.

7. Based on the Board Decision B.9/2, the first call for project and programme proposals was issued and an invitation letter to eligible Parties to submit project and programme proposals to the Fund was sent out on April 8, 2010.
8. According to the Board Decision B.12/10, a project or programme proposal needs to be received by the secretariat no less than nine weeks before a Board meeting, in order to be considered by the Board in that meeting.
9. The following project concept titled “Sustainable management of adjacent ecosystems of specially protected nature areas of the RA and capacity building in communities” was submitted by the Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of Armenia, which is a National Implementing Entity of the Adaptation Fund.
10. This is the second submission of the proposal using the two-step submission process. It was received by the secretariat in time to be considered in the thirtieth Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number ARM/NIE/Forest/2017/1, and completed a review sheet.
11. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with the World Bank, and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.
12. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25.15, the proposal is submitted with changes between the initial submission and the revised version highlighted.

## Project Summary

### Uganda – Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities

Implementing Entity: AfDB

Project/Programme Execution Cost: USD 181,064

Total Project/Programme Cost: USD 2,086,996

Implementing Fee: USD 162,004

Financing Requested: USD 2,249,000

#### Project Background and Context:

Uganda is a landlocked country occupying 241,550.7 km<sup>2</sup> of land, of which 43,941km<sup>2</sup> is covered by open water and swamps; its largest water bodies are Lakes Victoria, Kyoga, and Albert. 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. However, the seasonal and spatial variability of precipitation remains a challenge in the humid and semi-arid regions of the country. 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. The proposed 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. The project will support the integration of critical adaption measures into the baseline project, which will ensure continued water supply, even during drought periods, while also protecting natural systems and assets from food and other related risks, through the implementation of three components:

Component 1: Establish climate resilient catchment management framework for catchments of Rivers Atari, Aswa and Tokwe. (USD 500,000)

This component will focus on establishing institutional structures for long term resilience of water supply. Activities under this component include: Development of Environmental and Social Management Framework (ESMF) to guide implementation of concrete climate change adaptation actions in the catchments of three rivers (River. Atari, River. Tokwe and River Aswa); Development of catchment-specific management plans for the targeted three rivers; and Establishment and support of Water & Environmental Management (WEM) Committees to undertake distinct catchment protection activities within the project areas. Under this component, a Mid-term and End of project Environmental and Social Audit will also be conducted for the project.

Component 2: Supporting adaptation actions for increased community resilience and sustained livelihoods. (USD 1,105,932)

This component will focus on protecting the targeted rivers and their catchments to ensure long term sustainability of the quantity and quality of water. Proposed activities will include equipping the community with appropriate land use techniques to control erosion and siltation of rivers, the restoration of degraded sub catchments through tree planting in selected buffer zones, establishment of commercial tree nurseries, the restoration of degraded river banks and buffer

zones, and supporting communities to rehabilitate degraded wetlands located in delineated catchments and sub catchments of the targeted three rivers.

Component 3: Building capacity of catchment management structures (USD 300,000)

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. This component will also include the documentation and dissemination of best practices and lessons learnt from the implemented climate adaptation activities and development of a communication strategy.



ADAPTATION FUND

**ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW  
OF PROJECT/PROGRAMME PROPOSAL**

PROJECT/PROGRAMME CATEGORY: Regular-sized Project Concept

Country/Region: **Uganda**

Project Title: **Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities**

AF Project ID: **UGA/MIE/Water/2018/1**

IE Project ID:

Requested Financing from Adaptation Fund (US Dollars): **2 249 000**

Reviewer and contact person: **Farayi Madziwa**

Co-reviewer(s): **Katya Kuang-Idba, Dirk Lamberts**

IE Contact Person: **Andrew Mbiro**

Review Criteria	Questions	Comments 5 February 2018	Comments 23 February 2018
Country Eligibility	1. Is the country party to the Kyoto Protocol?	Yes	
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes	
	2. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?	Unclear. The proposed project is a combination of “hard” interventions and capacity building at the community level. It appears to target catchment management in order to complement downstream activities by the STWSSP for water abstraction and supply to several towns. However, the boundaries of the proposed project as a separate endeavour from the	Addressed, for the concept stage. However, the content under the heading “Proposed activities” on page 9 seems to have been placed under the wrong section as it appears to be more relevant to Part II, Section A.  In addition, at the full proposal stage the proponent should provide further clarity on the description of the

