

**GREEN  
CLIMATE  
FUND**

**Meeting of the Board**  
28 - 30 June 2016  
Songdo, Incheon, Republic of Korea  
Provisional agenda item 12(e)

**GCF/B.13/16/Add.06**

8 June 2016

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# Consideration of funding proposals – Addendum

## Funding proposal package for FP014

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### **Summary**

This addendum contains the following three parts:

- a) A funding proposal titled “GCF support to Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB)” submitted by World Bank;
- b) A no-objection letter issued by the national designated authority or focal point; and
- c) Environmental and social report(s) disclosure.

The documents are presented as submitted by the accredited entity, and national designated authority or focal point, respectively.

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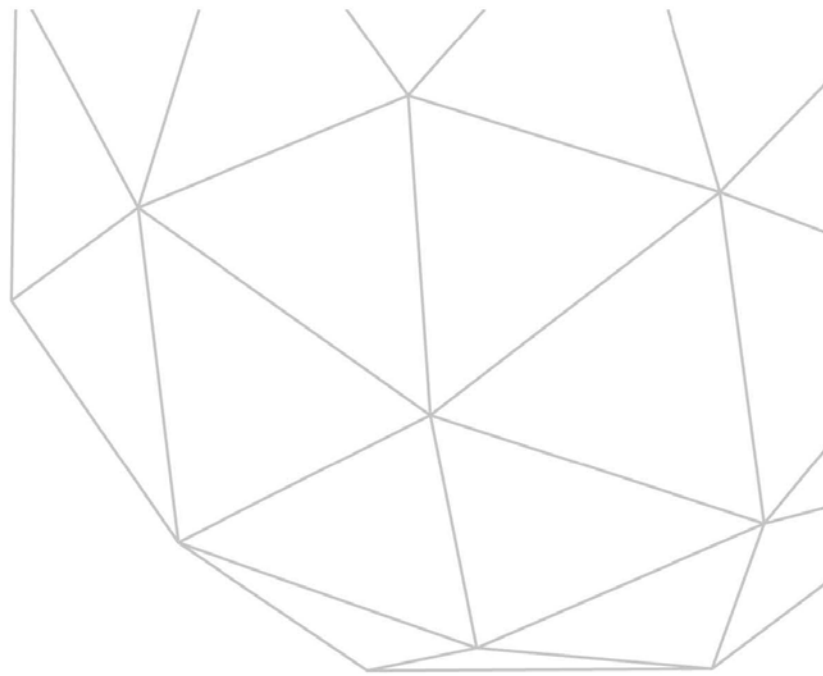
Funding proposal submitted by the accredited entity

No-objection letter issued by the national designated authority or focal point

Environmental and social report(s) disclosure



GREEN  
CLIMATE  
FUND



# Funding Proposal

Version 1.0

**The Green Climate Fund (GCF) is seeking high-quality funding proposals.**

Accredited entities are expected to develop their funding proposals, in close consultation with the relevant national designated authority, with due consideration of the GCF's Investment Framework and Results Management Framework. The funding proposals should demonstrate how the proposed projects or programmes will perform against the investment criteria and achieve part or all of the strategic impact results.

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### *Note to accredited entities on the use of the funding proposal template*

- Sections **A, B, D, E** and **H** of the funding proposal require detailed inputs from the accredited entity. For all other sections, including the Appraisal Summary in section F, accredited entities have discretion in how they wish to present the information. Accredited entities can either directly incorporate information into this proposal, or provide summary information in the proposal with cross-reference to other project documents such as project appraisal document.
- The total number of pages for the funding proposal (excluding annexes) is expected not to exceed 50.

**Please submit the completed form to:**

[fundingproposal@gcfund.org](mailto:fundingproposal@gcfund.org)

Please use the following name convention for the file name:

FP-WB-31July2015-CAMP4ASB

A.1. Brief Project / Programme Information	
<b>A.1.1. Project / programme title</b>	Project to support the World Bank's Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB), in Tajikistan and Uzbekistan
A.1.2. Project or programme	Project
<b>A.1.3. Country (ies) / region</b>	Tajikistan and Uzbekistan (The two Central Asian countries participating in the first project in the CAMP4ASB Program's series of projects) <sup>1</sup>
<b>A.1.4. National designated authority (ies)</b>	<p>Uzbekistan: His Excellency Prof. Victor Chub Minister, Director General Centre of Hydrometeorological Service Cabinet of Ministers 72, 1st Bodomzor yuli str. Tashkent, Uzbekistan Tel. +998 71 237 35 11 E - mail: uzhymet@meteo.uz</p> <p>Tajikistan: Mr. Khayrullo Ibodzoda Chairman Committee on Environmental Protection Dushanbe, Tajikistan Tel. + 992 37 236 40 59 E - mail: nef@hifzitabiat.tj E - mail: muhit@hifzitabiat.tj</p>
<b>A.1.5. Accredited entity</b>	The World Bank Group
A.1.5.a. Access modality	<input type="checkbox"/> Direct <input checked="" type="checkbox"/> International
A.1.6. Executing entity / beneficiary	The CAMP4ASB Program is being implemented in phases as a series of projects taking into consideration differences in countries' own processing requirements. In this respect, the Program's first phase supports a regional executing entity (EC-IFAS), as well as two Central Asian countries (Tajikistan and Uzbekistan). Preparation is already underway in the other Central Asian countries for their future participation in the Program, with Kazakhstan expected to join in Fall 2016 and Kyrgyz Republic and Turkmenistan later on in 2017.

<sup>1</sup> This GCF funding proposal covers only the first phase of the CAMP4ASB Program (that is, supports the countries of Tajikistan and Uzbekistan participating in this first phase). Another project with the other Central Asian countries is planned to be submitted later for GCF Board consideration.

	<p>Executing Entity: Executive Committee for International Fund for Saving the Aral Sea (EC-IFAS) National Coordination Units (NCUs), including Uzbekistan Ministry of Agriculture and Water Resources and Tajikistan Committee on Environmental Protection</p> <p>Beneficiary: The direct beneficiaries of the Project's climate investments will include the poorest and most climate-vulnerable rural communities, such as farmers and farmer groups, villages and village communities, and resource user groups (e.g., water, pasture), interested in introducing climate resilience measures. These communities will benefit from technical and financial support to implement sub-investments that improve their livelihoods while also demonstrating climate change adaptation efforts (possibly with some mitigation co-benefits) whose lessons can be ultimately shared for scaling up across the region. Of the beneficiaries, at least 40 percent will be female. Investments will be selected based on gender focus and their cost-effectiveness, post-project sustainability, and potential for replication at a regional level. The selection of project investment sites will take into account: degree of climate vulnerability, based on extent of land and vegetation degradation, expected water shortages, and predicted increase in temperature; income distribution, with selected investments supporting the bottom two quintiles of the population with the lowest incomes (the bottom 40%); and complementarity with government- or donor-funded initiatives on the ground.</p>		
A.1.7. Project size category (Total investment, million USD)	<input type="checkbox"/> Micro ( $\leq 10$ ) <input checked="" type="checkbox"/> Medium ( $50 < x \leq 250$ )	<input type="checkbox"/> Small ( $10 < x \leq 50$ ) <input type="checkbox"/> Large ( $> 250$ )	
A.1.8. Mitigation / adaptation focus	<input type="checkbox"/> Mitigation <input checked="" type="checkbox"/> Adaptation <input type="checkbox"/> Cross-cutting		
A.1.9. Date of submission Date of last submission	July 31, 2015 May 20, 2016		
A.1.10. Project contact details	Contact person, position	Angela Armstrong, Sr. Natural Resources Mgmt. Spec. Philippe Ambrosi, Sr. Environmental Economist	
	Organization	The World Bank	
	Email address	aarmstrong@worldbank.org pambrosi@worldbank.org	
	Telephone number	+1 (202) 458-0975 +43 1 217 0740	

Mailing address	1818 H Street, NW, Washington, DC 20433, United States of America Praterstrasse 31, 1020 Wien, Austria
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**A.1.11. Results areas** *(mark all that apply)*

Reduced emissions from:

- Energy access and power generation  
(E.g. on-grid, micro-grid or off-grid solar, wind, geothermal, etc.)
- Low emission transport  
(E.g. on-grid, micro-grid or off-grid solar, wind, geothermal, etc.)
- Buildings, cities and industries and appliances  
(E.g. new and retrofitted energy-efficient buildings, energy-efficient equipment for companies and supply chain management, etc.)
- Forestry and land use  
(E.g. forest conservation and management, agroforestry, agricultural irrigation, water treatment and management, etc.)

Increased resilience of:

- Most vulnerable people and communities  
(E.g. mitigation of operational risk associated with climate change – diversification of supply sources and supply chain management, relocation of manufacturing facilities and warehouses, etc.)
- Health and well-being, and food and water security  
(E.g. climate-resilient crops, efficient irrigation systems, etc.)
- Infrastructure and built environment  
(E.g. sea walls, resilient road networks, etc.)
- Ecosystem and ecosystem services  
(E.g. ecosystem conservation and management, ecotourism, etc.)

**A.2. Project / Programme Executive Summary (max 300 words)**

*Please provide a brief description of the proposed project/programme, including the objectives and primary measurable benefits (see [investment criteria in section E](#)). The detailed description can be elaborated in [section C](#).*

The proposed GCF financing of US\$19 million would scale up the first phase of the World Bank Group (WBG) supported Climate Adaptation and Mitigation Program for Aral Sea Basin (CAMP4ASB), which focuses on Tajikistan and Uzbekistan (while future phases of the Program, under preparation, will progressively cover the remaining Central Asian countries: Kazakhstan, Kyrgyz Republic, and Turkmenistan). A further allocation of US\$27 million from GCF will be requested for the remaining Central Asian countries, for which GCF’s funding approval will be issued upon WB submission of program details for those countries.

CAMP4ASB seeks to help Central Asian countries build upon the benefits of regional cooperation to address the mounting challenges from climate change, which often transcend borders.

The WBG-supported program lays the foundation for an institutional platform for regional cooperation on climate change across a broad range of sectors. This will be the first such platform in Central Asia that will provide access to improved climate change knowledge services for climate change assessment and decision-making and to increased financing and technical assistance, on a demand-driven basis, for climate investments in priority areas common to Central Asian countries.

While the associated WBG program will provide financing via sub-loans primarily to farmers (Dekhan and commercial farmers), resource user groups (e.g., water user associations), village communities, and private companies for climate investments (resilience or mitigation), GCF financing will provide investment support via sub-grants to the most vulnerable communities for climate resilient measures in priority areas, including to the poorest populations residing on fringe/risk-prone areas and marginalized groups such as women. Successfully building climate change resilience in Tajikistan and Uzbekistan will require increasing engagement with those most adversely affected by climate change, and community facilitation support and capacity building will accompany investments and be designed to reach those who are marginalized and most vulnerable.

The combination of WBG and GCF financing will allow CAMP4ASB to pilot certain climate-smart activities that could not have otherwise been implemented at this scale, and double the Project’s expected benefits. In particular, GCF-financed activities will strengthen the climate resilience of those most vulnerable to climate change, by supporting the adoption of climate-smart rural production and landscape management investments that aim to achieve multiple benefits (e.g., climate resilience, food security, increased well-being of beneficiaries, including gender and social inclusion).

The primary measurable benefits will be monitored against indicators such as (i) number of direct project beneficiaries (disaggregated by gender) (205,000 in total), (ii) number of hectares covered by effective agricultural, land and water management practices suited to local agro-ecological conditions and climate change resilience (35,000 hectares), and (iii) lessons from climate change knowledge services and climate-smart investments financed under CAMP4ASB informing country planning processes, including through scaled-up sectoral programs for climate smart development (3 plans and programs that draw on Project’s climate knowledge services).

<b>A.3. Project/Programme Milestone</b>	
Expected approval from accredited entity’s Board (if applicable)	11/03/2015 <sup>2</sup>
Expected financial close (if applicable)	not applicable
Estimated implementation start and end date	Start: <u>28/10/2016</u> End: <u>27/10/2022</u>
Project/programme lifespan	___6___ years _____ months

<sup>2</sup> Announcement of World Bank’s Board approval of CAMP4ASB Program is attached.



**B.1. Description of Financial Elements of the Project / Programme**

Please provide:

- an integrated financial model in [Section I \(Annexes\)](#) that includes a projection covering the period from financial closing through final maturity of the proposed GCF financing with detailed assumptions and rationale; and a sensitivity analysis of critical elements of the project/programme

See Economic and Financial Analysis provided in Section F.1. and in Annex to the proposal

- a description of how the choice of financial instrument(s) will overcome barriers and achieve project objectives, and leverage public and/or private finance

See discussion on use of public funds in Section E.4.2.

- a breakdown of cost estimates analysed by sub-component in local and foreign currency and a currency hedging mechanism:

For example, under the component of drilling activity for a geothermal exploration project, sub-components would include civil engineering works, drilling services, drilling equipment and inspection test.

Component	Sub-component including expenditure categories)	Amount	Currency of disbursement	Amount	Local currency
Component 1		1.0	<u>million USD (\$)</u>		
	<i>Sub-component 1.1 (Consulting services, Operating Costs, Non-consulting Services)</i>	0.5	<u>million USD (\$)</u>		
	<i>Sub-component 1.2 (Consulting services, Operating Costs, Non-consulting Services)</i>	0.5	<u>million USD (\$)</u>		
Component 2		17.0	<u>million USD (\$)</u>	.....	
	<i>Sub-component 2.1 (Goods and Civil Works)</i>	15.0	<u>million USD (\$)</u>		
	<i>Sub-component 2.2 (Consulting services)</i>	2.0	<u>million USD (\$)</u>		
Component 3		1.0	<u>million USD (\$)</u>	.....	
	<i>Sub-component 3.1</i>	0.0	<u>million USD (\$)</u>		
	<i>Sub-component 3.2 (Consulting Services and Operating Costs)</i>	1.0	<u>million USD (\$)</u>		
Total		19.0			

*Note: A detailed cost table is available in Annex*

Expected Disbursements (in USD millions)

Year	2016	2017	2018	2019	2020	2021	2022
Annual	0.5	3.0	3.5	4.5	3.5	2.5	2.0
Cumulative	0.5	4.5	8.0	12.5	15.5	18.0	19.0

## B.2. Project Financing Information

	Financial Instrument	Amount	Currency	Tenor	Pricing	
<b>(a) Total project financing</b>	<b>(a) = (b) + (c)</b>	68.780	<u>million USD (\$)</u>			
<b>(b) Requested GCF amount</b>	(i) Senior Loans		<u>Options</u>	( ) years	( ) %	
	(ii) Subordinated Loans	.....	<u>Options</u>	( ) years	( ) %	
	(iii) Equity	.....	<u>Options</u>		( ) % IRR	
	(iv) Guarantees	.....	<u>Options</u>			
	(v) Reimbursable grants *	.....	<u>Options</u>			
	(vi) Grants *	19.00	<u>million USD (\$)</u>			
* Please provide economic and financial justification in <a href="#">section F.1</a> for the concessionality that GCF is expected to provide, particularly in the case of grants. Please specify difference in tenor and price between GCF financing and that of accredited entities. Please note that the level of concessionality should correspond to the level of the project/programme's expected performance against the investment criteria indicated in <a href="#">section E</a> .						
	Total requested (i+ii+iii+iv+v+vi)	19.00	<u>million USD (\$)</u>			
<b>(c) Co-financing</b>	<u>Senior Loans</u>	14.00 <sup>3</sup>	<u>million USD (\$)</u>	IDA	36 years ( ) %	<u>Options</u>
	<u>Senior Loans</u>	9.00 <sup>4</sup>	<u>million USD (\$)</u>	IDA	25 years ( ) %	<u>Options</u>
	<u>Grant</u>	15.00 <sup>5</sup>	<u>million USD (\$)</u>	IDA	( ) % IRR	<u>Options</u>
	<u>Grant</u>	11.78	<u>million USD (\$)</u>	Beneficiary contribution		<u>Options</u>

<sup>3</sup> IDA Credit of US\$14.00 million equivalent to Uzbekistan

<sup>4</sup> IDA Credit of US\$9.00 million equivalent to Tajikistan

<sup>5</sup> IDA Grant of US\$15.00 million to EC-IFAS

Lead financing institution: .....38.00 million USD

Note: Detailed financing terms for IDA (both SOVEREIGN loan and grant) are provided in Annex

*\* Please provide a confirmation letter or a letter of commitment in section I issued by the co-financing institution.*

### B.3. Fee Arrangement

*Please specify the fee arrangement between the Fund and the accredited entity, in case it is project/programme specific.*

WB has a policy of full cost recovery for implementation services, which includes project-specific costs (preparation and supervision), central overhead costs, and minor costs for overall project management.