	<p>STWSSP are unclear and evidence of climate change effects in the target area is not clearly explained. Further, it is difficult to ascertain what concrete activities are proposed to address the climate threats or incidence.</p> <p>Activities have not been fully identified and have used broad terminology mentioning for example, that wetlands and degraded river banks will be rehabilitated or restored but it is not clear what specific activities will be undertaken to achieve this, besides tree planting. Another example is the mention in the proposal that the project will focus on strengthening community structures, but it is unclear how or what activities will be implemented to achieve this. Defining proposed activities as far as possible is important to allow for proper identification and assessment of risks and mitigative action where necessary.</p> <p>Lastly Robust management plans for sub catchments seems more like an output and not an outcome.</p> <p><b>CR1:</b> Please describe the climate problem, the current activities in the catchment areas/the baseline and how proposed concrete activities will address the problems/increase resilience in the context of climate change.</p>	<p>proposed concrete activities and should mention possible specific interventions to address identified climate threats. This includes providing clarity on some phrases, e.g., “appropriate/modern farming practices”, and what is meant by “strengthen community structures”.</p> <p><b>CR1:</b> Corrective action required. Please move the description of projects components stated under the heading “Proposed Activities: on page 9 to the relevant section of the template, that is., Part II, Section A.</p>
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	<p>3. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>Partially. The project aims to benefit 125,000 people by 2020 and 270,000 people by 2040. It will provide social and economic benefits through job creation and skills development; while also providing increased access to clean water, reduced water collection times and distances, improved sanitation, improved water quality, improvements in public and household sanitation, increased awareness of personal hygiene.</p> <p>However, whilst the proposed activities could support catchment and water protection practices, including catchment planning and soil conservation measures, it appears that the benefits of the project are combined with outcomes of the STWSSP and broader general benefits of an improved integrated water management and supply system or it is not clear whether this is the case e.g., there is mention of “<i>bringing water closer to women</i>”, “<i>employment creation for women</i>”, and “<i>enrolment of graduate trainees</i>” but in the project components, it is unclear which project activities will support these. It would be useful to clearly describe the different beneficiaries e.g., with particular reference to vulnerable communities, households, and individuals, including any direct and indirect benefits.</p>	<p>Partially addressed. The social benefits seem to constitute more of economic benefits. The business case for the proposed commercial tree nursery is not clear. Who would be the market and if the project would be the main buyer, how would this business be sustained after project closure? The newly inserted last sentence under social benefits introduces the notion of community training to start businesses which is vague and could result in unidentified sub-projects.</p>
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		<p><b>CR2:</b> Please include a description of direct including any indirect benefits that would accrue within the catchment areas as a result of the proposed project. Please also include an aggregation of beneficiaries by gender if possible, and whether marginalised and vulnerable groups have also been identified as beneficiaries.</p>	<p><b>CR2:</b> Partially addressed. Please provide more clarity on the distinction between the stated social benefits and economic benefits. In so doing, please clarify the business case for the proposed commercial tree nursery and provide further clarification on the proposed community training to start businesses. Lastly, please ensure aggregation of beneficiaries by gender and identification of marginalised and vulnerable groups.</p>
	<p>4. Is the project / programme cost effective?</p>	<p>Unclear: There is no evidence of the cost effectiveness of the proposed activities in comparison with comparable alternatives.</p> <p><b>CR3:</b> Considering CR 1, please provide a logical explanation of the selected scope and approach including an illustration of how the proposed activities are cost-effective in comparison with alternatives.</p>	<p><b>CR3:</b> Not addressed. please provide a logical explanation of why the selected scope and approach has been selected resulting in the proposed project being cost-effective.</p>
	<p>5. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?</p>	<p>Yes. The proposal is in line with priorities identified under the NAPA, such as water resources management; as well as the National Development Plan (NDP) covering the period 2015-2016-2019/20. Water resources development is also enshrined as key undertaking within the National Vision 2040. However, whilst the overview of the project area mentioned Uganda's NAPA, it is not included under the section Part II, Section D.</p>	

		<p><b>CR4:</b> Please clarify why Uganda's NAPA is not included in the identification of relevant national or sub-national sustainable development strategies, national or sub-national development plans.</p>	<p><b>CR4:</b> Addressed.</p>
	<p>6. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund??</p>	<p>Unclear. The project refers to issues of sanitation and health and water supply for communities. It is not clear whether any standards on water quality, water management and best practice for integrated catchment management or integrated water resource management will apply, particularly as some of the proposed activities include river bank restoration and wetland rehabilitation.</p> <p><b>CR5:</b> Please clarify if any water related national or international standards will apply and be implemented, including any best practice for integrated water catchment or water resource management.</p>	<p>The provided information is more consistent with an expansion of Part II, Section D and does not make any reference to standards, regulations such as building codes, permits for water abstraction, land use etc.</p> <p><b>CR5:</b> Partially addressed. The additions list a number of regulations and policies, some of which may hold technical standards that are applicable. It is not shown what these are, how they are relevant to the project and how the project will meet these. Please identify relevant regulations such as building codes, licenses, construction permits, and authorizations etc, that the proposed project may need to comply with in order to meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund.</p>

	<p>7. Is there duplication of project / programme with other funding sources?</p>	<p>Unclear. The proposed project is linked to a GEF funded project, the STWSSP.</p> <p><b>CR6:</b> Please clarify how the proposed project is distinct from the STWSSP and clearly describe the logic of how it will complement the STWSSP.</p> <p><b>CR7:</b> Please provide some examples of GEF/LDCF/GCF-funded adaptation approaches in Uganda and whether and how the project proponents of the proposed intervention have coordinated with them.</p>	<p><b>CR6:</b> Addressed.</p> <p><b>CR7:</b> Addressed.</p>
	<p>8. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?</p>	<p>Yes</p>	
	<p>9. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>Unclear. Consultations have taken place, but it is unclear whether the communities and ultimate beneficiaries were sufficiently involved and it is unclear whether the consultations included gender considerations in line with the ESP and GP of the Fund.</p> <p><b>CR8:</b> Please describe how gender equality was taken into consideration during stakeholder consultation and in what way, if at all, the consultations included the most vulnerable groups and were gender responsive.</p>	<p><b>CR8:</b> Addressed for the concept stage. Field visits were held and meetings done with local authorities, water management committees, household heads and district gender officers. However, at the full proposal stage, the proposal should provide more detailed description and explanations on <i>how</i></p>

			<p>gender equality was taken into consideration during stakeholder consultation, including detailed information on the consultation of marginalized and vulnerable groups in line with the ESP. Whilst the application of internal and external gender mainstreaming tools is acknowledged, at the full proposal development stage, please also consider the Fund’s gender policy and gender guidance document, both available on the Fund website: <a href="https://www.adaptation-fund.org/documents-publications/operational-policies-guidelines/">https://www.adaptation-fund.org/documents-publications/operational-policies-guidelines/</a>.</p>
	<p>10. Is the requested financing justified on the basis of full cost of adaptation reasoning?</p>	<p>No. The way the proposal is written currently does not adequately justify how AF funding alone will cover the full costs associated with the identified adaptation activities. It should be noted that the full cost of adaptation reasoning should be explained in the context of the Adaptation Fund not requiring co-financing for the projects/programmes it funds. However, it is possible to implement Adaptation Fund projects in parallel with projects funded from other sources, although in such a situation, the Adaptation Fund project should clearly be able to deliver its outcomes and outputs regardless of the success of the other project(s).</p>	