While some of these cost elements may be addressed in the Accreditation Master Agreement or subsequent Project Confirmations, details of the project-specific direct costs (preparation and supervision activities) are provided below for the purpose of this proposal. Also, while indirect costs have not yet been calculated, the total of direct and indirect costs should fall within the fee cap of 8% of GCF grant value, as per GCF fee policy for medium-sized projects.

Preparation: US\$ 85,000.00

Supervision: US\$ 425,000.00

TOTAL: US\$ 510,000.00 (for the proposal of US\$19 million in GCF financing towards Uzbekistan and Tajikistan)

### B.4. Financial Market Overview (if applicable)

*How market price or expected commercial rate return was (non-concessional) determined?*

Not applicable

*Please provide an overview of the size of total banking assets, debt capital markets and equity capital markets.*

Not applicable

*Please provide an overview of market rates (i.e. 1-year T-Bill, 5-year government bond, 5-year corporate bond (specify credit rating) and 5-year syndicate loan.*

Not applicable

*Provide examples or information on comparable transactions.*

Not applicable

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Please fill out applicable sub-sections and provide additional information if necessary, as these requirements may vary depending on the nature of the project / programme.

## C.1. Strategic Context

*Please describe relevant national, sub-national, regional, global, political, and/or economic factors that help to contextualize the proposal, including existing national and sector policies and strategies.*

### **Regional Context**

Central Asian countries experience the highest poverty rates in Europe and Central Asia (ECA). Growth in the region averaged 8 percent a year over 2003-14, with an improvement in living conditions and decline in poverty. However, the prospects for Central Asian economies have deteriorated to some extent, following the decline in oil prices, the contraction in Russia's economy, and the slowdown of China's economy. Lower projected growth rates could depress job creation and poverty reduction, as well as undermine social stability, in a region where 15 to 25 percent of the population live in poverty. In addition, about 60 percent of the population (and the largest share of the region's "Bottom 40 percent") live in rural areas and rely on agriculture for jobs and livelihoods. For growth and prosperity to continue, Central Asian countries will need to integrate more regionally and globally, as well as create more and better jobs, which will require improvements in the region's physical, human, and institutional capital.

### **Sectoral and Institutional Context**

The five Central Asian countries are among the ECA Region's most vulnerable to climate change and building resilience to climate's mounting impacts is a priority for poverty reduction and shared prosperity in Central Asia. Average annual temperatures across the region have increased since the mid-20th century by 0.5°C in the south to 1.6°C in the north and impacts are already being observed, from melting glaciers in upland areas (where glaciers have lost one-third of their volume since the 1900s) to droughts and floods in the lowlands (where weather-related disasters are estimated to cause economic losses from 0.4 to 1.3 percent of Gross Domestic Product per annum for Tajikistan, Turkmenistan, and Kyrgyz Republic, for instance). Under current greenhouse gas trajectories, climate change is expected to intensify over the coming decades, increasing pressure on natural resources and assets such as water, land, biodiversity and ecosystems, with rising costs for key development sectors, such as agriculture, energy, and human health.

In Central Asia, the sectors most at risk from climate change are agriculture, energy, and water resources, with women disproportionately affected. Climate variability and change, in particular, pose significant risks to the agriculture sector, which is critical for the largely rural livelihoods in the region. Cropping system productivity (including in both rainfed and irrigated systems) is sensitive to variations in rainfall, hydrologic flows modulated by snow accumulation and melt, system storage, as well as evapotranspiration. Energy systems are sensitive to hydrologic changes (e.g., in the case of hydropower), demand changes (e.g., in warmer areas in summer), the impact of extreme events on transmission systems, as well as mitigation actions (e.g., in the case of fossil fuels). Across these sectors women in rural areas tend to be more vulnerable to the impacts of climate change, given in particular their dependence on natural resources threatened by climate change, their unequal access to (micro)credit, land, and other economic assets, and lower representation in natural resource user associations, which constrains their prospects for adaptation. It is therefore important to identify gender-specific strategies that support sustainable, climate-resilient development.

While Central Asian countries are all taking action on climate change, regional collaboration can enhance the scale and results of national actions, given similarities in the climate challenges the countries are facing and

inherent connections in water and land systems. For example, the Syr Darya, one of the two largest rivers in Central Asia, originates in the mountains of the Kyrgyz Republic and is mainly fed by glacier and snow melt. The river then flows through Uzbekistan, Tajikistan, and Kazakhstan, where it is utilized for large-scale irrigated agriculture, particularly cotton and wheat production, and ends in the Aral Sea. While the water flow could increase in the short term (as a consequence of glacier melt), the hydrologic flow reduction in the long run (from changes in snow/ice accumulation and melt, enhanced evaporation and crop water requirements, and uncertain precipitation changes) could have dramatically adverse social, economic, and environmental consequences on irrigation-dependent agriculture across Central Asia. The story is similar for the other major river in the region, the Amu Darya, which originates in the mountains of Tajikistan and Afghanistan. In addition to irrigated agriculture, the other major agro-ecological zones of Central Asia (i.e., mountain ecosystems, agro-pastoralism in foothills, extensive cattle ranching in the temperate and arid steppes, and rainfed agriculture) will experience comparable climate challenges for economic activities and livelihoods. The CAMP4ASB regional project offers a unique opportunity to build on the benefits from cooperation in addressing the mounting challenges from climate change in Central Asia. The Project is establishing the first institutional platform for dialogue and experience sharing on climate change among Central Asian countries with a view to building confidence for more coordinated and integrated initiatives that can deliver higher gains than unilateral actions alone.

## C.2. Project / Programme Objective against Baseline

*Describe the baseline scenario (i.e. emissions baseline, climate vulnerability baseline, key barriers, challenges and/or policies) and the outcomes and the impact that the project/programme will aim to achieve in improving the baseline scenario.*

Central Asian countries are ranked as the most vulnerable countries in Europe and Central Asia to the on-going and projected impacts from climate change, under the combined effect of a) an extensive natural resource base that will be hard hit by climate change; b) aging infrastructure and unsustainable land and water management, which climate change will push beyond their limits; and c) low capacity of institutions and individuals to anticipate and manage these risks, due to lack of information on climate impact trends and on solutions as well as lack of resources and experience to implement climate-smart practices and technologies. Water resources in Central Asia are sensitive to climate variability and change, and climate impacts on water provisioning will reverberate in the agriculture and energy sectors and worsen competition over water resources across sectors. The threat of water scarcity will intensify in Central Asia as temperatures climb. Melting glaciers and shifts in the timing of water flows will lead to less water available in summer months, during a critical growing season. Given its high dependence on irrigation (e.g., 75 to 100 percent of cropland is irrigated in the region, except for Kazakhstan), Central Asia's agricultural sector will be significantly impacted by climate change. Hydropower generation will also be at risk (e.g., hydropower represents more than 90 percent of production in Kyrgyz Republic and Tajikistan), particularly for small, unregulated water catchments. In Tajikistan and Uzbekistan, the countries presently proposed for GCF support, the most pressing climate change impacts are expected to include:<sup>6</sup>

- Reduction in water availability is projected to occur along with a 30 percent increase in irrigation demand (driven by higher temperatures that push up evapotranspiration). Combined with increased heat extremes that negatively affect crop productivity, substantial risks for irrigated and rainfed agricultural systems can be expected. Agricultural yields could drop by as much as 30 percent in some parts of Tajikistan by the turn of the century while Uzbekistan could face 10-25 percent reduction in yields by mid-century.

<sup>6</sup> Source: World Bank (2014). *Turn Down the Heat: Confronting the New Climate Normal*. Washington, DC: World Bank.

- Droughts could further push land degradation and desertification and by the turn of the century, large stretches of Uzbekistan could emerge as arid areas.
- Livestock would also be impacted, through increasing pressure on pastures (often already subject to overgrazing and degradation) as well as by health effects from higher temperatures.
- Greater variability and uncertainty in the timing and amount of water available is also raising concerns for power security, particularly for hydropower plants in small, unregulated catchments. Output could decrease by up to 20 percent in some locations.
- At the same time, given the mountainous nature of the terrain in Tajikistan (93 percent of the country is covered by mountains), climate change will increase risk of glacier lake outbursts, mudflows and landslides caused by intense rainfall, snowmelt during spring, and extreme floods of meltwater during spells of hot weather in the country.
- Finally, human health and population security will face further challenges through food security risks and higher morbidity/mortality from extremes weather events and water-borne diseases).

Rural livelihoods are particularly at risk, with women in the front line. Agriculture, which is critical for the largely rural livelihoods in the region, stands to be severely impacted by climate change, with concerns re: water availability in both irrigated and rainfed systems with reduced runoff during the critical growing season and higher evapotranspiration, heat stress negatively impacting yield of key crops like wheat, further land degradation and desertification pushed by more prevalent droughts, risk to pasture productivity (which are often subject to overgrazing and degradation). Around 60 percent of the region's population (about 50 percent in Uzbekistan and 70 percent in Tajikistan) is rural, of which a large part are among the poorest, relying on natural, over-depleted, assets for their livelihood. Climate change threatens to keep, or further push rural populations, into poverty, as they lack knowledge and resources to adopt more resilient practices and technologies. As the recent World Bank publication *Shockwaves: Managing the Impacts of Climate Change on Poverty* reports, food security of poorer populations in rural areas could be severely impacted by climate change in several ways: a) availability: lower crop yields and more broadly lower productivity of ecosystems (impacting livestock, timber and other forest products, gardens and orchards, etc.) for those communities with ecosystem-based livelihoods; b) affordability: there are broad estimates that food price hikes increase poverty rates in most countries due to negative impacts on consumers (poorest households in Europe and Central Asia already spend 60 percent of their income on food). Among these, women in rural areas tend to be more vulnerable to the impacts of climate change, given in particular their dependence on natural resources threatened by climate change, their unequal access to (micro)credit, land, and other economic assets, and lower representation in natural resource user associations, which constrains their prospects for adaptation resources.

Within the CAMP4ASB project, GCF funding will provide direct investment support coupled with facilitation and training, to help rural communities design, implement, and sustain investments to expand their productive assets for increased income and improved livelihoods in the face of climate change. For instance, these investments will help improve efficiency of on-farm irrigation infrastructure to manage a resource that will become less predictable in the future; introduce practices to increase/preserve soil moisture (e.g., no-till and other conservation agriculture practices); increase forage production and storage (e.g., pasture restoration, including re-seeding, fodder cropping and storage) to respond to droughts; diversify production systems and testing crops more suitable to new climate conditions (e.g., hot spells, pests and diseases that might become more prevalent); undertake terracing and sloping control measures with re-vegetation to address landslides/mudflows, already on the rise with climate change, among others. GCF financing will provide investment support via sub-grants, thereby reaching the most vulnerable communities in priority areas, including the poorest populations residing on fringe/risk-prone areas and marginalized groups such as women. Particular attention will be paid to gender dimensions, with a target of at least 40% female beneficiaries. In

addition, the Project will support the systematic assessment and region-wide sharing of lessons from implementing Project-supported investments to address common climate challenges in common eco-zones throughout Central Asia. This will enable faster learning in the region, based on concrete insights on climate-smart technologies, practices, costs, and results, with significant cost-savings from learning-by-doing and by centralizing this experience for government agencies overseeing climate-sensitive sectors, academia, civil society, farmers and communities. Through this collaboration, the Project's results and lessons can be inputs into these countries' planning processes, as well as lead to greater scale-up and replication of good climate practices in the region.

### C.3. Project / Programme Description

*Describe the main activities and the planned measures of the project/programme according to each of its components.*

GCF funding will be used to scale up the first phase of the World Bank Group (WBG) supported Climate Adaptation and Mitigation Program for Aral Sea Basin (CAMP4ASB), which focuses on Tajikistan, Uzbekistan, and a regional agency (while future phases of the Program, currently under preparation, will cover the remaining Central Asian countries: Kazakhstan, the Kyrgyz Republic, and Turkmenistan). This proposal will complement and expand the scope of the WBG-financed program: the GCF proposal will reach (via sub-grants) the most vulnerable communities in priority areas, including the poorest populations residing on fringe/risk-prone areas and marginalized groups such as women, while the WBG-financed program will address (via sub-loans) primarily the needs of commercial farmers, resource user groups, and private companies.

Once the other Central Asian countries join the Program in the coming year and the appraisal details for their participation are ready, GCF resources will be requested for Kazakhstan, Kyrgyz Republic, and Turkmenistan. The funding and investment approach for each country is expected to be similar, with US\$9 million in GCF grant resources to be requested for each of these three countries in the coming year. To date, co-financing of US\$15 million has been secured for Kazakhstan (comprised of an IBRD loan and Government budget resources), with an additional US\$2.71 million anticipated in beneficiary contributions. In addition, IDA co-financing of US\$9 million and beneficiary contributions of \$2 million are anticipated for Kyrgyz Republic and co-financing for Turkmenistan is still to be determined.

This present proposal consists of the following components, supporting CAMP4ASB's first phase and building on the Program framework established with WBG financing (see enclosed WBG Project Appraisal Document for additional details):

#### **Component 1. Scaling up CAMP4ASB's Climate Investment Assessment Mechanism (US\$1 million GCF)**

GCF funding will support the in-depth evaluation of lessons learned from GCF-financed investments in Tajikistan and Uzbekistan and the broad sharing of these lessons among the participating Central Asian countries. This fits into the broader first component of the Program (titled "Regional Climate Knowledge Services"), which seeks to i) strengthen the knowledge and capacity base for climate action of Central Asian stakeholders via improved data, knowledge (including lessons from climate investments), tools for climate assessment and decision making, and ii) facilitate regional dialogue and multi-stakeholder engagement for an effective climate response at scale.



*Subcomponent 1.1 Climate Investment Assessment Mechanism (US\$0.5 million).* This activity will support the systematic evaluation of climate investments financed under Component 2. The mechanism will be set-up under the WBG-support to CAMP4ASB and scaled up in this proposal, for the assessment of GCF-funded climate investments in Tajikistan and Uzbekistan. A regional pool of experts (e.g., national experts with government agencies overseeing climate-sensitive sectors, representatives from regional institutions, academia and Non-Governmental Organizations) will be established. Approximately six to ten climate investments, at an advanced implementation stage, will be selected each year following criteria such as use of an innovative climate technology or practice, or addressing a climate risk specific to a particular agro-ecological zone, etc. For each of these selected investments, two to three members from the expert pool, including from Central Asian countries other than that of the climate investment location, will evaluate the climate investment and draw lessons based on a pre-established assessment methodology. This mechanism will ensure that the knowledge spill overs from the Program accrue to all five Central Asian countries. In line with the GCF Paradigm-shift criteria, these evaluations will be available for public dissemination, including for presentation and discussion at events such as the Annual Climate Knowledge Forum, and will serve as inputs to knowledge products (e.g., strategy papers or sectoral policy papers) that will be shared widely to catalyze change. In the long term, this material will constitute a regional repository of solutions to provide continued information and foster climate-smart transformation. GCF funding will support the scaling-up of the mechanism for the specific assessment of GCF-financed climate investments in Tajikistan and Uzbekistan, with approximately US\$0.5 million in consulting services (e.g., consultant input to evaluation), operating costs (e.g., travel expenses of experts to the sites of the selected climate investments), and non-consulting services (e.g., printing, translation).

*Subcomponent 1.2 Outreach and Coalition Building (US\$0.5 million),* including holding an annual Climate Knowledge Forum (for engagement of Central Asia stakeholders around the project's results and its future orientations) and fostering climate knowledge networks. This will also be supported by the design and implementation of an effective communications and public engagement strategy to support knowledge dissemination, public outreach, and coalition building (e.g., stakeholder mapping and public opinion research; developing protocols for external and internal communications; providing communications support for the Climate Knowledge Forum and workshops; and engaging with media and building their capacity). GCF funding will help in particular ensure rural communities in Tajikistan and Uzbekistan can benefit from the information, tools, and experience garnered under the CAMP4ASB program, by designing targeted activities and products (e.g., smart-lessons and knowledge products in formats that are actionable for these communities, encouraging community-to-community experience sharing, engaging Community-Based Organizations and Civil Society Organizations with strong rural presence in these activities, and ensuring participation of rural community representatives to the Forum). This will complement capacity building and community support activities in Sub-component 2.2, which will be, by design, focused on rural communities in select climate vulnerable areas. GCF funding of around US\$0.5 million will support these activities, via consulting services (e.g., development of knowledge products), operating costs (e.g., travel of participants in the Forum, organization of community-to-community experience sharing), non-consulting services (e.g., printing, translation).