		<p><b>CR9:</b> Please consider rearticulating how the requested financing is justified on the basis of full cost of adaptation reasoning and describe how the proposed project activities are relevant in addressing the stated adaptation objectives and how, taken separately outside of the STWSSP, and without additional funding from other donors, the proposed activities will help achieve these objectives.</p>	<p><b>CR9:</b> Addressed.</p>
	<p>11. Is the project / program aligned with AF's results framework?</p>	<p>Yes</p>	
	<p>12. Has the sustainability of the project/programme outcomes been taken into account when designing the project?</p>	<p>Unclear. This section appears to describe sustainability in the context of a broader programme encompassing the STWSSP e.g. the proposal mentions monthly water sales, constructing of water supply facilities and handing over infrastructure to local governments. However, these activities are not mentioned under the project components.</p> <p>The proposal outlines that there is high political will and demand for water supply services in small towns in Uganda, and this project responds to this demand by supporting interventions geared at protecting selected water sources and their catchments and strengthening community adaptation measures. Catchment protection activities will continue to be financed from revenues</p>	

		<p>from monthly water sales. However, the mechanism through which this will be achieved is unclear.</p> <p>The proposal then refers to WSDF offices and how the establishment of these offices will ensure continuity through the provision of technical assistance, training, and capacity building activities directly to these offices. Please clarify what WSDF offices are and how this is directly related to project activities. Additionally, the provision of capacity building activities to “contractors and consultants” is another means by which sustainability will be ensured. This seems unlikely and difficult to support.</p> <p><b>CR10:</b> Please describe how the activities funded under this project have been designed with sustainability taken into account, and in particular, how proposed activities, capacity built and knowledge generated specific to the current project will be sustained after project closure. This includes the restored river banks, rehabilitated wet lands, degraded lands, and the established Water &amp; Sanitation Management Committees.</p>	<p><b>CR10:</b> Addressed.</p>
	<p>13. Does the project / programme provide an overview of environmental</p>	<p>No. Whilst the proposal has presented a risk matrix that presents an overview of the social and environmental risks</p>	

	<p>and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?</p>	<p>and impacts, the relevant section (II. K) appears to provide information on a separate project (STWSSP). It should be noted that compliance with the implementing entity's safeguard arrangements is not required and that environmental and social risks as well as gender considerations must be identified and assessed for proposed activities in line with the Adaptation Fund Environmental and Social Policy (ESP) and Gender Policy (GP).</p> <p>The table of section II.K. should identify environmental and social risks following the 15 principles of the ESP. The table should merely indicate whether risks are present. When risks are identified, this should be marked in the right-hand column of the table whereas the middle column should mark an instance in which no further assessment would be required due to no risk. In both instances, evidence-based justification in the form of a short description for the findings of no risk, or present risk should be included. Mitigation or management measures should not be taken into account or included during this stage of risks identification.</p> <p>The information provided in the proposal on the project activities is currently insufficient to allow adequate risks identification and commensurate</p>	
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		<p>impacts assessment. As there are no obstacles that pre-empt the full identification of project activities by the time the full proposal will be submitted, these should then have been identified accordingly, and ESP risks identified. A project-specific environmental and social management plan (ESMP) may be required.</p> <p>Specific guidance is available in the Guidance document for Implementing Entities on compliance with the Adaptation Fund ESP and the Guidance document for Implementing Entities on compliance with the Adaptation Fund Gender Policy.</p> <p><b>CR11:</b> Please consider CR1 and screen the proposed project for environmental and social risks as well as gender considerations in line with the Adaptation Fund ESP and GP.</p>	<p><b>CR11:</b> Corrective action required. The proposal includes an initial screening and assessment of environmental and social risks. However, the table in Part II Section K includes a mix of statements of intent, management measures and some risks. The risks findings overall lack the required substantiation (e.g. natural habitats, human rights). In addition, please only include text in the relevant box. The current indication that a principle applies is indicated in one column and the explanation in another column. Please include the assessment and explanation in the same box and in the left-hand column for principles that do not apply and/or would not require</p>
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			<p>further assessment, and in the same box in the right-hand column for principles that apply or have been screened and identified as requiring further assessment.</p> <p>The ESP also requires that the category of the project be stated based on the initial risk assessment.</p>
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	Yes	
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	Yes, the fee is 7.76%.	
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	Yes. The fee is 8.68%.	
Eligibility of IE	4. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes. AfDB is an accredited multilateral implementing entity	
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	n/a (Not required at Project Concept stage)	
	2. Are there measures for financial and	n/a (Not required at Project Concept stage)	

	project/programme risk management?		
	3. Are there measures in place for the management of environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?	n/a (Not required at Project Concept stage)	
	4. Is a budget on the Implementing Entity Management Fee use included?	n/a (Not required at Project Concept stage)	
	5. Is an explanation and a breakdown of the execution costs included?	n/a (Not required at Project Concept stage)	
	6. Is a detailed budget including budget notes included?	n/a (Not required at Project Concept stage)	
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a (Not required at Project Concept stage)	
	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a (Not required at Project Concept stage)	
	9. Does the project/programme's results framework align with the	n/a (Not required at Project Concept stage)	

	AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?		
	10. Is a disbursement schedule with time-bound milestones included?	n/a (Not required at Project Concept stage)	