## **Component 2. Regional Climate Investment Facility (US\$17 million GCF and US\$5 million in Beneficiary Contributions)**

This component will provide grant funding and technical assistance on a demand-driven basis to rural communities for climate investments that will, through Component 1, generate lessons and experience for scaled-up climate action in priority areas common to all Central Asian countries. Beneficiaries are expected to include: farmers and farmer groups, villages or village communities, and resource user groups (e.g., water, pasture). The majority of the GCF resources sought under the present proposal will be directed towards this

component, to scale-up funding for climate investments in Tajikistan and Uzbekistan. GCF funding will allow for the provision of resources for climate investments on a grant basis, helping reach the poorest and most climate-vulnerable rural communities in priority areas, including the poorest populations residing on fringe/risk-prone areas and marginalized groups such as women. The combination of WBG and GCF financing will allow CAMP4ASB to pilot certain climate-smart activities that could not have otherwise been implemented at this scale, and double the Project's expected benefits. In particular, GCF-financed activities will strengthen the climate resilience of those most vulnerable to climate change, by supporting the adoption of climate-smart rural production and landscape management investments that aim to achieve multiple benefits (e.g., climate resilience, food security, increased well-being of beneficiaries, including gender and social inclusion). In the context of the present proposal, this component will have the following sub components:

*Sub-component 2.1. Investment Financing (US\$15 million GCF and US\$5 million in Beneficiary Contributions).* This sub-component aims to increase productivity and address climate change by promoting the adoption of rural production, land management, and other climate-resilient and mitigation investments, by providing grant financing at the village, community, and resource-user levels. Of the beneficiaries, at least 40 percent will be female.

*Project area:* The selection of investment project areas will be made at the project's outset, using the following criteria: (i) located in climate-vulnerable areas of Tajikistan and Uzbekistan, based on the extent of land and vegetation degradation, expected water shortages, and predicted increase in temperature; (ii) located in parts of the country with the highest share of the bottom 40 percent of the population (e.g., with the largest share of the bottom two quintiles of the population with the lowest incomes); (iii) coverage of major agro-ecological systems in Central Asia (mountains, foothills, rangelands, irrigated, and arid) in order to maximize the learning potential among participating countries; and (iv) good complementarity with government- and/or donor-funded initiatives.

*Eligible activities:* Eligible investments will include those that meet criteria agreed upon by all participating countries that reflect regional priority areas where climate action must be scaled-up. These investments are expected to primarily contribute to: (a) crop diversification, climate-resilient seed varieties, and seed system support measures; (b) on-farm water resource management and efficiency improvement measures; (c) rehabilitation of degraded lands and land degradation control through agro-forestry and rangeland management measures; (d) promotion of stability and sustainability of mountain ecosystems and livelihoods; (e) conservation agriculture; (f) livestock production improvements; (g) agro-products processing; (h) energy efficiency improvements (e.g., insulation, lighting, etc.); and (i) expansion of renewable energy sources, particularly for those communities in remote rural areas. Investments in categories (a) to (g) will deliver adaptation benefits while investments in categories c, e, f, h, and i will deliver mitigation (co-)benefits. For instance, community livestock and pasture rehabilitation activities are anticipated to result in a net reduction in GHG emissions and avoided deforestation through agroforestry activities (i.e., reforestation degraded slopes to produce firewood) are estimated to result in a net carbon sink. With respect to adaptation benefits, the Project's investments will help address critical climate risks and increase the resilience of rural communities by modernizing/improving efficiency of on-farm irrigation infrastructure to manage a resource that will become less predictable in future; introducing practices to increase/preserve soil moisture (e.g., no-till and other conservation agriculture practices); increasing forage production and storage (e.g., pasture restoration, including re-seeding, fodder cropping and storage) to respond to droughts; diversifying production systems and testing crops more suitable to new climate conditions (e.g., hot spells, pests and diseases that might become more prevalent); terracing and sloping control with re-vegetation to address landslides/mudflows, already on

the rise with climate change, among others. Other climate investment types could be considered at a later stage of implementation, based upon new priorities identified and commonly agreed by participating countries.

Eligible investments<sup>7</sup> will support the following types of agricultural activities but will be required to have a climate resilience element (for instance, climate-resilient seeds instead of standard seeds, energy-efficient pumps, fruit and nut-tree based agro-forestry on degraded mountain slopes):

- a) Improving productivity of field and horticultural crops, by crop diversification, climate-resilient seed/sapling variety and seed-system support measures adopting new and appropriate technologies:
  - Establishing low cost green houses
  - Fodder seed (both pulses and grass) production
  - Private nurseries
  - Vineyards and orchards
  - Improved cropping systems, such as crop diversification
  - Improved crop and tree varieties (wood lots)
  - Improved seed varieties (e.g., more tolerant to drought, pest, disease and salinity).
- b) On-farm water resource management and efficiency improvement measures
  - Drip and plastic tube irrigation
  - Land levelling
  - Planting shelter belts
  - Irrigation scheduling
  - Alternate furrow irrigation
  - Drainage rehabilitation and improvement.
- c) Land degradation control through agro-forestry and rangeland management measures
  - Infrastructure to access and use remote pastures
  - Small machinery to produce and harvest fodder
  - Rehabilitation measures for degraded areas.
- d) Pest and disease control
  - Biological controls
  - Integrated pest management (with use of bio-pesticides only).
- e) Conservation agriculture
- f) Livestock production improvements
  - Livestock farming
  - Poultry farming
  - Apiculture.
- g) Agro-product processing
- h) Energy efficiency improvements (e.g., insulation, lighting, water pumps, etc.)
- i) Expansion of renewable energy sources, particularly for those communities in remote rural areas.

*Financing instruments:* Under the Climate Investment Facility, matching grants will be available to rural communities for piloting and scaling-up suitable technologies and practices for climate resilience, risk reduction, and mitigation. Beneficiaries will be able to receive up to 80 percent of a sub-investment as a matching grant and are expected to contribute the remainder in cash and/or in kind. Beneficiary contributions

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<sup>7</sup> Technical advisors (such as ICARDA or similar experienced organizations such as government applied research institutes in agriculture) will be available – via Sub-component 2.2, to provide advice on how to make on-farm investments more climate-resilient.

are estimated at US\$5 million. Matching grants of up to US\$100,000 will be provided to eligible communities for sub-investments.

*Grant application and selection process:* Grants can be applied for on a demand driven, first-come, first-served basis, following a two-step process, with assistance from Facilitating Organizations (see Sub-component 2.2):

- (i) A two-page Summary Proposal will be submitted by applicants to the National Coordination Unit, for a preliminary review. The proposals will cover: (a) the investments proposed by the applicant (or group/community of applicants); (b) expected social, economic, and environmental benefits related to enhanced climate resilience; (c) detailed costs of the total investment, including contribution (in-kind or cash) of the applicant (or group/community of applicants); as well as (e) how the applicant (or group/community of applicants) expects to ensure the investment's sustainability at the completion of financing period.
- (ii) Upon receiving a preliminary confirmation of the proposal's eligibility for financing, the applicant (or group/community of applicants) will prepare a full proposal. Such proposals for adaptation and/or mitigation investments will be submitted to the National Coordination Unit for review and approval. The detailed application process, application formats, terms and conditions of the grants, approval process, and roles of the various parties will be provided in the Operational Manual (to be developed prior to the Project's Effectiveness and an Effectiveness condition).

The final selection criteria for these investments include:

- (i) Located in the project area, which has been selected on the basis of climate vulnerability, population density, and concentration of poorest segments of the population;
- (ii) Included in the list of eligible investment types;<sup>8</sup>
- (iii) Demonstrated gender focus;
- (iv) Cost-effectiveness based on a cost-benefit analysis (long-term benefits outweigh the costs);
- (v) Post-project sustainability of the investment;
- (vi) Replication potential by other interested parties;
- (vii) Required beneficiary contribution has been confirmed; and
- (viii) Use of proven technologies and ease of implementation.

*Sub-component 2.2. Capacity Building and Community Support (US\$2 million GCF).* This sub-component includes financing for awareness raising, participatory planning, and implementation support of climate investment plans at the community level. This "facilitation package" is expected to raise interest of potential beneficiary communities for climate investment opportunities under the Project, improve the quality of the funding proposals prepared by these communities, and enhance the likelihood of success for these investments.

Facilitating organizations (e.g., adequately experienced and suitably qualified non-governmental organizations, national or international) will be contracted under the sub-component for two types of services:

- (i) Public awareness campaigns in the project areas, to sensitize the potential target population to expected climate change impacts, as well as to inform the target population of the types of different technologies and methods to adapt to, and mitigate, climate change. Among other things, the potential target

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<sup>8</sup> Technical advice will be available under the Sub-component 2.2, as needed, to increase the climate resilience of the investments to be financed.

beneficiaries will be informed of the grant opportunities from the Climate Investment Facility through this awareness campaign, which will include information dissemination on both facilitation support and investment funding. Information will also be disseminated through local authorities and local NGOs and other organizations. Use of female interlocutors targeting potential female beneficiaries will also be explored.

- (ii) Assistance will be provided to beneficiaries in assessing and understanding climate threats and impacts for their area/locality/community/farm, and in factoring the potential impact of climate change on livelihoods and vulnerability to disaster by using local and scientific knowledge of climate variability and its likely effects. Local knowledge will include information about trends and changes experienced by the communities themselves and strategies they have used in the past to cope with similar shocks or gradual climate changes, or to mitigate threats and impacts. The contracted organizations will then support community-level participatory appraisals and community action plans, which promote fairness, equity, and transparency. These facilitating organizations will assist beneficiaries to identify and design appropriate investment plans that show clear linkages to the findings of the climate change appraisals. These organizations will also help build the technical and organizational capacities of communities to manage and implement their investments. Local governments will be associated to this process, to check alignment of proposed investment plans with local priorities already identified and existing local development plans, as well as to raise awareness of local decision-makers on climate risks and solutions and on tools and approaches to integrate climate-considerations in planning.

### **Component 3: Regional and National Coordination (US\$1 million GCF)**

This component builds the implementation capacity at the Regional and National levels, which will help position the countries to eventually seek Direct Access to the GCF.

*Sub-component 3.1. Regional Coordination:* This sub-component will finance the operating costs of the Regional Coordination Unit (RCU) established under the regional host institution (EC-IFAS), responsible for regional coordination and implementation. Support will be provided to the RCU for procurement, financial management, regional coordination, reporting, and monitoring and evaluation. No GCF (co-)financing is sought for this sub-component.

*Sub-component 3.2. National Coordination (US\$1 million):* This sub-component will support the operating costs of the National Coordination Units (NCUs), responsible for national investment oversight, in each participating country. This support includes national-level coordination, procurement, financial management and reporting, safeguards oversight, and monitoring and evaluation. While the NCUs are being established (and funded) under the WBG-financed program, GCF funding will serve in particular to finance grant scheme management officers (as this function is otherwise performed by contracted Participating Financing Institutions, who provides sub-loans, under the WBG-financed Program) and to cover additional costs for the management of the grant-window of the Climate Investment Facility (e.g., additional safeguards oversight, and monitoring and evaluation).

Note: Working with the European Bank for Reconstruction and Development (EBRD), Tajikistan and Kazakhstan are also preparing GCF funding proposals, for national projects. The CAMP4ASB team is well aware of these initiatives, especially of the absence of overlap with the present GCF proposal given the difference in geographic scope (regional program/national projects) and in beneficiary (communities with CAMP4ASB/government agencies and water/power utilities for EBRD).

### **C.4. Background Information on Project / Programme Sponsor**

*Describe project/programme sponsor's operating experience in the host country or other developing countries. Describe financial status and how the project/programme sponsor will support the project/programme in terms of equity, management, operations, production and marketing.*

The World Bank Group has a long history of providing support to participating countries on a range of development areas. For Tajikistan and Uzbekistan, which are the focus of the present proposal, examples include:

In Tajikistan, since 1996, the Bank has provided approximately US\$1 billion in IDA credits, grants, and trust funds, of which some US\$708 million have already been disbursed. Around 29 percent of these funds have been committed for the agriculture, environment, and rural development sectors. Other major sectors for cumulative IDA support since 1996 are economic policy (21%), energy (10%), water and urban development (9%), health and social protection (9%), and education (6%).

Since Uzbekistan joined the World Bank in 1992, the Bank has provided commitments for 24 projects financed by the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). Of these, 14 projects have been completed.

This GCF proposal is also well aligned with the WBG's broader Strategic Framework for the Europe and Central Asia Region, presented to the WB Board on March 5, 2015, which identifies climate action as a key direction under its Sustainability Pillar aimed at reducing extreme poverty and boosting shared prosperity, as well as the Bank's twin goals of ending extreme poverty and boosting shared prosperity, given that the Proposal's grant-supported investments will target the poorest and most vulnerable to climate change. Poor people will be most affected by the risks of climate change, as they tend to depend more directly on vulnerable land and water resources and lack knowledge and resources to adapt. The adoption of climate-smart strategies, such as sustainable land management strategies for agro-ecosystems, will help farmers and communities address current threats to agricultural production and rural livelihoods, stemming from climate risks such as droughts and weather extremes, and better adapt and become more resilient to climate change to not only restore productive natural resources, but also to improve livelihoods and food security.

The Proposal's implementation will be supported, as part of the broader CAMP4ASB Program, by a skilled and experienced World Bank team that is based in the Bank's regional offices in Europe and Central Asia, supplemented with environmental, rural finance, social development, and climate specialists from Headquarters in Washington, DC. This regional offices team includes a Program Leader, Sr. Environmental Economist, Environmental Specialist, Social Development Specialists, Agriculture Specialists, Communications Specialists, Financial Management Specialist, Procurement Specialist, and Operations Officer. The team's proximity to the client will help to ensure continuous project supervision and to address any issues that may arise expediently.

National-level project coordination (in the context of the present GCF funding proposal, which focuses on two countries within the broader CAMP4ASB program). The Program's National Coordination Unit (NCU), the national executing entity for the purpose of the present proposal, is hosted in Tajikistan by the GCF National Designated Authority, and in Uzbekistan by the Rural Restructuring Agency within the Ministry of Agriculture and Water Resources, given its strong experience with the type of investments to be financed. These two national executing entities have a deep understanding of climate change issues and of the context in which climate investments will be implemented (e.g., relevant sector development strategies, constraints, stakeholders, etc.). In addition these agencies both have strong operational experience in implementing donor-

funded projects, which they have been managing for several years (including day-to-day administration, fiduciary and technical oversight, safeguards management, and reporting).

Regional-level project coordination. The Regional Environmental Center for Central Asia (CAREC), which serves as the Regional Coordination Unit (RCU) and implements Component 1, has more than 10 years of experience in knowledge and capacity building in the field of sustainable environmental management and climate change that can be leveraged across the entire spectrum of activities promoted under Component 1. Some of CAREC's recent activities and results, which provide a solid base to build on, include: support to environmental monitoring (e.g., co-execution of the MONECA component of the EC-funded FLERMONECA program across Central Asia); new research and assessment (e.g., on inclusive and resilient development in semi-arid areas, linking Central Asian and African countries through the international PRISE project); tools and methodologies (e.g., toolkit for basin-level integrated water resource management developed for Central Asian stakeholders); technical assistance (e.g., three Nationally Appropriate Mitigation Actions, or NAMAs, prepared and approved by the respective national governments); capacity building and leadership trainings (e.g., over the past two years, about 420 individuals from government, business, banks, universities, and civil society took part in training and capacity building sessions on low-emissions development, energy efficiency, and climate change); and building regional networks (e.g., facilitating participation of Central Asian stakeholders in the Asia Pacific Adaptation Network, or APAN).

Institutional assessments of the RCU and NCUs have been conducted by the World Bank, with findings and recommendations helping to ensure that readiness requirements for implementation be met in a timely manner. Overall, Financial Management (FM) arrangements for the RCU and the Uzbek NCU were found to be adequate, both in terms of staffing and skills. While the Tajik NCU has experience under an existing World Bank project, a dedicated FM consultant will be contracted for CAMP4ASB financial management and disbursement functions. In addition, automated accounting software will be installed at the RCU and both NCUs to meet World Bank accounting and reporting requirements. On Procurement matters, the assessment found that the NCUs have sufficient capacity and recommended that the RCU hire one additional procurement specialist to manage procurement at regional level and provide adequate support to national procurement staff. Financing (from WBG sources) will be provided for fixed and or short-term specialists in procurement, financial management, disbursements, monitoring and evaluation, and technical assistance in climate/environmental management, social development, information technology, and in other areas as per approved work and procurement plans. GCF funding will serve to hire grant scheme management specialists to oversee FM aspects of the implementation of the grant window of the Climate Investment Facility in both Tajikistan and Uzbekistan (as this function is otherwise performed by contracted Participating Financing Institutions, who provides sub-loans, under the WBG-financed program).

### C.5. Market Overview (if applicable)

*Describe the market for the product(s) or services including the historical data and forecasts.*

*Provide the key competitors with market shares and customer base (if applicable).*

*Provide pricing structures, price controls, subsidies available and government involvement (if any).*

Not Applicable

### C.6. Regulation, Taxation and Insurance

*Provide details of government licenses or permits required for implementing and operating the project/programme, the issuing authority, and the date of issue or expected date of issue.*

*Describe applicable taxes and foreign exchange regulations.*

*Provide details on insurance policies related to project/programme.*

Given the activities foreseen under this proposal (knowledge management under Component 1, technical assistance and small-scale investments under Component 2), there are no applicable licenses or permits for its implementation. As stated in the Environmental and Social Management Framework (ESMF), should any permit from environmental competent authorities be required in future, it would be the responsibility of the grant applicants to obtain these.

In addition, all climate investments supported by the proposed grants will have to comply with the relevant safeguards and be carried out in accordance with the ESMF adopted by the recipient countries. In addition, all projects carried out by the WBG have to comply with Standard Conditions for Grants made by the World Bank out of various Funds.

Agriculture and water management policies in participating countries - although still in transition - allow for the kind of technological innovation and adoption of climate-smart practices that the Project will help pilot and scale up through this component. Tajikistan and Uzbekistan are actively promoting agriculture diversification towards high value, water-efficient crops, reducing state intervention in production and marketing, and improving the quality and efficiency of extension and irrigation services. Although much work remains to be done for modernizing agriculture policies in Central Asian countries, the current framework rightly emphasizes the urgent need to adapt agriculture and water management to a changing climate and it recognizes the leading role played by farmers and water user associations in piloting and scaling up innovative climate-smart practices with support from public research institutions. It is expected that experience from sub-investments under Component 2 will also help underline policy areas requiring further reform, hence fostering bottom-up discussion on outstanding issues such as water recovery fees, production and exports quotas, land ownership and subleasing, as well as modernization of systems for the provision of better of seeds, seedlings, and animal breeds.

EC-IFAS and CAREC, two agencies coordinating the implementation of the project are international organizations established by the governments of Central Asia. Under the Agreement about the Status of IFAS and its Organizations, EC-IFAS has certain privileges and immunities, including tax immunity from all direct taxes. Similarly, CAREC as joint organization of five countries is immune from all direct taxes in all five countries.

It is anticipated that the individual recipients of funding will be liable for income taxes and social security regulations, in accordance with national law, although exemption from VAT on purchases made out of funding received would be exempt from VAT upon signing the agreement (in Uzbekistan) and upon parliamentary ratification (in Tajikistan).

### **C.7. Institutional / Implementation Arrangements**

*Please describe in detail the governance structure of the project/programme, including but not limited to the organization structure, roles and responsibilities of the project/programme management unit, steering committee, executing entities and so on.*

*Describe construction and supervision methodology with key contractual agreements.*

*Describe operational arrangements with key contractual agreements following the completion of construction. If applicable, provide the credit analysis of key counterparties of key contractual agreements and/or structural mitigants to cover the counterparty risks.*



**Project implementation.** Given its mandate to coordinate cooperation to improve the environmental and socio-economic situation in the Aral Sea Basin, as well as use existing water resources more effectively, EC-IFAS will serve as the implementing agency for the Project's regional, cross-cutting activities. EC-IFAS provides a platform for dialogue among the countries of Central Asia, as well as the international community. A Regional Coordination Unit (RCU) will support EC-IFAS in providing overall project coordination in collaboration with national agencies. The Regional Environmental Center for Central Asia (CAREC), an independent, non-commercial, international organization, founded by all five Central Asian countries as well as the European Commission and the United Nations Development Programme, headquartered in Almaty (Kazakhstan) with country offices in all Central Asian capitals, will serve as RCU. EC-IFAS lends to the Project high-level convening power, both among Central Asian countries and with development partners and the international community, in support of regional dialogue and collaboration, while CAREC brings ten years' experience in knowledge management and technical assistance on climate change, across the region, in support of the Project's implementation. In addition, EC-IFAS's chairmanship rotates from one country to the next in Central Asia and anchoring the RCU with CAREC, permanently based in Almaty, will help support implementation continuity. Finally, a condition of project effectiveness is the execution of an Operating Agreement between CAREC and EC-IFAS, which will clearly delineate the responsibilities and functions of each organization.

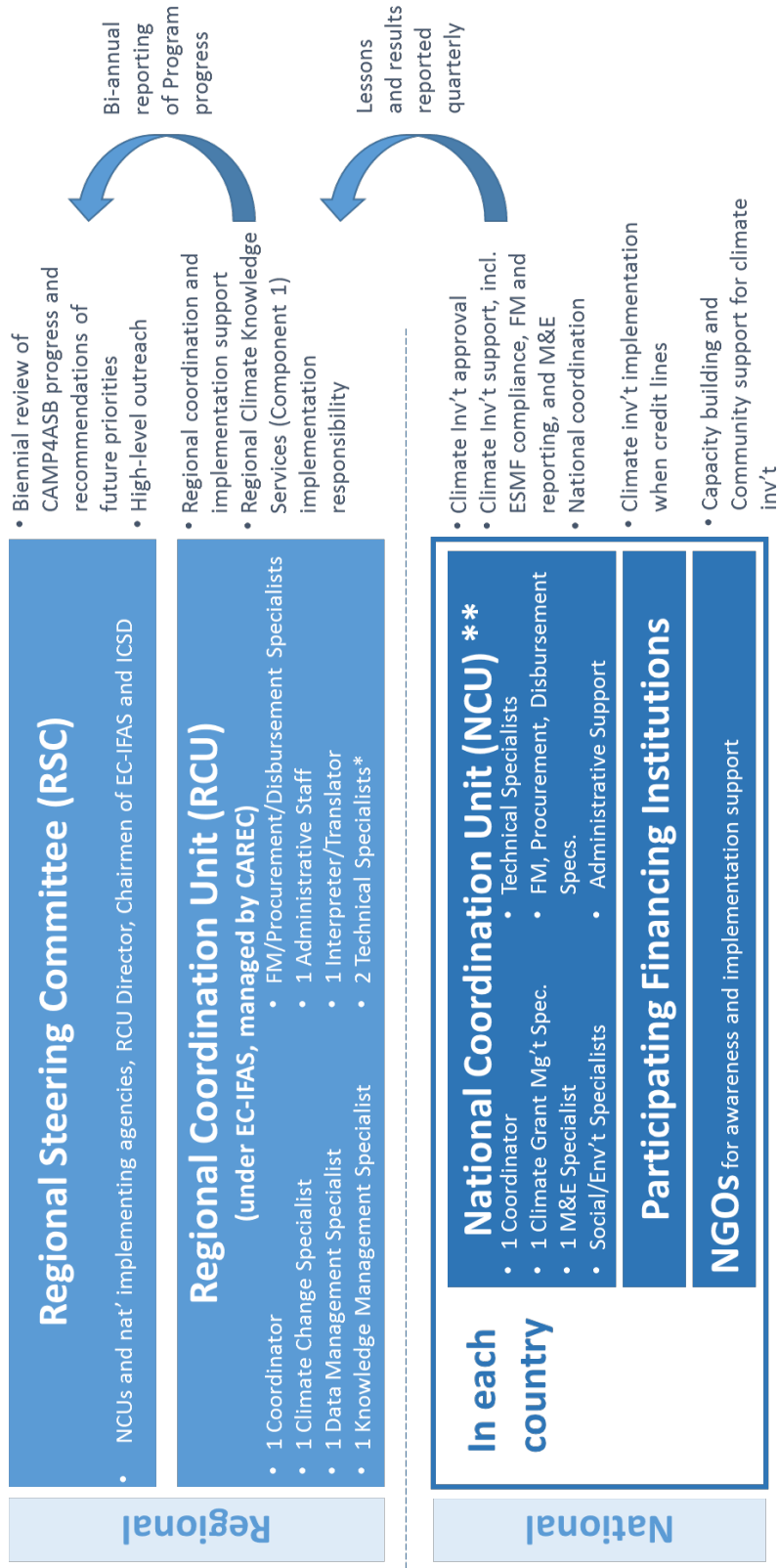
The Project's management arrangements include:

- a) A **Regional Coordination Unit (RCU)**, CAREC, will support EC-IFAS in the implementation of Regional Climate Knowledge Services (Component 1) as well as Regional Coordination (Sub-component 3.1). The RCU will provide general project oversight, reviews bi-annually of a sample of national climate investments to ensure their consistency with guiding investment priorities set by the Regional Steering Committee, oversee implementation of activities implemented at the regional level, organize reviews with country Technical Working Group (TWG) members to assess lessons learned from investments, and ensure lessons and results from project activities are systematically disseminated to support participating country planning processes. Support will be provided to the RCU for procurement, financial management, regional coordination, reporting, and monitoring and evaluation. The RCU will prepare bi-annual reports. In addition to the RCU implementation personnel in Almaty, two additional experts will be financed to work directly with EC-IFAS to strengthen this institution's technical capacity and facilitate day-to-day liaison with the RCU. When EC-IFAS chairmanship rotates to a new Central Asian country, these experts will relocate to that country or be replaced by newly-hired experts in the country.
- b) **National Coordination Units (NCUs)**, in each participating country, responsible for the implementation of the Climate Investment Facility (Component 2), together with Participating Financing Institutions (when climate investment financing is provided via credit lines), as well as ensuring overall National Coordination (Sub-component 3.2). NCUs will be responsible for overseeing the implementation of the country's Climate Investment Facility, ensuring awareness-raising and outreach of investment opportunities, providing training for climate investment proposal preparation, and in the case of grant funding, screening proposals, and pre-selecting investments for funding. The NCUs will also monitor investment implementation and ensure compliance with Bank safeguards and fiduciary requirements. PFIs will be responsible for identifying prospective sub-borrowers, have full autonomy in sub-investment approval and determination of lending terms (such as the interest rate and repayment and grace periods) and will bear the lending risks. This support includes national-level coordination, procurement, financial

management and reporting, safeguards oversight, and monitoring and evaluation. While the NCUs are being established (and funded) under the WBG-financed program, GCF funding will serve in particular to finance grant scheme management officers (as this function is otherwise performed by contracted Participating Financing Institutions, who provides sub-loans, under the WBG-financed Program) and to cover additional costs for the management of the grant-window of the Climate Investment Facility (e.g., additional safeguards oversight, and monitoring and evaluation). The NCUs will prepare quarterly reports.

- c) A **Regional Steering Committee**, comprised of representatives from the NCUs and from the implementing agencies that host the NCU in each country, Director of the RCU, and Chairmen of EC-IFAS and the Interstate Commission for Sustainable Development, meeting every six months to review program progress and recommend program priorities. The Regional Steering Committee will provide advisory support, define annual climate investment priority areas, recommend future Program directions, ensure country coordination, monitor Program progress on a bi-annual basis, report to stakeholders and be responsible for high-level outreach, as well as settle controversies that might arise during implementation. The Regional Coordination Unit will support the arrangements for the Regional Steering Committee's meetings. The RSC will issue an annual report.

## CAMP4ASB Implementation Arrangements



\* to strengthen EC-IFAS's technical capacity and facilitate day-to-day liaison with the RCU  
\*\* adapted to country needs

**Project Supervision and Monitoring.** The Project’s monitoring system will involve EC-IFAS’s Regional Coordination Unit (RCU), National Coordination Units (NCUs), facilitating organizations (who provide technical assistance to communities for the design, implementation and monitoring of climate investments) as well as the beneficiaries. Dedicated Monitoring and Evaluation Specialists will be hired by the NCUs. Monitoring and evaluation procedures for the Project will highlight the roles of different project stakeholders in collecting, processing, and disseminating project data and results. Data collection and reporting formats for country field-based partners will aim to capture essential information while being straightforward to implement. Outcome monitoring and project impact assessments will make use of the data collected by field-based partners, as well as specialized data collection and analyses conducted with external technical assistance as needed. At the community level, monitoring should focus on the range of issues relevant to sub-investment sustainability, including environmental, social, and economic. Facilitating organizations will need to actively build community capacities to monitor these aspects and to adapt to changing conditions. For example, the community/beneficiary group as a whole should assemble, at least on a bi-annual basis, to review progress and impacts of all the rural investments, make adjustments in proposed allocations in the community investment plan where necessary, and provide feedback to the facilitators. NCUs will be responsible for collecting and assessing this information, and sharing results and lessons learned with other national and regional stakeholders. The RCU will also ensure these results and lessons are shared among regional project stakeholders at annual climate knowledge forum and in climate knowledge collaborative networks.

With regards to Fund-level impact indicators, number of beneficiaries (disaggregated by gender) will be based on direct reporting (e.g., when sub-investment proposals are prepared) and sample checks. A similar approach will be followed as to number of hectares under climate-resilient management. Emissions reduced and avoided will be estimated using methodologies and tools already developed and applied by the World Bank and the Climate Investment Funds or similar, such as EX-ACT developed by FAO for carbon balance estimations of forestry/agriculture-related activities. Estimation of climate strategies and programs informed by Project’s activities will be evidence-based (e.g., reference to lessons from climate investments in rationale, in economic analysis/feasibility study, in design of strategy/programs), with NCUs responsible for quarterly reporting and the RCU responsible for biannual reporting on the status of this indicator.

**Procurement oversight.** Procurement under the Project will be carried out in accordance with World Bank Guidelines. Specifically, procurement will be carried out in accordance with: (i) “Guidelines: Procurement of Goods, Works, and Non-Consultancy Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers,” dated January 2011 and revised July 2014; and (ii) “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers,” dated January 2011 and revised July 2014. Further, the procurement arrangements under the climate investment grant program will be in line with the Bank’s Guidance Note for Design and Management of Procurement Responsibilities in Community-Driven Development Projects, dated March 15, 2012. For each program-financed contract, the procurement methods or consultant selection methods, estimated costs, prior review requirements, and time frame is reflected in the Procurement Plan which has been developed and agreed upon by the Bank.

Responsibility for national-level procurement will rest with the NCUs, including Rural Restructuring Agency under the Ministry of Agriculture and Water Resources (RRA) and the Committee for Environmental Protection in Tajikistan.

Procurement under the climate investment grant program (Subcomponent 2.1) will be delegated to the grant recipients (i.e., rural communities). Procurement responsibilities, procedures and sample documentation will be described in the Grant Program Procurement Handbook, which will be prepared and mandatory to use by

the grant recipients. The grants may include procurement of goods, minor works, consultant services and training. The grant recipients will manage implementation of the grants and will have a direct responsibility for procuring goods, services and minor works. They will receive support from, and be supervised by the respective NCU in each country. Grant Program procurement activities will be governed by the Bank's Procurement Handbook which set forth the procedures to be used. These procedures will be harmonized with public procurement procedures to ensure sustainable capacity building. They require local advertisement, as needed, and public bid opening, using the sample bidding documents and standard contract forms developed for community procurement for micro-projects. The grant recipient will allocate a part of its information board for posting information on contract awards, including name of each vendor who submitted the quotation, prices as read out at public opening, name and evaluated prices of each quotation that was evaluated, name of vendors who were rejected and the reasons for rejection, the name of the winning vendor and the price it offered as well as duration and summary of the scope of the contract award.