<p><b>Technical Summary</b></p>	<p>The proposed project plans to increase the resilience of water sources and supply in Kyenjojo-Katoke, Bundibugyo and Kapchorwa to the negative impacts of climate change through protecting catchments and sub-catchments of the Aswa, Atari and Tokwe rivers in Uganda. The project aims to: 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 adaptation actions for sustained ecosystems and livelihoods; and c) Build the capacity of selected stakeholders at different levels in catchment management.</p> <p>The project will support the integration of critical adaptation measures into the baseline project, which will ensure continued water supply, even during drought periods, while also protecting natural systems and assets from food and other related risks, through the implementation of three components:</p> <ol style="list-style-type: none"> <li>1) Establish climate resilient catchment management framework for catchments of Rivers Atari, Aswa and Tokwe;</li> <li>2) Supporting adaptation actions for increased community resilience and sustained livelihoods</li> <li>3) Building capacity of catchment management structures.</li> </ol> <p>Initial implementation arrangements have been described under Part III, Section A (Describe the arrangements for project / programme implementation), Section B (Describe the measures for financial and project / programme risk management), Section C (Describe the measures for environmental and social risk management, in line with the Environmental and Social Policy of the Adaptation Fund) and Section D (the monitoring and evaluation arrangements and provide a budgeted M&amp;E plan).</p> <p>The initial technical review found that the project did not clearly explain how the proposed concrete activities could build resilience independent from an existing larger programme funded through other sources, and as a result, did not adequately justify the requested funding based on the full cost of adaptation reasoning, did not adequately explain the expected socio-economic benefits from proposed activities, did not provide a logical explanation of how proposed activities were cost-effective, and did not provide a clear explanation of project</p>
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	<p>sustainability and duplication. In addition, the project did not adequately address the issue of gender in stakeholder consultation and did not provide sufficient information to allow for adequate risks identification and commensurate impacts assessment in line with the Fund's environmental and social policy and gender policy.</p> <p>The final review finds that the revised project document did not sufficiently address a number of the clarification requests made and still needs to clearly distinguish between the social and economic benefits of the project, and provide an adequate cost-effectiveness analysis for the concept stage. The proponent also needs to take corrective action to properly complete Part II of the project document, Sections A and K. The following observations are made, to be addressed by the proponent:</p> <ul style="list-style-type: none"><li>a) Please provide more clarity on the distinction between the stated social benefits and economic benefits. In so doing, please clarify the business case for the proposed commercial tree nursery and provide further clarification on the proposed community training to start businesses.</li><li>b) Please provide an aggregated description of the identified 10,000 vulnerable beneficiaries by gender and include an identification of any marginalised groups.</li><li>c) Please provide an explanation of why the selected scope and approach has been selected resulting in the proposed project being cost-effective.</li><li>d) Please identify relevant building codes, licenses, construction permits, and authorizations etc, that the proposed project may need to comply with, as applicable, in order to meet the relevant national technical standards, and include a description of how the project will meet these in compliance with the Fund's environmental and social policy.</li><li>e) Please move the description of projects components stated under the heading "Proposed Activities: on page 9 to the relevant section of the template, that is., Part II, Section A.</li><li>f) Please complete the table to identify potential environmental and social impacts and risks correctly and include a classification of the project category based on the initial risk assessment and in line with the Fund's ESP.</li></ul>
Date:	23 February 2018



**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](mailto:afbsec@adaptation-fund.org)



## PROJECT/PROGRAMME PROPOSAL TO THE ADAPTATION FUND

### PART I: PROJECT/PROGRAMME INFORMATION

Project/Programme Category:	<b>Regular Project</b>
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:	<b>Ministry of Water and Environment</b>
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 km<sup>2</sup> of land, of which 43,941km<sup>2</sup> 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 daily<sup>1</sup>.

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

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

total renewable water resources of the country per capita is expected to drop to 1072 m<sup>3</sup>/year by 2030, on the brink of a regime of water scarcity especially in arid and semi-arid regions<sup>2</sup>. 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 areas<sup>3</sup>. 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%)<sup>4</sup>. 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.<sup>5</sup> 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:

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

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

<sup>4</sup> WSDP-C Regional Sanitation and Socio-economic baseline survey report 2013.

<sup>5</sup> "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

<b>Proposed Town WSS</b>	<b>Water Source</b>
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), prioritizes 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 adaptation actions for resilient and sustained 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**

**Atari River** is the water source for the proposed Kapchorwa water supply system and is one of the rivers that feed into Lake Kyoga. The Atari catchment is located in Kyoga basin in the eastern part of Uganda and originates from the ranges of Mt. Elgon. The most common uses of the river include provision of water for domestic purposes such as washing, cooking, bathing and watering animals. It is also used for economic activities such as brick making and irrigation of gardens in the immediate vicinity of the river.

The catchment population is rapidly growing and is projected to reach about 4 million people by 2035. The Atari catchment is characterized by rain-fed agriculture, livestock farming especially cattle-keeping, undulating mountain ranges besides lowland plains with wetlands, open shrubs with grassland and small herbaceous fields with sparse trees. As a result of the increasing population pressure and man's quest for improved livelihood, the catchment is being encroached upon for habitation, subsistence farming, livestock keeping and harvesting of ecosystem goods such as fuel wood, timber, and reeds for art and crafts. With regards to current activities in the catchment areas, the WASH International Alliance launched in 2017 a river basin approach to WASH guided by environmental sustainability principles in 8 districts within the Aswa river catchment.

During the rainy seasons, the region receives heavy rainfall; this coupled with the hilly terrain has led to massive landslides and devastating floods in the low-laying areas of the catchment. 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 catchment has progressed towards agriculture, there has been an increase in sediment levels in the river. The 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 and is the main source of water for Bundibugyo town. The river is faced with challenges of siltation due to numerous landslides and erosion/collapsing river banks and flash floods. The melting of ice caps on Rwenzori Mountains has accelerated the erosive power of river Tokwe. Such erosive power and associated siltation downstream, compounded by the intensive cultivation along the river course, have enabled the river to factually block its original course at various points resulting into heavy and destructive floods.

The communities living by the river and its vicinity experience floods during both rainy and dry seasons. During rainy seasons, surface run-off and glacial melt from Rwenzori Mountains cause the river to overflow its banks with potential to sweep away bridges, crops and even settlements downstream. Usually the floods are so strong that they cause massive soil erosion and sand deposition on the banks. In dry seasons, the river flow is rather low in the morning but often rises later in the day to the point where the river swells and overflows its banks. Flooding of the river during dry seasons is due to the melting of glaciers from the Rwenzori Mountains (UNAPA, 2007). These floods have claimed lives and continue to affect livelihoods of the communities that depend on the river for domestic uses besides other income generating activities. The floods also represent a threat to infrastructure such as the Fort Portal - Bundibugyo road, schools and human settlements in the Tokwe valley.

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

## Problem Situation

The Atari, Tokwe and Aswa river catchments are some of the areas most affected by the impacts of climate change and variability. Floods and landslides are consequences of natural climatic variations in these catchments aggravated by climate change. The three catchments are highly vulnerable to landslides in the mountainous / hilly sections of the rivers and floods in the low-laying areas. Land degradation and massive deforestation have also made the catchments predominantly vulnerable to flooding during rainy seasons. These drastic events of landslides and floods have over the years led to loss of human life, animals and crops, and destruction of homes and infrastructure such as roads and bridges. The three catchments are highly vulnerable to the impacts of climate change and variability mainly because of the factors described below:

**Ecosystem degradation:** Riverbanks, wetlands, forests and mountain ecosystems such as Elgon and Rwenzori in the catchments are degraded due to increasing human pressures such as encroachment and deforestation. The vegetation of ecosystems on riverbanks is very important to stabilize the shoreline and prevent flooding. Wetlands play a crucial role throughout the country in capturing sediments, maintaining water quality, and environmental flows to meet the minimum requirements of ecosystems. Wetlands and lake systems are also degraded due to encroachment for crop and livestock farming. Forests on the other

hand are vital for maintenance of the hydrological cycle as well as stabilization of soils across different landscapes. Deforestation due to the high wood and non-wood demands of the increasing human population in the catchments is a major threat. Such pressures on wetlands and forests reduce the capacity of such ecosystems to maintain their ecological integrity and provide ecosystem services. This renders the entire catchments more vulnerable to the impacts of climate change. The mountain ecosystems of Elgon and Rwenzori (sources for rivers Atari and Tokwe respectively) are also being highly encroached on by humans.

***Degradation of farming land:*** The populations of the catchments are heavily dependent upon natural resources for their livelihoods with subsistence agriculture being the primary source of food and income. Almost all socio-economic activities rely upon the natural resources. The local communities are largely subsistence farmers. Their livelihoods depend on agriculture without alternative livelihood strategies to generate income from other sources and minimize their vulnerability. Due to the growing human population, poor farming practices, such as uncontrolled use of land for farming, grazing and deforestation, the natural resources are increasingly degraded. The degradation of the natural resources renders agricultural landscapes in the catchments more vulnerable to risks of climate change such as floods and landslides.

***Inadequate knowledge and skills on climate change and adaptation:*** Knowledge about water resources and impacts of climate change on these resources, particularly at the local level is not sufficient to support water resources planning and management and mandated institutions cannot effectively enforce compliance with existing laws and regulations.

The proposed project will execute interventions aimed at improving the resilience of communities, agricultural landscapes and ecosystems in the three 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\$)
<b>Component 1:</b> Establish climate resilient catchment management framework for catchments of Rivers Atari, Aswa and Tokwe	Environmental and Social Management Framework (ESMF) focusing on robust climate change adaptation actions / measures developed for the project  Catchment management plans developed for R. Atari, R. Tokwe and R. Aswa  <b>Water &amp; Environmental Management (WEM) committees</b> established and supported in line with protection of catchments and sub catchments	Enhanced environmental integrity and social plight of beneficiary communities	500,000
<b>Component 2:</b> Supporting adaptation actions for increased community resilience and sustained livelihoods	Community equipped with appropriate land use techniques to control erosion and siltation of rivers	Improved ecosystems in the three catchments.  Ensure long term provision of adequate and	1,105,932

Project/Programme Components	Expected Concrete Outputs	Expected Outcomes	Amount (US\$)
	<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 protected</p> <p>Community supported to rehabilitate degraded wetlands existent in sub catchments</p>	<p>unpolluted water from the three rivers</p> <p>Community livelihood enhanced through climate change resilient interventions</p>	
<b>Component 3:</b> 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 &amp; Communication materials produced and disseminated in communities</p> <p>Best practices and lessons learnt documented and disseminated</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
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)			162,004
<b>Amount of Financing Requested</b>			<b>2,249,000</b>

## Proposed activities:

### **Component 1: Establish climate resilient catchment management framework for three 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:

- i) Development of Environmental and Social Management Framework (ESMF) to guide implementation of concrete climate change adaptation actions in the catchments of three rivers (River. Atari, River. Tokwe and River. Aswa)- It is the role of Project Implementation Unit (PIU) to safeguard the environment and social plight of affected communities during project implementation. The objective of the ESMF will be to provide guidance to Project Implementation Staff, communities, and others stakeholders participating in the Climate Change Adaptation project in line with sustainable environmental and social management. The ESMF will also be helpful in the identification of possible negative impacts of the project and proposing appropriate mitigation measures, and in monitoring implementation of the proposed mitigation measures.
- ii) Development of catchment-specific management plans for the three rivers (Atari, Tokwe and Aswa)- A Consultant will be required to ease the process of developing climate-proofed catchment management plans for the three catchments. As part of the process the Consultant shall undertake Catchment Situation Assessments (CSAs) to delineate / define the catchments and ascertain baseline conditions.
- iii) Establishment and support of Water & Environmental Management (WEM) Committees to undertake distinct catchment protection activities within the project areas- In this project, each of the three major catchments will be sub-divided into micro-catchments covering the different zones (highlands, midlands and lowlands). A WEM committee will be established for each of the micro-catchments and such committees would be helpful in identifying key water resources and climate change issues to be addressed in the catchment management planning process as well as identifying specific locations where priority interventions ought to be implemented. The WEM committees will

continue beyond the project period and be sustained by government using innovative funding sources such as water abstraction permit fees and funds for water source/catchment protection that would be paid by investments that are based on each of the rivers.