## D.1. Value Added for GCF Involvement

*Please specify why the GCF involvement is critical for the project/programme.*

Pursuing climate-smart development is a critical need for the countries of Central Asia, which are among the Europe and Central Asia region's most vulnerable to climate change. Climate change on-going and projected impacts threaten the achievement of many of Central Asian countries' development priorities (food and energy security in particular). While the population is vulnerable as a whole, those pursuing subsistence agriculture and pastoralism will be particularly affected as they depend more directly on vulnerable and depleted land and water resources. Across the region, 50 to 75 percent of the countries' population live in rural areas, with often high poverty rates, and climate change threatens to keep, or further push them, into poverty.

Climate action in Central Asia is hampered by a lack of resources, where scarce resources are often most concentrated on social sectors. Access to climate resources must be facilitated to both avoid and address the region's mounting climate risks. In the framework of the Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB), the Green Climate Fund can thus 1/ in the short term, scale up support for climate-smart productivity and improved livelihoods in rural areas, by providing grant resources to the most vulnerable communities for climate resilient measures, including to the poorest populations residing on fringe/risk-prone areas and marginalized groups such as women; and 2/ on a longer-term, enable further climate investments, by enhancing awareness, capacity, evidence base, and institutional frameworks for climate-smart development pathways within the Central Asian countries. In addition, given its high international visibility, the Green Climate Fund can provide a decisive impetus to the CAMP4ASB Program by catalyzing resource mobilization and helping cement regional dialogue for cooperation on common and shared climate challenges.

Under Phase 1 of the Program, the GCF support will be critical in accelerating Tajikistan's and Uzbekistan's transition towards climate-smart development and growth. In particular, GCF will help achieve:

- a) **Higher scale of impact.** The majority of the GCF funds will be directed to financing climate-resilient investments in critical sectors (agriculture, energy, water) in Tajikistan and Uzbekistan and the combination of World Bank and GCF funding will allow the Project to double its expected benefits in these two countries. By supporting the implementation of on-the-ground adaptation measures more quickly and on a larger scale, the GCF will help to accelerate these countries' transition to climate smart development.
- b) **Greater focus on the most vulnerable populations.** While the CAMP4ASB Program provides a combination of loans and credits to rural communities, the GCF grant financing will be directed towards communities that are most vulnerable to climate threats and where the poorest and marginalized groups are more likely to reside (including women and elderly). The GCF contribution therefore will allow a higher share of vulnerable groups to benefit from climate adaptation measures.
- c) **Transformational impact on regional dialogue and cooperation.** One of the key barriers to development and growth in the Central Asia region is the lack of integrated approaches to trans-boundary issues, including climate change, with huge inefficiencies in the economy and lack of action at various levels of government and society. By fostering regional dialogue, climate information and knowledge sharing and collaboration, the GCF will remove a major barrier to achieving climate solutions that are more effective and have greater impact than what individual countries can do on their own.

- d) **Greater innovation and multiple co-benefits.** GCF funding will support the adoption of innovative rural production and land management measures (such as integrated landscape management) that achieve multiple benefits (climate resilience, food security, increased well-being of beneficiaries, including gender and social inclusion, among others). By supporting an expanded adoption of sustainable land management strategies for agro-ecosystems, the GCF will help accelerate the adoption of climate-resilient measures by farmers and communities that improve livelihoods and food security.
- e) **Holistic and sustainable approach to climate-smart development.** GCF support will allow the CAMP4ASB Program to take a comprehensive approach to climate-resilient development by addressing capacity building, investment, and knowledge production and sharing needs at national, local, and regional level. Through the combination of resilient investments, enhanced capacity, evidence-based knowledge sharing and institutional strengthening, the GCF will contribute to building long-term climate resilient and sustainable development pathways and leveraging future investments.

## D.2. Exit Strategy

*Please explain how the project/programme sustainability will be ensured in the long run, after the project/programme is implemented with support from the GCF and other sources, taking into consideration the long-term financial viability demonstrated in [E.6.3](#).*

**Long-term financial sustainability:** The long-term sustainability of the Program's platform for regional dialogue and collaboration on climate action (managed by the RCU that is hosted by CAREC and operating under the aegis of EC-IFAS) will depend on future resources that can be mobilized to continue the climate knowledge service functions post program implementation (i.e., after WBG and GCF project closing). EC-IFAS working with the Steering Committee and the RCU will prepare a long-term sustainability plan, examining resource mobilization (from participating countries themselves, Development Partners, or climate finance sources) and options for transition arrangements. CAMP4ASB's Regional Steering Committee will play a key role in that regard, being tasked, among others, with high-level outreach and resource mobilization. Depending on stakeholders' interest and amount of funding secured, transition arrangements could include full absorption of the RCU under one institution in Central Asia or continuation of select activities, managed separately, but in a coordinated manner, with support from various sources (e.g., different Development Partners or Central Asian Institutions supporting the expansion of the select segment of CAMP4ASB's integrated regional analytical platform for climate-smart development in Central Asia). Ultimately, the track record and success of the RCU as perceived by the participating countries will be an important factor to determine its fate post program implementation.

**Sustainability of Climate Investments:** Great attention has been given to stakeholder and beneficiary engagement in the design of CAMP4ASB to ensure ownership and contribute to long-term sustainability and higher likelihood of success. The use of community-driven development for the implementation of the Regional Climate Investment Facility is one example. Rural communities will be key decision-makers on what investments to implement and the distribution of financial resources, thus building ownership. Proposals for these investments and plans will require that participants consider economic factors, climate change risks, environmental and social/institutional sustainability, working with existing community or resource-based institutions, to support long-term operations. Furthermore, the requirement of beneficiary contributions will help build ownership and also contribute to the sustainability of these investments.



**Long-term capacity for behavioral change and transformative change:** The Program will provide valuable field-based practical experience of climate-smart approaches implemented at scale that bring together a variety of stakeholders and make available improved knowledge and understanding of technologies and practices, their costs and outcomes (through the regional smart-lessons repository centrally-managed by the RCU), and their relevance to policies and programs (through the strategy papers or sectoral policy papers commissioned by the RCU, based on needs identified by countries and expressed through the Program’s Steering Committee and the annual regional Climate Forum). Through the Program’s climate knowledge services, this information will be shared with national policy makers and other interested parties, that will have access to new data and analyses of livelihood, land management, and climate change issues, as well as regionally among the Central Asia countries in climate fora and via collaborative knowledge networks developed under the Program. More broadly, capacity of a wide range of stakeholders will be developed at regional and national levels through training, technical assistance, information sharing, and technology transfer. Providing input to institutions and climate policy via these mechanisms will enhance the probability of long term sustainability of program interventions and support.

In this section, the accredited entity is expected to provide a brief description of the expected performance of the proposed project/programme against each of the Fund's six investment criteria. Activity-specific sub-criteria and indicative assessment factors, which can be found in the Fund's [Investment Framework](#), should be addressed where relevant and applicable. This section should tie into any request for concessionality made in [section B.2](#).

## E.1. Impact Potential

Potential of the project/programme to contribute to the achievement of the Fund's objectives and result areas

### E.1.1. Mitigation / adaptation impact potential

*Specify the mitigation and/or adaptation impact, taking into account the relevant and applicable sub-criteria and assessment factors in the Fund's [investment framework](#).*

Building resilience to climate change's mounting impacts is a priority for poverty reduction and shared prosperity in Central Asia. Even under the most conservative scenarios, climate change is projected to lead to higher temperatures, more rapid glacier melt, increased incidence of flooding, and also more severe and prolonged droughts. Climate variability and change, in particular, pose significant risks to the agriculture sector, which accounts for 20-60 percent of employment and is characterized by environmental degradation and unsustainable use of natural resources. These projected impacts threaten the achievement of many of the countries' development priorities (food and energy security in particular). While the population is vulnerable as a whole, those pursuing subsistence agriculture and pastoralism will be particularly affected as they depend more directly on vulnerable and depleted land and water resources. Across the region, 50 to 75 percent of the countries' population live in rural areas, with often higher poverty rates, and climate change threatens to keep, or further push them, into poverty.

The Project's climate investments will benefit these poor and vulnerable rural communities, such as farmers and farmer groups, villages and village communities, and resource user groups (e.g., water, pasture), interested in introducing climate measures. While the associated WBG program will provide financing via sub-loans for climate investments, GCF financing will provide investment support via sub-grants, thereby reaching the most vulnerable communities in priority areas, including the poorest populations residing on fringe/risk-prone areas and marginalized groups such as women. The combination of WBG and GCF financing will allow CAMP4ASB to pilot certain climate-smart activities that could not have otherwise been implemented at this scale, and double the Project's expected benefits. These communities will benefit from technical and financial support to implement sub-investments that improve their livelihoods while also demonstrating climate change adaptation and/or mitigation results whose lessons can be ultimately shared for scaling up across the region. Since women tend to be more vulnerable to climate change, given their dependence on natural resources threatened by climate change as well as their unequal access to assets, particularly in rural areas, the Project will ensure that at least 40 percent of its beneficiaries are female. Investments will be selected based on gender focus and their cost-effectiveness, post-project sustainability, and potential for replication at regional level. The selection of project investment sites will take into account: degree of climate vulnerability, based on extent of land and vegetation degradation, expected water shortages, and predicted increase in temperature; income distribution, with selected investments supporting the bottom two quintiles of the population with the lowest incomes; and complementarity with government- or donor-funder initiatives on the ground.

The Project-supported climate-investments aim to increase productivity and address climate change by promoting the adoption of rural production, land management, and other climate-resilient and mitigation investments, by providing financing (sub-grants) at the village community and resource-user levels. Eligible investments are expected to primarily contribute to: (a) crop diversification, climate-resilient seed varieties, and seed system support measures; (b) on-farm water resource management and efficiency improvement measures; (c) rehabilitation of degraded lands and land degradation control through agro-forestry and

rangeland management measures; (d) promotion of stability and sustainability of mountain ecosystems and livelihoods; (e) conservation agriculture; (f) livestock production improvements; (g) agro-products processing; (h) energy efficiency improvements (e.g., insulation, lighting, etc.); and (i) expansion of renewable energy sources, particularly for those communities in remote rural areas.

Investments in categories a to g will deliver adaptation benefits while investments in categories c, e, f, h, and i will deliver mitigation benefits. For instance, community livestock and pasture rehabilitation activities are anticipated to result in a net reduction in GHG emissions and avoided deforestation through agroforestry activities (i.e., reforestation degraded slopes to produce firewood) are estimated to result in a net carbon sink. With respect to adaptation benefits, the Project's investments will help address critical climate risks and increase the resilience of rural communities by modernizing/improving efficiency of on-farm irrigation infrastructure to manage a resource that will become less predictable in future; introducing practices to increase/preserve soil moisture (e.g., no-till and other conservation agriculture practices); increasing forage production and storage (e.g., pasture restoration, including re-seeding, fodder cropping and storage) to respond to droughts; diversifying production systems and testing crops more suitable to new climate conditions (e.g., hot spells, pests and diseases that might become more prevalent); terracing and sloping control with re-vegetation to address landslides/mudflows, already on the rise with climate change, among others.

Given the emphasis on rural production and land management, some of the adaptation investments will deliver mitigation co-benefits (even though these are not expected to be significant with regards to for instance emission trajectories in Tajikistan and Uzbekistan). Since the primary scope of GCF-funded activities is to build resilience in the poorest and most vulnerable rural communities of Tajikistan and Uzbekistan, a focus will be put on assessing, monitoring and reporting on adaptation in the Logic Framework. Mitigation benefits will be assessed ex-post and reported in the Completion Report of the project. The climate impacts of the Project's investments will be measured using the following Fund-level impact indicators and end of project targets:

- A1.0 "Increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions," measured by the number of males and females benefitting from the adoption of diversified, climate-resilient livelihood options (e.g., Direct project beneficiaries), disaggregated by gender: 205,000 (of which, at least 82,000 female);
- A4.0 "Improved resilience of ecosystems and ecosystem services," measured by the number of hectares under climate-resilient agricultural, land, and water management practices supported by the Project: +35,000 ha

*When applicable, specify the degree to which the project/programme avoids lock-in of long-lived, high emission or climate-vulnerable infrastructure.*

The Project will also enhance capacity for Central Asian countries' long-term, climate-smart development. The Project will support the systematic assessment and region-wide sharing of lessons from implementing Project-supported investments to address common climate challenges in common eco-zones across Central Asia. These experiences, offering concrete insights on climate-smart technologies and practices, including their costs and results on the ground, can result in significant cost-savings from learning-by-doing and centralization of this experience for government agencies overseeing climate-sensitive sectors, academia, civil society, farmers and communities. To maximize the learning potential from this collaboration among Central Asian countries on climate solutions, the Project will also support (drawing on World Bank and other

sources of financing) the provision of improved climate knowledge services, i.e., data, knowledge, and tools for climate assessment and decision-making (e.g., platform for access to high-quality datasets, from global, regional, and local sources, including time series and spatial information, tools – and training sessions, to screen climate risks at early stage of project design and assess robustness of resilience actions, etc.). This will help incorporate the Project’s results and lessons into Central Asian countries’ planning processes, as well as lead to greater scale-up and replication of good climate practices in the region (and promote solutions to avoid locking into highly emission-intensive or climate-vulnerable trajectories).

**E.1.2. Key impact potential indicator**

*Provide specific numerical values for the indicators below.*

GCF Core Indicators	<i>Expected total number of direct and indirect beneficiaries (reduced vulnerability or increased resilience); number of beneficiaries relative to total population (adaptation only)</i>	<i>Total</i>	205,000
		<i>Percentage (%)</i>	2.5%
<i>Other relevant indicators</i>	<ul style="list-style-type: none"> <li>• Number of hectares under climate-resilient agricultural, land, and water management practices supported by the Project: + 35,000 ha</li> <li>• Expected increase in generation and use of climate information in decision-making: +3 up-scaled climate strategies and programs across the region</li> </ul>		

*Describe the detailed methodology used for calculating the indicators above.*

The end-of-project targets for the present GCF Proposal are derived from the targets for similar results indicators under the WBG Program and other WBG-, GEF-, PPCR- financed projects in Central Asia targeting agriculture modernization, irrigation rehabilitation, pasture restoration, natural resource management also utilizing a community-based/community-driven development approach. The table below provides some pointers on these values:

Project name (P number)	Climate investment amount (million US\$)*	Number of beneficiaries	Hectares under improved climate-resilient management
Environmental Land Management and Rural Livelihoods Project (P122694)	10.89	165,000	40,000
CAMP4ASB – WBG financed (P151363)	27.13	240,000	40,000

\*: includes beneficiary contributions

*Describe how the indicator values compare to the appropriate benchmarks established in a comparable context.*

Expected results from climate investments funded by the Project are based on actual results from other WBG-, GEF-, PPCR- financed projects in Central Asia targeting agriculture modernization, irrigation rehabilitation, pasture restoration, natural resource management also utilizing a community-based/community-driven development approach. For example, the Project design reflects lessons learned

and findings from past and on-going Bank financed projects and analytical work in Tajikistan, including the Community Agriculture and Water Management Project, PAMP I, Farmers and Farm Worker Perceptions of Land Reform and Sustainable Agriculture, and relevant findings from the PPCR Phase 1 assessment of sustainable land management (SLM) and agriculture in the country. The Project also reflects lessons learned from Bank-financed natural resource management and rural development projects in other Central Asia countries, such as the Kyrgyz Republic Agricultural Investment and Services Project and Uzbekistan Rural Enterprise Support Project. Experience from SLM and rural development projects of other donors in Central Asia, e.g., DFID, GIZ, Aga Khan Foundation, Caritas, UNDP, is also reflected in the Project design.

Key lessons from these projects have shown: (a) direct investment support to communities through a systematic grant program, coupled with facilitation and training, can build entrepreneurial capacity, where farmers assume responsibility for sustaining their livelihoods in financially and environmentally sound ways; (b) a multi-stakeholder approach to project implementation with partnerships between government and civil society is worthwhile even in contexts where limited prior experience and local conditions make management challenging, as such approaches can improve project transparency and accountability and provide new learning opportunities; (c) user groups, such as those for pasture and water, are feasible ways to improve resource management, in which community-based planning and implementation processes can contribute to sustainability and more equitable benefits for project participants; and (d) addressing complex socio-economic issues, such as climate change adaptation in rural areas, requires a multi-pronged approach that includes policy dialogue, working together with national and international partners, sector level support, such as technical advice on improving agricultural productivity and crop diversification, adoption of new technologies, as well as mitigation measures and binding provisions at project level. Throughout, the Project will build on regional knowledge and technologies, as well as relevant international good practice.