- iv) Environmental and Social Audit of the climate adaptation project in consideration of the project's ESMF and developed / implemented catchment plans. With assistance of a Consultant Mid-term and End of project Environmental and Social Audit will be conducted for the project in line with the provisions of the AfDB's Environmental and Social Safeguards Policy and National Environment (Audit) Regulations, 2006.

### **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) Community equipped with appropriate land use techniques to control erosion and siltation of rivers. The detailed activities will include:
- Identification and mapping of degraded agricultural landscapes that call for corrective action
  - Community training on modern methods/best practices of farming to counteract the effects/impacts of climate change on land
  - Provide demonstrational rainwater harvesting systems for household and institutional levels
  - Construction of suitable flood management structures e.g. embankments, ponds, valley dams and storm water diversion channels.
- ii) Restoration of degraded sub catchments through tree planting in selected buffer zones. Suitable tree species in terms of community acceptability or importance, soil stabilisation and control of run off/erosion will be planted to trim down the rain drop effect thereby lowering the frequency and magnitude of flood episode and or landslides. Specific activities will include:
- Identification and demarcation of suitable areas to act as buffer zones
  - Planting of appropriate tree species in the different marked mapped zones
- iii) Communities will be supported to establish and sustain commercial tree nurseries
- Set up groups within micro-catchments/zones to establish tree nurseries
  - Offer hands-on training on setting up nursery beds, caring after them and marketing of the resulting tree seedlings including basic book keeping skills

- iv)
  - Established demonstrational nursery beds in the micro-catchments/zonesDegraded river banks will be restored and buffer zones protected

Due to poor management practices, banks of rivers originating from mountainous/hilly areas are facing a higher risk of erosion and siltation. The proposed project will support the protection and restoration of degraded river banks and buffer zones in the catchments through:

- Development of river-specific banks restoration plans.
  - Demarcation of degraded river banks in the 3 catchments. The project will aim at restoring degraded buffer zones and riverbanks in accordance with developed action plans.
  - Training communities on protection of river banks.
  - Equip beneficiary communities with appropriate tools to implement river-specific bank restoration plans
- v) Communities will be supported to rehabilitate degraded wetlands located in delineated catchments and sub catchments of the three rivers. The project will aim at rehabilitating degraded wetlands existent in the delineated catchments and sub-catchments so as to enhance their water retention capacity, ultimately helping in controlling of floods.
- Definition of wetland boundaries in a participatory manner to avoid community conflicts
  - The community members of which 50% are women will be trained in wetland rehabilitation/restoration techniques
  - The wetlands in the targeted catchments and sub-catchments will be marked and communities equipped to undertake wetland- specific restoration plans.
  - Development of site-specific plans for wetland restoration within the defined catchments
  - Equip beneficiary communities with appropriate tools to implement wetland-specific restoration plans

### **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. Specific activities will include:

- Conduct a capacity needs assessment to determine capacity gaps among the different stakeholders in order to inform the training content
- A detailed training programme will be developed to guide the trainings
- Training catchment management stakeholders (WEMs, district and local government extension workers, relevant NGOs/CBOs) in climate change adaptation activities such as damming of streams to collect and store seasonal overflows, rainwater harvesting to supplement water supply
- Develop and disseminate Information Education and Communication (IEC) Materials for advocacy and visibility among various stakeholders



- Documentation and dissemination of best practices and lessons learnt from the implemented climate adaptation activities including development of a communication strategy.

## 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 <sup>st</sup> 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.

**STWSSP 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, Mwikoona, 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 m<sup>3</sup>/d. The total length of the transmission main is 79km and a total of 113km of distribution pipelines. The total water storage is 750m<sup>3</sup>.

**(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. 2,500m<sup>3</sup>/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 450m<sup>3</sup>.

**(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 6,000m<sup>3</sup>/d. The total length of the transmission main is 10km and a total of 90km of distribution pipelines. The total designed water storage is 1,120m<sup>3</sup>.

**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.

In addition, 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 opportunities for employment and trade.

Further, the project will aim to directly improve adaptation capacity of approximately 10,000 vulnerable people from approximately 1,500 households (3,500 people, 500 households targeted in each of the three catchments). This will be achieved through trainings and implementation of proposed concrete climate change adaptation measures. The proposed environmental protection and conservation activities will also help to improve the natural-resource base of the communities living in the three catchments.

**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.

The proposed climate change adaptation project will focus on employment creation for women and youth; these beneficiary groups will be engaged in activities that support the project such as production of tree seedlings from established tree nurseries. The economic situation in beneficiary communities will be enhanced through the establishment of commercial tree nurseries. This will further go a long way to contribute to social cohesion and stabilization of beneficiary communities since rural-urban migration in search of income generating opportunities, especially by the youth, is expected to tone down. In addition, the project will directly target at least 100 women and youths in the four towns through the development of skills for them to start businesses.

### **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. reforestation). All these factors are essential to enhance the resilience of ecosystems and ensure long term and sustainable water availability and security.