## **E.2. Paradigm Shift Potential**

Degree to which the proposed activity can catalyze impact beyond a one-off project/programme investment

### **E.2.1. Potential for scaling up and replication (Provide a numerical multiple and supporting rationale)**

*Describe expected contributions to global low-carbon and/or climate-resilient development pathways through a theory of change for scaling up and replication (e.g. in terms of multiples of initial impact of the proposed project/programme).*

GCF funding will help ensure that, in the shorter term, investments in critical sectors become resilient to climate change and enhanced awareness, capacity, evidence, and institutional frameworks are built for a longer-term climate-resilient development pathway within the Central Asian countries, thus providing a catalyst for further investment.

While some key national agencies have moderate knowledge of climate risk management, this is not shared at the local levels, and monitoring and evaluation of climate change projects is absent in the majority of countries. These constraints hinder the processes necessary for capturing and sharing information that would meet the needs of planners and decision makers. In that regards, the Project will help successfully build climate change resilience in Central Asia by strengthening the capacities of key institutions to manage climate risks and impacts (through the provision of improved climate knowledge services, under Component 1), as well as by increasing engagement with, and the capacity of, those most adversely affected by climate change (under Component 2).

These dissemination and knowledge sharing activities, contributing to both scale up and replication, will be promoted at local, national, and regional levels. At the local level, dissemination and networking among stakeholders will increase awareness of sustainable land management (SLM) knowledge and practices, and provide platforms for sharing and exchange. For example, previous Bank projects in the region have shown

that identifying and highlighting innovative farmers is an effective way to encourage replication since these farmers demonstrate technologies that are adapted appropriately to local climatic conditions. As such, the Project will promote farmer competitions to identify innovation and good practice for conversion into tutorials and promotion of project activities in SLM knowledge management. GCF funding will also support targeted activities and knowledge products to ensure potential beneficiaries in the poorest and marginal areas have access to climate-smart knowledge (e.g., smart-lessons and knowledge products in formats that are actionable for these communities, encouraging community-to-community experience sharing, engaging Community-Based Organizations and Civil Society Organizations with strong rural presence in these activities, ensuring participation of rural community representatives at the Forum).

Also, through the Project's knowledge management and climate services, policy makers and other interested parties will have access to new data and analyses on climate change, rural livelihood, and land management issues. The Project will ensure that results and lessons learned are disseminated to national regional stakeholders, project, and programs, both through the regional smart-lessons repository centrally-managed by the RCU and through the strategy papers or sectoral policy papers commissioned by the RCU, based on needs identified by countries and expressed through the Program's Steering Committee and the annual regional Climate Forum.

E.2.2. Potential for knowledge and learning

*Describe how the project/programme contributes to the creation or strengthening of knowledge, collective learning processes, or institutions.*

The Regional Climate Knowledge Services component, with financing from GCF and co-financing from WBG and other sources, aims to strengthen the knowledge and capacity base for climate action and facilitate regional dialogue and coalition building for an effective climate response at scale. This component will provide technical assistance, as well as minor civil works, goods (including software and equipment, such as to upgrade/modernize hydromet systems), and training at both the regional and national levels, to develop a unified, integrated regional analytical platform for climate resilient and low emissions development, with improved data, information, knowledge for climate assessments, and tools for decision-support. Although this information platform will be managed at the regional level, national agencies and other stakeholders (e.g., academia, civil society organizations) in each participating country will also have access to this system.

In addition to providing an improved data and information platform, this component will also develop a mechanism to assess the results and lessons from the climate investments implemented under the Project (under Component 2) in order to ensure that these lessons and results are systematically evaluated and disseminated to support Central Asian countries in their planning processes and lead to greater scale-up of climate action in the region. This dissemination and regional capacity building will be further supported under the component via an annual climate change forum, regional training and e-learning events, as well as climate networks. With the systematic review of project-supported investments, there will be improved access among participating countries to the best or most appropriate knowledge on the adoption of climate-smart practices. These evaluations will serve as inputs to knowledge products (e.g., strategy papers or sectoral policy papers) and will be shared widely to catalyze change, including through a regional annual climate change forum every year, where Project results and future directions will be discussed among Central Asia stakeholders. This forum, in particular, will be a key platform to understand stakeholders needs (both in terms of information and capacity, as well as of key vulnerable sectors) and tailor the Project's activities (e.g., annual program of activities for the climate knowledge services component – such as training sessions and analytical work/strategy papers, and climate investment priorities).

E.2.3. Contribution to the creation of an enabling environment

*Describe how proposed measures will create conditions that are conducive to effective and sustained participation of private and public sector actors in low-carbon and/or resilient development.*

The Project will provide valuable field-based practical experience on climate-smart approaches implemented at scale that bring together a variety of stakeholders and make available a range of information sources. Through the Project's climate knowledge services, this information will be shared with national policy makers and other interested parties, that will have access to new data and analyses of livelihood, land management, and climate change issues, as well as regionally among Central Asian countries in climate fora and via collaborative knowledge networks developed under the program. More broadly, capacity of a wide range of stakeholders will be developed at regional and national levels through training, technical assistance, information sharing, and technology transfer. Providing input to institutions and climate policy via these mechanisms will enhance the probability of long term sustainability of project interventions and support.

In addition, agriculture production investments that provide an incentive framework and source of financing for improved climate change adaptation and land management will contribute to sustainability of rural investments and reducing vulnerability to climate risks. The use of community-driven development is also expected to contribute to generating long-term benefits. Whether as a village community, pasture user group, or water user association, farmers and villagers will be key decision-makers on what investments to implement and the distribution of financial resources, thus building ownership. Proposals for these investments and plans will require that participants consider economic factors, climate change risks, environmental and social/institutional sustainability, working with existing community or resource-based institutions, to support long-term operations. Villagers will also be responsible for financial management of, and procurement for, investments. Furthermore, the requirement of beneficiary contributions will help build ownership and also contribute to the sustainability of these investments. Institutional sustainability will be addressed through capacity building of the participating rural population, community-based organizations, participating NGOs, and relevant line ministries. Through field-based implementation and collaboration with facilitating organizations and others on how to better support communities in coping with climate risks, it is expected that national coordination units will be better equipped to mainstream these approaches in regional and national programs and planning exercises. Lastly, direct investment support to farmers through a climate financing facility and utilizing a community driven participatory approach with facilitation and training can build entrepreneurial capacity and resilience. Farmers can assume responsibility for sustaining their livelihoods, and engage others in rural production in financially and environmentally sustainable ways.

*Describe how the proposal contributes to innovation, market development and transformation. Examples include:*

- *Introducing and demonstrating a new market or a new technology in a country or a region*
- *Using innovative funding scheme such as initial public offerings and/or bond markets for projects/programme*

Through the Regional Climate Investment Facility, the Project will provide financing and technical assistance for the introduction/demonstration/scaling of appropriate climate technologies and practices to address and respond to priority areas common to all Central Asian countries. These lessons and experiences, offering concrete insights on climate-smart technologies, practices, costs, and results, can result in tremendous cost-savings from learning-by-doing and by centralizing this experience for government agencies overseeing climate-sensitive sectors, academia, civil society, farmers and communities. Through this collaboration, the Project's results and lessons can be inputs into these countries' planning processes, as well as lead to greater scale-up and replication of good climate practices in the region (and promote solutions to avoid locking-in into highly emission-intensive or climate-vulnerable trajectories).



**E.2.4. Contribution to regulatory framework and policies**

*Describe how the project/programme strengthens the national / local regulatory or legal frameworks to systematically drive investment in low-emission technologies or activities, promote development of additional low-emission policies, and/or improve climate-responsive planning and development.*

This project is transformational because currently there is no institutional platform in Central Asia with explicit mandate to support regional cooperation on climate change across a broad range of sectors. Since climate challenges often transcend borders in Central Asia, there is much to gain from a coordinated and integrated approach, which can bring benefits larger than unilateral actions alone, including:

- *Economies of scale in generating and managing knowledge:* The Project will support the development of a unified, integrated regional analytical platform for climate resilient and low emissions development, with improved data, information, knowledge for climate assessments, and tools for decision-support. National agencies (such as Climate Change Departments, Ministries of Environment, Hydromet Agencies, and Ministries of Agriculture, Energy, etc.), and other stakeholders (e.g., academia, civil society organizations) in each participating country will have access to this system.
- *Faster learning for transformational change:* The Project will support the systematic assessment and region-wide sharing of lessons from implementing Project-supported investments to address common climate challenges in common eco-zones. Through this collaboration, the Project’s results and lessons can be inputs into these countries’ planning processes, as well as lead to greater scale-up and replication of good climate practices in the region.
- *Stronger institutional capacity at all levels:* More broadly, capacity of a wide range of stakeholders will be developed at regional, national, and local levels through training, technical assistance, information sharing, and technology transfer, where, for example, farmers and communities will gain the knowledge and capacity to transform their practices and these lessons will be shared widely both nationally and regionally. By sharing these experiences at these different levels and providing input to institutions and climate programs and policy via these mechanisms, the probability of long term sustainability of project interventions and support will be enhanced.

**E.3. Sustainable Development Potential**

Wider benefits and priorities

**E.3.1. Environmental, social and economic co-benefits, including gender-sensitive development impact**

*Describe environmental, social and economic co-benefits listed above, including the gender-sensitive development impact. Examples include:*

- *Economic co-benefits*
  - *Total number of jobs created* \_\_\_\_\_
  - *Amount of foreign currency savings* \_\_\_\_\_
  - *Amount of government’s budget deficits reduced* \_\_\_\_\_
  - *Beneficiaries reporting at least 20% increase in well-being or household/livelihood assets* 50%
- *Social co-benefits*
  - *Improved access to education* \_\_\_\_\_
  - *Improved regulation or cultural preservation* \_\_\_\_\_
  - *Improved health and safety* \_\_\_\_\_
- *Environmental co-benefits*
  - *Improved air quality* \_\_\_\_\_
  - *Improved soil quality* \_\_\_\_\_

- *Improved biodiversity*
  - *Gender-sensitive development impact*
    - *Proportion of men and women in jobs created*
    - *Others*
- 40% of project beneficiaries are expected to be women

The Project is expected to deliver a wide range of co-benefits through the climate investments it will promote. Ex-ante quantification is difficult since these investments will be demand-driven. However, evidence from similar WBG-, GEF-, PPCR- financed projects in Central Asia, targeting agriculture modernization, irrigation rehabilitation, pasture restoration, natural resource management with a community-based/community-driven development approach, provide some qualitative basis to assess these benefits:

- *Economic co-benefits:*

For example, the adoption of sustainable land management strategies for agro-ecosystems will help farmers and communities address current threats to agricultural production and rural livelihoods, stemming from climate risks such as droughts and weather extremes, and better adapt and become more resilient to climate change to not only restore productive natural resources, but also to improve livelihoods and food security. Furthermore, investments in rural production with an emphasis on financial and environmental sustainability provide long-term employment opportunities for existing farmers and land users, and the conditions to absorb returning migrants (e.g., in Tajikistan). There is anecdotal information emerging from recent assessments of measures being taken in Tajikistan to retain labor, as well as to absorb returning migrants on farms.<sup>9</sup> In addition, the recently closed WBG Tajikistan Community Agriculture and Watershed Management Project anticipated 30 percent of the village populations benefiting from Project investments in climate-smart agriculture to be above the poverty level at the end of the project (with a starting baseline of 3 percent). At Project completion, however, the target was surpassed, with 50% of villagers above the poverty level.

- *Environmental co-benefits:*

Direct investment support to farmers through a climate facility (such as the one supported under the Project), coupled with facilitation and training can not only build entrepreneurial capacity through a learning-by-doing approach, but also support farmers in assuming responsibility for sustaining their livelihoods in environmentally sound ways. Farmer and community investment proposals under the Project will require that participants consider environmental sustainability, among other factors. The Project will promote a number of technologies that are expected to enhance environmental land management and in particular, contribute to soil and water conservation as well as restoration and conservation of ecosystems (e.g., pasture restoration, reforestation on deforested foothills, improved pasture management), and building climate resilience. For example, with GCF support it is anticipated that 35,000 hectares in the project area will be covered by effective climate resilient practices suited to local agro-ecological conditions.

- *Gender-sensitive development impact:*

The overall social impacts of the Project are expected to be positive. First, CAMP4ASB's Climate Investment Facility will directly benefit the most vulnerable and marginal rural communities (since high rural poverty rates are among the criteria for selection of Project investment areas). Second, specific attention will be paid to gender dimensions, noting in particular women's higher vulnerability given their unequal access to and control over resources (especially in rural areas), and at least 40 percent of the Project's beneficiaries will be female. The Project will also ensure that men and women benefit equally from its interventions by requiring a minimum percentage of women as beneficiaries. The results of these interventions will be monitored, using gender-disaggregated data. The Project will ensure that women are provided with an opportunity to have their voices heard and influence decision-making, by (i) requiring a minimum representation of women participants in consultations; (ii) undertaking outreach efforts that pay

<sup>9</sup> Land Registration and Cadastre System for Sustainable Agriculture Project (2015), Draft Final Report of the Project Evaluation, Dushanbe, April 2015

attention to different ways in which information is disseminated at the community level; and (iii) carrying out community mobilization activities using mechanisms that will help ensure active participation of women, e.g., women-only sessions, ensuring meetings are held at times of the day when women can participate, etc. CAMP4ASB will also facilitate greater cooperation and dialogue among institutional stakeholders in the region to deepen the understanding of, and act upon, the social dimensions of climate change, in particular its differentiated impact on vulnerable groups (e.g., poor farmers, female headed rural households, etc.). In particular the assessment of the Project-supported investment will capture gender-relevant lessons and the Project will ensure their dissemination. In addition, given that women are generally absent from decision-making positions in community resource user groups (e.g., Water User Associations and Pasture User Groups), the GCF-supported Climate Investment Facility will offer incentives for these groups to have female chairwomen. Investment proposals from these groups will receive a premium under the Project if they can report having a female chairperson. Representatives from Committees for Women and Family Affairs will also participate in investment proposal reviews to oversee the review of this selection criteria.

#### E.4. Needs of the Recipient

Vulnerability and financing needs of the beneficiary country and population

##### E.4.1. Vulnerability of country and beneficiary groups (Adaptation only)

*Describe the scale and intensity of vulnerability of the country and beneficiary groups, and elaborate how the project/programme addresses the issue (e.g. the level of exposure to climate risks for beneficiary country and groups).*

The Central Asian countries are among the Europe and Central Asia region's most vulnerable to climate change and building resilience to climate's mounting impacts is a priority for poverty reduction and shared prosperity in Central Asia. Average annual temperatures across the region have increased since the mid-20th century by 0.5°C in the south to 1.6°C in the north and impacts are already being observed, from melting glaciers in upland areas (where glaciers have lost one-third of their volume since the 1900s) to droughts and floods in the lowlands (where weather-related disasters are estimated to cause economic losses from 0.4 to 1.3 percent of Gross Domestic Product per annum for Tajikistan, Turkmenistan, and Kyrgyz Republic, for instance). Under current greenhouse gas trajectories, climate change is expected to intensify over the coming decades, increasing pressure on natural resources and assets such as water, land, biodiversity and ecosystems, with rising costs for key development sectors, such as agriculture, energy, and human health. Climate variability and change, in particular, pose significant risks to the agriculture sector, which accounts for 20-60% of employment and is characterized by environmental degradation and unsustainable use of natural resources.

The sectors most at risk from climate change are agriculture, energy, and water resources, with women disproportionately affected. In agriculture, which is critical for the largely rural livelihoods in the region, cropping system productivity (including in both rainfed and irrigated systems) is sensitive to variations in rainfall, hydrologic flows modulated by snow accumulation and melt, system storage, as well as evapotranspiration. Energy systems are sensitive to hydrologic changes (e.g., in the case of hydropower), demand changes (e.g., in warmer areas in summer), the impact of extreme events on transmission systems, as well as mitigation actions (e.g., in the case of fossil fuels). Across these sectors women tend to be more vulnerable to the impacts of climate change, given in particular their dependence on natural resources threatened by climate change as well as their unequal access to resources, particularly in rural areas. It is therefore important to identify gender-specific strategies that support sustainable, climate-resilient development.