The wetland ecological systems of Atari, Tokwe and Aswa catchments will be improved and protected through various interventions as will be outlined in the developed wetland-specific restoration plans. Degraded and deforested areas within the three catchments including affected buffer zones and degraded river banks shall be reforested/restored. Floods and landslides across landscapes will be controlled through community training on appropriate / modern farming practices besides implementation of corrective bio-physical measures thereby strengthening of resilience of agricultural landscapes.

Establishment of tree nurseries will improve the natural vegetation cover of the catchment areas thereby contributing to proper management of the flood hazards to communities in the catchments. Generally, the project adaptation activities will support the sustainability of critical catchments and sub catchments for the three 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 / catchments. These adaptation measures will improve efficiency, increase water availability and reduce losses from extreme events.

Generally, use of Consultants with adequate knowledge of the subject is considered more cost-effective than recruiting and training in-house staff to undertake these activities. Identified staff of the MWE and District Local governments will work closely with the consultant for follow-up

action and capacity building. However, for catchment protection activities, working with the communities will be most preferred. This is more cost-effective than hiring service providers, but more importantly, offers more benefits of sustainability of interventions. As much as possible, locally available materials, species and labour will be engaged in project activities for improved cost-effectiveness.

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. The goal of Uganda's National Climate Change Policy is to ensure a harmonized and coordinated approach towards a climate resilient and sustainable low-carbon development path for Uganda. The overall policy objective is to ensure that all stakeholders address climate change impacts and their causes through appropriate measures, while promoting sustainable development.

Uganda's National Communication on climate change to UNFCCC also emphasizes access to information on additional measures and policies to adapt as well as information on gaps and constraints besides lack of financial resources and technical constraints, and the weak capacity of lower level decision-makers to manage natural resources due to inadequate information / knowledge.

Additionally, the proposed project is in line with the adaptation priorities identified under the National Adaptation Programme of Action (NAPA) for Uganda; the project will contribute towards implementing NAPA priority interventions in Uganda such as communal tree planting,

management of land degradation through modern and climate-proofed farming methods, and sustainable provision of water for production and domestic use.

**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.**

Projects on Environmental and Water resources management fall under specific legislative and regulatory frameworks in the Ugandan context. Developers should thus ensure that these legislation and regulatory frames are consulted to ensure that the proposed environmental and water resources related project establishments, and activities therein, are in line with the national laws. Relevant international conventions, treaties and protocols also need to be looked at in certain areas e.g. Ramsar Sites, World Heritage Sites, and trans-boundary water resources and ecosystems. Below are some of the key legislations that apply to the proposed climate change adaptation project.

Legislation/Policy	Applicability	Institution/ Agency Responsible/ Government
Constitution of the Republic of Uganda, 1995	Article 14 provides that every Ugandan has a duty to clean and protect a healthy and clean environment. Under Article 39, every Ugandan has a right to a clean and healthy environment. Article 27 (The Environment) further recognizes the need for sustainable management of water and land resources, and utilization of natural resources to meet development and environment needs and conservation of natural resources.	Ministry of Water and Environment (MWE)
The National Environment Act. Cap. 153.	Provides for projects to be considered for EIA Provides for EIA approval by NEMA EIA and Environmental Audit compliance.	National Environmental Management Authority (NEMA)
The Water Act, Cap 152, 2000.	Management of water resources, Regulation and issuing of water use, abstraction and wastewater discharge permits; Prevention of water pollution. Managing and monitoring and regulation of water resources	Directorate of Water Resources Management (DWRM)
The National Wetlands Policy, 1995	Provides for conservation of Uganda's wetlands in order to sustain their ecological, social and economic functions for the present and future generations: Implementation of environment impact assessment procedures on all development activities sited in wetlands.	Wetlands Management Department
The Land Act (Cap 227)	Article 44(1) of this Act provides that the Government or a local government shall hold in trust for the people and protect natural lakes, rivers, ground water, natural ponds, natural streams, wetlands, forest reserves, national parks and any other land reserved for ecological and	Ministry of Lands, Housing and Urban Development



	touristic purposes for the common good of the citizens of Uganda. The Land Act also recognizes the provisions of the Physical Planning Act, 2010 and any other laws. The proposed project would be compatible with the land-use planning in the area. For this matter, there will be no need to apply for a change in land use at the project site.	
The Public Service Act, Cap 288	Responsibility for environmental policy, Regulation, coordination, inspection, supervision and monitoring of the environment and natural resources.	Directorate of Environment Affairs (DEA)
National Environment (Conduct and Certification of Environmental Practitioners) Regulations, 2003	Registration and certification of EIA practitioners.	NEMA and Committee of Practitioners
The Environmental Impact Regulations S.I. No. 13/1998	Provides for preparation of project briefs ; Provides for conducting EIStudies in accordance with ToR developed by the developer in consultation with NEMA and the lead agency	NEMA
The Water Resources Regulations, S.I. No. 33/1998	Provides for sustainable management Provides for the protection of water sources.	DWRM
The Water (Waste Discharge) Regulations, S.I. No. 32/1998	Specifies what quality is acceptable in terms of effluent released into rivers. Water pollution prevention Provides for effluent discharge in aquatic and sewerage system standards	DWRM
The National Environment (Wetlands, River Banks and Lake Shores Management) Regulations, S.I., No. 3 /2000	Provides for protection of Wetlands, River Banks and Lakeshore zones	NEMA
Protocol on Environment and Natural Resources Management, 2006	Article 13. Provides for Management of Water Resources by the Partner States: Cooperate in the management of shared water resources, which may include the establishment of joint management mechanisms; Cooperate with regard to the management and execution of all projects likely to have an effect on hared water resources; Cooperate to respond to the needs or opportunities for regulation of the flow of the waters of shared water resources.	EAC
Agricultural and Rural Development Policy for EAC, 2006.	Promotes private sector and community participation in the development of irrigation, water management and maintenance of irrigation infrastructure in East Africa.	EAC

**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 STWSSP is more focused on water and sanitation infrastructure development for the 10 towns identified, including Bundibugyo, Kyenjojo-Katoke and Kapchorwa. This project will implement catchment protection measures that mitigate the climate change impacts on the water resources of the identified towns. Communities are currently using the water resources, however, when the new infrastructure is built, there will be increased abstraction that could exacerbate the situation if these project measures are not undertaken. In addition, the project design has benefited from lessons learnt by Uganda in the implementation of similar projects, including the AF funded “Enhancing Resilience Of Communities to Climate Change through Catchment Based Integrated Management of Water and Related Resources in Uganda”. The GEF also provided additional funds toward the implementation of the AfDB funded “Water Supply and Sanitation Program”, which focused on water and sanitation infrastructure, while the GEF additional funds supported measures targeted at improving climate change resilience of the beneficiary communities.