Climate risks extend across national borders, through connectivity in land and water systems as well as social and economic interactions (e.g., migratory flows, food and energy markets). For example, the Syr Darya, one of the two largest rivers in Central Asia, originates in the mountains of Kyrgyz Republic and is mainly fed by glacier and snow melt. The river then flows through Uzbekistan, Tajikistan, and Kazakhstan, where it is utilized for large-scale irrigated agriculture, particularly cotton and wheat production, and ends in the Aral Sea. While the water flow could increase in the short term (as a consequence of glacier melt), the hydrologic flow reduction in the long run (from changes in snow/ice accumulation and melt, enhanced evaporation and crop water requirements, and uncertain precipitation changes) could have dramatically adverse social, economic, and environmental consequences on irrigation-dependent agriculture across Central Asia. The story is similar for the other major river in the region, the Amu Darya, which originates in the mountains of Tajikistan and Afghanistan. In addition to irrigated agriculture, the other major agro-ecological zones of Central Asia (i.e., mountain ecosystems, agro-pastoralism in foothills, extensive cattle ranching in the temperate and arid steppes, and rainfed agriculture) will experience comparable climate challenges for economic activities and livelihoods.

Currently there is no institutional platform in Central Asia with explicit mandate to support regional cooperation on climate change across a broad range of sectors. CAMP4ASB will set up such a platform on which this project would build and contribute. Lessons from investment under this project will be shared with all Central Asian countries. Given inherent connections in water and land systems within the region as well as similarities in climate change challenges across countries, a coordinated and integrated approach toward climate change could bring multiple benefits. In particular, it could help improve the effectiveness of national climate actions through (i) complementarities (e.g., agricultural trade, regional power markets, insurance mechanisms, etc.); (ii) economies of scale (e.g., shared research and knowledge efforts); (iii) strategic planning and financing (e.g., access to climate finance, collaboration with development partners); and (iv) innovation and experience-sharing (e.g., replication and scaling-up across countries of successful pilots).

#### E.4.2. Financial, economic, social and institutional needs

*Describe how the project/programme addresses the following needs:*

- *Economic and social development level of the country and the affected population*
- *Absence of alternative sources of financing (e.g. fiscal or balance of payment gap that prevents from addressing the needs of the country; and lack of depth and history in the local capital market)*
- *Need for strengthening institutions and implementation capacity.*

The Project addresses these needs and tackles key barriers to climate action, such as low awareness and capacity, weak institutional frameworks, funding gaps, and high (perceived) risks, at multiple levels. For example, at the local level, the Project's direct investment support via grants will help the poorest and most vulnerable farmers and communities build entrepreneurial capacity and resilience. Farmers can assume responsibility for sustaining their livelihoods, and engage in rural production in financially and environmentally sustainable ways. In addition, fostering mechanisms that amplify the reach both nationally and regionally of the Project's lessons and results into strategies, policies and programs will support further widespread adoption of climate-smart practices.

The focus of the CAMP4ASB Program is on creating a public good: fostering regional dialogue and collaboration to address the common and shared challenges of climate change in Central Asia. CAMP4ASB will lay the basis for an institutional platform for regional cooperation on climate change across a broad range of sectors. This will be the first such platform in Central Asia that will provide access to improved climate change knowledge services for climate change assessment and decision-making (addressing knowledge, awareness, and capacity gaps) and to increased financing and technical assistance for climate investments in

priority areas common to Central Asian countries, thereby addressing funding gap and generating experience to mitigate some of the perceived risks associated with new climate-smart practices and technologies. Activities envisaged will thus help build and sustain the basis for public and private investments in the region to address climate change.

## E.5. Country Ownership

Beneficiary country (ies) ownership of, and capacity to implement, a funded project or programme

E.5.1. Existence of a national climate strategy and coherence with existing plans and policies, including NAMAs, NAPAs and NAPs

*Please describe how the project/programme contributes to country's identified priorities for low-emission and climate-resilient development, and the degree to which the activity is supported by a country's enabling policy and institutional framework, or includes policy or institutional changes.*

Climate change is a well-recognized challenge in Central Asia and the proposed Project will support and strengthen the implementation of a number of national strategies and programs, especially those targeting cross-cutting concerns of the water, agriculture, and energy sectors identified by all countries. For the present GCF funding proposal, which focuses on two countries within the broader CAMP4ASB program, such strategic frameworks include:

- in Tajikistan: a National Adaptation Strategy under preparation that builds on the analytical and operational experience gained under the framework of its Strategic Program for Climate Resilience (which highlights the vulnerability of hydropower, agriculture and water management sectors; and certain specific social groups, including women and the poor).<sup>10</sup> The country's recent Third National Communication also outlines some resilience measures that CAMP4ASB proposes to support.<sup>11</sup>
- in Uzbekistan: the upcoming Vision 2030 under preparation, where green growth considerations offer an entry point for climate action.

The Project's climate investments will directly address climate change in top priority areas common to all five countries and support measures identified by the countries themselves (e.g., in their National Communications). Scoping of vulnerable sectors and priority measures was undertaken by the Central Asia Technical Working Group on Climate Change (TWG), a group of technical experts nominated by the governments of the five Central Asian countries to work across borders and sectors on climate solutions. Initial scoping was finalized by May 2014 (for the Second Central Asia Climate Knowledge Forum) and further discussed, along with the entire Program's design, during project preparation, including two meetings of the TWG and further discussions with each country's TWG (see E.5.3 for further details). The countries' willingness to dedicate part of their IDA allocation in co-financing to CAMP4ASB is yet another signal of country ownership to the CAMP4ASB Program.

This GCF proposal has been officially endorsed by:

- the National Designated Authority of Tajikistan, as evidenced by the No-objection letter signed by Mr. Khayrullo Ibodzoda, Chairman of the Committee on Environmental Protection; and
- the Focal Point of Uzbekistan, as evidenced by the No-objection letter signed by Prof. Viktor Chub, Minister, Director General Centre of Hydrometeorological Service, and both letters are provided as Annexes to this Funding Proposal.

E.5.2. Capacity of accredited entities and executing entities to deliver

<sup>10</sup> See <http://www-cif.climateinvestmentfunds.org/country/tajikistan>

<sup>11</sup> See section 4.10 in [http://unfccc.int/essential\\_background/library/items/3599.php?rec=j&preref=7785#beg](http://unfccc.int/essential_background/library/items/3599.php?rec=j&preref=7785#beg)

*Please describe experience and track record of the accredited entity and executing entities with respect to the activities that they are expected to undertake in the proposed project/programme.*

National-level (in the context of the present GCF funding proposal, which focuses on two countries within the broader CAMP4ASB program). In Tajikistan, the Program's National Coordination Unit (the national executing entity) is hosted by the GCF National Designated Authority while in Uzbekistan the NCU hosted by the Rural Restructuring Agency within the Ministry of Agriculture and Water Resources, given its strong experience with the type of investments to be financed. These two national executing entities have a deep understanding of climate change issues and of the context in which climate investments will be implemented (e.g., relevant sector development strategies, constraints, stakeholders, etc.). In addition these agencies both have solid operational experience with regards to the implementation of internationally-funded projects, which they have been managing for several years (including day to day administration, fiduciary oversight, safeguards management, and reporting). Institutional assessments have been conducted, with findings and recommendations helping to ensure that readiness requirements for implementation be met in a timely manner (e.g., skills, systems, and reporting mechanisms are in place to comply with Bank requirements in a timely manner).

Regional-level. The Regional Environmental Center for Central Asia (CAREC), which will serve as RCU and carryout day-day implementation of Component 1 under the aegis of EC-IFAS, has more than 10 years of experience in knowledge and capacity building in the field of sustainable environmental management and climate change that can be leveraged across the entire spectrum of activities promoted under Component 1. Some of CAREC's recent activities and results, which provide a solid base to build on, include: support to environmental monitoring (e.g., co-execution of the MONECA component of the EC-funded FLERMONECA program across Central Asia); new research and assessment (e.g., on inclusive and resilient development in semi-arid areas, linking Central Asian and African countries through the international PRISE project); tools and methodologies (e.g., toolkit for basin-level integrated water resource management developed for Central Asian stakeholders); technical assistance (e.g., three Nationally Appropriate Mitigation Actions, or NAMAs, prepared and approved by the respective national governments); capacity building and leadership trainings (e.g., over the past two years, about 420 individuals from government, business, banks, universities, and civil society took part in training and capacity building sessions on low-emissions development, energy efficiency, and climate change); building regional networks (e.g., facilitating participation of Central Asian stakeholders in the Asia Pacific Adaptation Network, or APAN).

Accredited entity. Climate change is a cross-cutting theme of recent WBG Country Partnership Strategies with Kyrgyz Republic and Tajikistan, a pillar in the new Country Engagement Note for Turkmenistan, and also central to country dialogue in Uzbekistan and Kazakhstan. In Central Asia, the World Bank is engaged in water, agriculture, and energy sectors, all related to climate change, to reduce vulnerability and move towards inclusive, green, and climate-resilient development. Improving efficiency is a top priority for future water and energy security, all the more in the face of climate change, and some key topics of interventions include: Addressing increased variability in water resources and related risks for food and energy security as well as for rural livelihoods; Helping expand and modernize energy infrastructure, tackling losses, increasing efficiency on both supply- and demand- sides, and revitalizing regional trade; Supporting the rehabilitation of irrigation systems and capacity for improved water management practices; and Promoting more sustainable natural resource management, notably to increase the resilience of rural, and poor, communities. The World Bank is also convening and supporting high-level political dialogue among countries and development partners. This dynamic portfolio is complemented by the multi-donor Central Asia Energy Water Development Program (CAEWDP), that supports a robust set of analytical and investment preparation activities at the national and regional levels as part of its commitment to rational and effective management

of shared resources in Central Asia. The World Bank can thus draw on this substantial engagement with the five countries in Central Asia and leverage its deep expertise for reforms and investments across a range of (interconnected) sectors for the proposed project. It can also mobilize as relevant expertise from outside the region, from other high-impact regional projects for natural resource management, such as in Africa or East Asia and the Pacific, and form the Climate Change Cross-cutting Solutions Area.

#### E.5.3. Engagement with civil society organizations and other relevant stakeholders

*Please specify the multi-stakeholder engagement plan and the consultations that were conducted when this proposal was developed.*

CAMP4ASB is the result of an inclusive engagement process that brought together a broad cross section of Central Asian stakeholders, such as representatives from Central Asian national governments, regional organizations, civil society organizations, national and regional knowledge and learning institutions, and Development Partners. Two platforms have facilitated this process:

- the *Central Asia Climate Knowledge Forum*, an annual event organized by the World Bank for learning, dialogue, and collaboration among Central Asia countries on climate action. Recognizing the importance of climate action, Central Asian countries convened at the inaugural Central Asia Climate Knowledge Forum (held in June 2013 in Almaty, Kazakhstan). Representatives from each of the five Central Asian countries attended the Forum, acknowledging that climate risks transcend borders between Central Asian countries and emphasizing the importance of establishing a regular platform to collaborate in effective and scaled-up resilience. Since then, the Forum has emerged as a platform to encourage learning, dialogue, and collaboration among Central Asian countries on climate-resilient development, including establishing the building blocks of a regional program for climate resilience. The Second Central Asia Climate Knowledge Forum, held in May 2014 in Almaty, Kazakhstan, concluded with a call from all five Central Asian countries for a regional program that builds upon the benefits of regional cooperation to address the mounting challenges from climate change, which often transcend borders. The concept for such a regional program was discussed during the Forum and benefited from inputs from a wide range of regional stakeholders, including representatives from Central Asian national governments, regional organizations, civil society organizations, national and regional universities and research centers, World Bank and other development partners active in the region. (see Main conclusions of the Forum and list of participants at [http://www.worldbank.org/content/dam/Worldbank/document/eca/central-asia/Second-Central-Asia-Climate-Knowledge-Forum-Summary\\_2014\\_ENG.pdf](http://www.worldbank.org/content/dam/Worldbank/document/eca/central-asia/Second-Central-Asia-Climate-Knowledge-Forum-Summary_2014_ENG.pdf)); and
- the *Central Asia Technical Working Group on Climate Change (TWG)*, a group of technical experts nominated by the governments of the five Central Asian countries to support dialogue and cooperation across borders and sectors for the preparation of the CAMP4ASB Program and other World Bank climate-related initiatives.. The World Bank facilitated the mobilization of this regional expertise by requesting the nomination of cross-sectoral specialists from Central Asian governments and since its first meeting in March 2014, the TWG has demonstrated vision, expertise, and passion in helping collectively shape the CAMP4ASB Program. In Annex are appended i) the initial scoping for CAMP4ASB by the TWG finalized by May 2014 (for the Second Central Asia Climate Knowledge Forum) as well as ii) summaries of further TWG meeting to discuss the Program's design.

Looking forward, the Forum will be continued under the Program, as a key platform to understand stakeholders needs (both in terms of information and capacity, as well as of key vulnerable sectors), receive their feedback on the Program, and tailor the Program's activities accordingly (e.g., annual program of activities for the climate knowledge services component – such as training sessions and analytical work/strategy papers, and climate investment priorities). In addition to the Forum, the Program will also

foster outreach and coalition building, including through climate networks (notably, to leverage enthusiasm and energy of Civil Society Organizations in Central Asia for climate action).

The present GCF funding proposal is being developed along with the CAMP4ASB Program's preparation and thus benefited from the broader engagement process under the CAMP4ASB Program, in particular its Technical Working Group. The NDAs in Tajikistan (Committee on Environmental Protection) and Uzbekistan (Hydromet) are members of the TWG and participated actively in framing the Program (e.g., technical design including list of climate investment eligible activities in regards of national climate priorities, criteria and process for selection of project area and climate investment selection). The no-objection letters signed by these NDAs (and annexed to the present proposal) further confirm that the country has no-objection for the World Bank to put forward the proposal on the country's behalf, and confirm that it is consistent with national priorities/strategies and laws.

## E.6. Efficiency and Effectiveness

Economic and, if appropriate, financial soundness of the project/programme

### E.6.1. Cost-effectiveness and efficiency

*Describe how the financial structure is adequate and reasonable in order to achieve the proposal's objectives, including addressing existing bottlenecks and/or barriers; providing the least concessionality; and without crowding out private and other public investment.*

The focus of the CAMP4ASB Program is on creating a public good: fostering regional dialogue and collaboration to address the common and shared challenges of climate change in Central Asia. With the support of public funds (through IBRD/IDA financing, government co-financing in the case of Kazakhstan and Turkmenistan through Reimbursable Advisory Services, GCF), the Program will tackle key barriers to climate action such as low awareness, capacity, and experience; weak institutional framework; funding gap; high (perceived) risks associated for instance with deploying climate-smart technologies and practices. CAMP4ASB will lay the ground for an institutional platform for regional cooperation on climate change across a broad range of sectors. This will be the first such platform in Central Asia that will provide access to improved climate change knowledge services for climate change assessment and decision-making (addressing knowledge, awareness, and capacity gaps) and to increased financing and technical assistance for climate investments in priority areas common to Central Asian countries, thereby addressing funding gap and generating experience to mitigate some of the perceived risks associated with new climate-smart practices and technologies. Activities envisaged will thus help build and sustain the basis for public and private investments in the region to address climate change.

*Please describe the efficiency and effectiveness, taking into account the total project financing and the mitigation/adaptation impact that the project/programme aims to achieve, and explain how this compares to an appropriate benchmark. For mitigation, please make a reference to [E.6.5 \(core indicator for the cost per tCO<sub>2</sub>eq\)](#).*

The Program is expected to generate a wide variety of benefits not all of which can be quantified.