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 (21<sup>st</sup> August - 1<sup>st</sup> September 2017) and Appraisal (2<sup>nd</sup> – 10<sup>th</sup> 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. [The technical working session closely adopted the "gender mainstreaming guidelines" developed for the water and environment sector, to ensure that the proposed project interventions are gender responsive.](#)
- 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 Bundbujjo 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. [District gender officers who are responsible for ensuring gender responsive initiatives were consulted as well.](#)

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 STWSSP 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.

Specifically, this project will complement the STWSSP by focusing on the climate change and adaptation measures in the catchments of R. Aswa, R. Tokwe and R. Atari, which are considered most vulnerable to the effects of climate change. These measures will ensure that the benefits of STWSSP infrastructure continue to serve sustainably. The project activities would still benefit the community in the absence of STWSSP intervention, albeit to limited capacity utilization. The activities identified under climate change resilience in R. Aswa, R. Tokwe and R. Atari will be exclusively implemented under this project. These will build capacity of the sector to implement similar activities in other project catchments.

**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 [the Water and Sanitation Development Facilities \(WSDF\)](#) 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. Also at the regional level are the Umbrella Organizations (UO), who are permanently present in the regions to ensure continuity of all projects benefits. The regional Water Management Zones (WMZ) are also established at the regional level throughout the country to ensure continuity of catchment protection measures. 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 project was also 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). 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 as introduced in the table below.

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

<b>Checklist of environmental and social principles</b>	<b>No further assessment required for compliance</b>	<b>Potential impacts and risks – further assessment and management required for compliance</b>
		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 taking 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 carried out on existing / available and unoccupied land.

<b>Checklist of environmental and social principles</b>	<b>No further assessment required for compliance</b>	<b>Potential impacts and risks – further assessment and management required for compliance</b>
<i>Protection of Natural Habitats</i>	The potential of the project to affect natural habitats is extremely 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. Water quality will be improved as a result of environmental / catchment protection
<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.

<b>Risk</b>	<b>Risk Mitigation measures incorporated into programme design</b>
<b>Country-</b> 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.
<b>Entity level-</b> (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.
<b>Project level</b> – Inability to use funds efficiently and economically for purposes intended.  -Identification of adequate water resources (ground water/surface water) on accessible land is a major risk	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 stakeholders involved in acquisition of the land identified  Extensive stakeholder involvement and



Risk	Risk Mitigation measures incorporated into programme design
	sensitization will be ensured.
<b>External Audit</b> - 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 government<sup>6</sup>** *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:*

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<sup>6</sup>. 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.

<b>Mr. Keith Muhakanizi</b> <i>Permanent Secretary / Secretary to the Treasury Ministry of Finance, Planning and Economic Development</i>	Date: 01/11/2018
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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

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>Ayanleh Daher Aden</p>  <p>Implementing Entity Coordinator</p>	
Date: January 15 <sup>th</sup> , 2018	Tel. and email: (+225) 20 26 43 47; a.daheraden@afdb.org
Project Contact Person: Andrew MBIRO	
Tel. And Email: +256772403854; A.MBIRO@AFDB.ORG	

## ANNEX 1

## Consultation Proceedings: List of Participants

**Ministry Of Finance Officials**

	Name	Designation	Email/ Contact
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2		Desk Officer	

**Ministry Of Water Officials**

	Name	Designation	Email/ Contact
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3.	Eng. Disan K. Ssozi	Commissioner/ WESLD	<a href="mailto:disan.ssozi@mwe.go.ug">disan.ssozi@mwe.go.ug</a>
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19.	Edmund Rwigyi Kiiza	Senior Engineer – Regulation Dept	0392 940 851
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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

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The Adaptation Fund Board  
c/o Adaptation Fund Board Secretariat  
Email: [Secretariate@Adaptation-Fund.org](mailto:Secretariate@Adaptation-Fund.org)  
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**ENDORSEMENT FOR “STRENGTHENING CLIMATE CHANGE  
ADAPTATION OF SMALL TOWNS AND PERI-URBAN COMMUNITIES.”**

In my capacity as Designated Authority for the Adaptation Fund Uganda,  
I confirm that the above national project proposal is in accordance with  
the Government’s national priorities in implementing adaptation  
activities to reduce adverse impacts of, and risks, posed by climate  
change in Uganda.

Accordingly, I am pleased to endorse the above project proposal with  
support from the Adaptation Fund for a grant of 2.2 Million USD to  
support the vulnerable towns of Kapchorwa, Bundibugyo and Kyenjojo to  
strengthen climate change resilience.

If approved, the grant will be implemented by the African Development  
Bank and executed by the Ministry of Water and Environment.

A handwritten signature in black ink, appearing to read 'Keith Muhakanzi'.

Keith Muhakanzi

**PERMANENT SECRETARY/SECRETARY TO THE TREASURY**

**CC:** Permanent Secretary, Ministry of Water and Environment.

*Mission*

*“To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to  
achieve the most rapid and sustainable economic growth and development”*