For climate investments key benefits include increased productivity in rural areas, resulting in improved livelihood, greater household financial capital and contributions to national-level economic growth, and improved capacities and knowledge in green and resilient agricultural practices and natural resource management. This will be primarily achieved through a variety of farm/household- and village/natural resource user community-level interventions. For example, eligible investments under the grant or credit program are expected to primarily contribute to: (a) crop diversification, climate-resilient seed varieties, and seed system support measures, (b) on-farm water resource management and efficiency improvement measures, (c) rehabilitation of degraded lands and land degradation control through agro-forestry and



rangeland management measures, (d) promotion of stability and sustainability of mountain ecosystems and livelihoods, (e) conservation agriculture, (f) energy efficiency improvements (e.g., insulation, lighting, etc.), and (g) expansion of renewable energy sources, particularly for those communities in remote rural areas. Participating countries will provide this support through matching grants or loans implemented by Participating Financial Institutions (PFIs). Through either channel – beneficiaries are incentivized to work within a fixed budget constraint and are encouraged to prioritize investments yielding maximized marginal returns within a site-specific context. Along with these requirements, the participatory nature of including farmers in decision-making will lead to more environmentally-sound land management practices and ensure the sustainability of project outcomes.

Using household/farm-level information from similar interventions in Tajikistan – it was found that farm productivity and land resource management investments are estimated to cost on average US\$150-US\$250 per household, with benefits in between US\$100-US\$500 per household.. In the central case, the discount rate is set at 12 percent per annum. Participation of communities and related climate investments are considered to be phased-in progressively, with 60 percent of investments (in amount of expected financing) having started by end of Year 3. Given the assumptions of phasing beneficiaries and investments, the project is expected to reach full development in Year 14. An attrition (dropout) rate of 20 percent by participating households and communities due to investment failure or for other reasons is assumed. In the central case, including all other project management, institutional support, and knowledge management costs, cumulated net discounted benefits vary from US\$1.1 to US\$85 million by Year 14, depending on the realized household-level benefit. The associated Internal Rate of Return (IRR) range from 0 to 44 percent per annum. The sensitivity analysis indicates that varying the household-level benefit from US\$100 to US\$500 is the main driver of the results. For example, if Program costs were to rise 10 or 20 percent, this reduces net benefits in Year 14 by about 10 percent, and reduces the IRR by about 4 percent in the 10 percent cost increase case and 20 percent (IRR falls by 8 percent) in the 20 percent case (Table 11 in Annex 5). If Program delays were encountered, this would push benefit realization to outer years, making the project less feasible in early years. A one-year delay reduces cumulative net benefits by about 17-18 percent from the base case, but the IRR remains relatively unchanged. A two-year delay reduces net benefits by over 30 percent – but again, has little impact on the IRR. If costs were 20 percent higher and there was a two-year delay, this would basically halve net benefits and the IRR. From this, it appears that cost increases tend to affect the IRR more and time delays reduce net benefits since there is less time to recoup costs.

#### E.6.2. Co-financing, leveraging and mobilized long-term investments (mitigation only)

*Please provide the co-financing ratio (total amount of co-financing divided by the Fund's investment in the project/programme) and/or the potential to catalyze indirect/long-term low emission investment.*

Along with US\$19 million in GCF financing, approximately US\$38 million will be provided in co-financing from IDA resources. However, the co-financing ratio is significantly higher if other Program funding sources (e.g., beneficiary co-financing, estimated at US\$11.8 million) is considered and brings the ratio to greater than 1:2. Development partners have also been closely associated with the Program's preparation and are showing increased interest for the regional platform it is building in order to scale up support for climate action in Central Asia. Given its regional ambit, the Program has high potential for attracting additional donor resources and the team is exploring possible roles for the private sector and other development partners in financing and implementation of the project.

*Please make a reference to [E.6.5 \(core indicator for the expected volume of finance to be leveraged\)](#).*

E.6.3. Financial viability

*Please specify the expected economic and financial rate of return with and without the Fund's support, based on the analysis conducted in [F.1](#).*

The Fund's support will be primarily direct to scaling-up the Regional Climate Investment Facility. GCF resources will help address key barriers to climate action such as higher costs and risks of climate-smart technologies and practices. Grant and concessional resources will thus help address funding gap and, in the case of sub-loans extended through credit lines, better financing terms and improve risk/return ratio for sub-borrowers.

*Please describe financial viability in the long run beyond the Fund intervention.*

**Long-term financial sustainability:** The long-term sustainability of the Program's platform for regional dialogue and collaboration on climate action (managed by the RCU that is hosted by CAREC and operating under the aegis of EC-IFAS) will depend on future resources that can be mobilized to continue the climate knowledge service functions post program implementation (i.e., after WBG and GCF project closing). EC-IFAS working with the Steering Committee and the RCU will prepare a long-term sustainability plan, examining resource mobilization (from participating countries themselves, Development Partners, or climate finance sources) and options for transition arrangements. CAMP4ASB's Regional Steering Committee will play a key role in that regard, being tasked, among others, with high-level outreach and resource mobilization. Depending on stakeholders' interest and amount of funding secured, transition arrangements could include full absorption of the RCU under one institution in Central Asia or continuation of select activities, managed separately, but in a coordinated manner, with support from various sources (e.g., different Development Partners or Central Asian Institutions supporting the expansion of the select segment of CAMP4ASB's integrated regional analytical platform for climate-smart development in Central Asia). Ultimately, the track record and success of the RCU as perceived by the participating countries will be an important factor to determine its fate post program implementation.

**Sustainability of Climate Investments:** Great attention has been given to stakeholder and beneficiary engagement in the design of CAMP4ASB to ensure ownership and contribute to long-term sustainability and higher likelihood of success. The use of community-driven development for the implementation of the Regional Climate Investment Facility is one example. Rural communities will be key decision-makers on what investments to implement and the distribution of financial resources, thus building ownership. Proposals for these investments and plans will require that participants consider economic factors, climate change risks, environmental and social/institutional sustainability, working with existing community or resource-based institutions, to support long-term operations. Furthermore, the requirement of beneficiary contributions will help build ownership and also contribute to the sustainability of these investments.

*Please describe the GCF's financial exit strategy in case of private sector operations (e.g. IPOs, trade sales, etc.).*

Not applicable

E.6.4. Application of best practices

*Please explain how best available technologies and practices are considered and applied. If applicable, specify the innovations/modifications/adjustments that are made based on industry best practices.*

With respect to Component 2 (Regional Climate Investment Facility), the Program will support improvements in productivity and livelihoods and address climate change in rural areas, by promoting adoption of technologies and practices for climate resilience and climate change mitigation in agricultural production, land management and other areas. Many of these are being demonstrated and shown to be effective in the region (e.g., through PPCR-supported projects), while others will reflect globally available good practice examples (e.g., as identified in analytical and field work by the International Center for Agricultural Research in the Dry Area, or ICARDA, a member of the Consultative Group for International Agricultural Research, or CGIAR). Throughout, the Program will build on local knowledge and technologies, as well as relevant international good practice. For the small-scale infrastructure works, existing national standards will be applied and the selection of technologies will take into account the need for simple maintenance that groups of farmers or herders can undertake themselves. Thus no significant technical challenge is expected, but technical capacity to support widespread adoption and dissemination will need to be strengthened and increased.

**E.6.5. Key efficiency and effectiveness indicators**

<p>GCF core indicators</p>	<p>Estimated cost per t CO<sub>2</sub> eq, defined as total investment cost / expected lifetime emission reductions (mitigation only)</p>
	<p>(a) Total project financing          (b) Requested GCF amount          (c) Expected lifetime emission reductions overtime  <b>(d) Estimated cost per tCO<sub>2</sub>eq (d = a / c)</b>                      US\$_____ / tCO<sub>2</sub>eq  <b>(e) Estimated GCF cost per tCO<sub>2</sub>eq removed (e = b / c)</b>            US\$_____ / tCO<sub>2</sub>eq</p> <p><i>Describe the detailed methodology used for calculating the indicators (d) and (e) above.</i></p> <p><i>Please describe how the indicator values compare to the appropriate benchmarks established in a comparable context.</i></p>
	<p>Expected volume of finance to be leveraged by the proposed project/programme and as a result of the Fund's financing, disaggregated by public and private sources (mitigation only)</p>

*Describe the detailed methodology used for calculating the indicators above.*

*Please describe how the indicator values compare to the appropriate benchmarks established in a comparable context.*

Other relevant indicators (e.g. estimated cost per co-benefit generated as a result of the project/programme)

\* *The information can be drawn from the project/programme appraisal document.*

## F.1. Economic and Financial Analysis

*Please provide the narrative and rationale for the detailed economic and financial analysis (including the financial model, taking into consideration the information provided in [section E.6.3](#)).*

The Program is expected to generate a wide variety of benefits not all of which can be quantified. For component 1 (Regional Climate Knowledge Services) benefits are significant and expected to include: (i) systematic assessment and region-wide sharing of lessons from implementing CAMP4ASB-funded climate investments, that could then be incorporated into countries' strategies and programs for scaling up, based on improved knowledge and understanding of technologies, practices, costs, and outcomes; (ii) fostering climate networks engaging stakeholders (academia, NGOs, technical specialists, youth and communities, etc.) to catalyze information and knowledge exchange, collaboration around initiatives, and the emergence of action-oriented communities and citizen feedback; and (iii) establishing/improving information systems as-well as knowledge and capacity base for climate-related monitoring and decision-making.

For component 2 (Regional Climate Investment Facility) key benefits include increased productivity in rural areas, resulting in improved livelihood, greater household financial capital and contributions to national-level economic growth, and improved capacities and knowledge in green and resilient agricultural practices and natural resource management. This will be primarily achieved through a variety of farm/household- and village/natural resource user community-level interventions. For example, eligible investments under the grant or credit program are expected to primarily contribute to: (a) crop diversification, climate-resilient seed varieties, and seed system support measures, (b) on-farm water resource management and efficiency improvement measures, (c) rehabilitation of degraded lands and land degradation control through agro-forestry and rangeland management measures, (d) promotion of stability and sustainability of mountain ecosystems and livelihoods, (e) conservation agriculture, (f) energy efficiency improvements (e.g., insulation, lighting, etc.), and (g) expansion of renewable energy sources, particularly for those communities in remote rural areas. Participating countries will provide this support through matching grants or loans implemented by Participating Financial Institutions (PFIs). Through either channel – beneficiaries are incentivized to work within a fixed budget constraint and are encouraged to prioritize investments yielding maximized marginal returns within a site-specific context. Along with these requirements, the participatory nature of including farmers in decision-making will lead to more environmentally-sound land management practices and ensure the sustainability of project outcomes.

Based on household/farm-level information from similar interventions in Tajikistan,<sup>12</sup> the Economic Analysis for the present Program assumes that farm productivity and land resource management investments are estimated to cost on average US\$150-US\$250 per household, with benefits in between US\$100-US\$500 per household. In the central case, the discount rate is set at 12 percent per annum. Participation of communities and related climate investments are considered to be phased-in progressively, with 60 percent of investments (in amount of expected financing) having started by end of Year 3. Given the assumptions of phasing beneficiaries and investments, the project is expected to reach full development in Year 14.<sup>13</sup> An attrition

<sup>12</sup> Interventions undertaken during the Community Agricultural and Watershed Management Project (CAWMP, P077454) and the Environmental Land Management and Rural Livelihoods Project (ELMARL, P122694).

<sup>13</sup> This is because some horticultural products (i.e., trees) require 12 years to fully mature, and no benefits are assumed to accrue until year 3 (i.e., 12+2 years = 14 years).

(dropout) rate of 20 percent by participating households and communities due to investment failure or for other reasons is assumed. In the central case, including all other project management, institutional support, and knowledge management costs, cumulated net discounted benefits vary from US\$1.1 to US\$85 million by Year 14, depending on the realized household-level benefit. The associated Internal Rate of Return (IRR) range from 0 to 44 percent per annum.

The sensitivity analysis indicates that varying the household-level benefit from US\$100 to US\$500 is the main driver of the results. For example, if Program costs were to rise 10 or 20 percent, this would reduce net benefits in Year 14 by about 10 percent, and reduce the IRR by about 4 percent in the 10 percent cost increase case and 20 percent (IRR falls by 8 percent) in the 20 percent case. If Program delays were encountered, this would push benefit realization to outer years, making the project less feasible in early years. A one-year delay reduces cumulative net benefits by about 17-18 percent from the base case, but the IRR remains relatively unchanged. A two-year delay reduces net benefits by over 30 percent – but again, has little impact on the IRR. If costs were 20 percent higher and there was a two-year delay, this would basically halve net benefits and the IRR. From this, it appears that cost increases tend to affect the IRR more and time delays reduce net benefits since there is less time to recoup costs.

*Based on the above analysis, please provide economic and financial justification (both qualitative and quantitative) for the concessionality that GCF provides, with a reference to the financial structure proposed in section B.2.*

The Fund's support will be primarily direct to scaling-up the Regional Climate Investment Facility. GCF resources will help address key barriers to climate action such as higher costs and risks of climate-smart technologies and practices. GCF financing will provide investment support via sub-grants, thereby reaching the most vulnerable communities in priority areas, including the poorest populations residing on fringe/risk-prone areas and marginalized groups such as women.

## F.2. Technical Evaluation

*Please provide an assessment from the technical perspective. If a particular technological solution has been chosen, describe why it is the most appropriate for this project/programme.*

CAMP4ASB will support access to improved climate change knowledge services (e.g., data, knowledge, tools, and capacity-building for climate assessment and decision-making) as well as support investments to improve productivity and livelihoods and address climate change in rural areas, by promoting adoption of technologies and practices for climate resilience and climate change mitigation in agricultural production, land management and other areas. The Program will also support the systematic evaluation of these climate investments and their dissemination to a broad range of stakeholders to facilitate learning, replication, and scaling-up of such climate good practices in the region.

The Regional Environmental Centre for Central Asia (CAREC), which will serve as RCU and implement the Regional Climate Knowledge Services component (Component 1), has more than 10 years of experience in knowledge and capacity building in the field of sustainable environmental management and climate change that can be leveraged across the entire spectrum of activities promoted under Component 1. Some of CAREC's recent activities and results, which provide a solid base to build on, include: support to environmental monitoring (e.g., co-execution of the MONECA component of the EC-funded FLERMONECA program across Central Asia); new research and assessment (e.g., on inclusive and resilient development in semi-arid areas, linking Central Asian and African countries through the international PRISE

project); tools and methodologies (e.g., toolkit for basin-level integrated water resource management developed for Central Asian stakeholders); technical assistance (e.g., three Nationally Appropriate Mitigation Actions, or NAMAs, prepared and approved by the respective national governments); capacity building and leadership trainings (e.g., over the past two years, about 420 individuals from government, business, banks, universities, and civil society took part in training and capacity building sessions on low-emissions development, energy efficiency, and climate change); building regional networks (e.g., facilitating participation of Central Asian stakeholders in the Asia Pacific Adaptation Network, or APAN). Further definition of Component 1 activities will take place in the period to effectiveness, with support from the Europe and Central Asia Capacity Development Trust Fund (ECADEVPTF), offering additional opportunities to maximize synergies with activities by other development partners, to maximize complementarities, capture lessons learned (e.g., from Central Asia Hydromet Modernization Project) and incorporate knowledge and information (e.g., from studies and assessments supported by the Central Asia Energy Water Development Program).

With respect to Component 2 (Regional Climate Investment Facility), the Program will support improvements in productivity and livelihoods and address climate change in rural areas, by promoting adoption of technologies and practices for climate resilience and climate change mitigation in agricultural production, land management and other areas. Many of these are being demonstrated and shown to be effective in the region (e.g., through PPCR-supported projects), while others will reflect globally available good practice examples. Throughout, the Program will build on local knowledge and technologies, as well as relevant international good practice. For the small-scale infrastructure works, existing national standards will be applied and the selection of technologies will take into account the need for simple maintenance that groups of farmers or herders can undertake themselves. Thus no significant technical challenge is expected, but technical capacity to support widespread adoption and dissemination will need to be strengthened and increased.

### F.3. Environmental, Social Assessment, including Gender Considerations

*Describe the main outcome of the environment and social impact assessment. Specify the Environmental and Social Management Plan, and how the project/programme will avoid or mitigate negative impacts at each stage (e.g. preparation, implementation and operation), in accordance with the Fund's Environmental and Social Safeguard (ESS) standard. Also describe how the gender aspect is considered in accordance with the Fund's Gender Policy and Action Plan.*

#### Environmental Risks

The Program's environmental impact is expected to be largely positive and no major environmental impacts are anticipated. The activities to be financed would increase the adoption of effective agricultural, land, and water management practices and technologies, and thus contribute to soil and water conservation, and building climate resilience. The potential adverse environmental impacts of proposed types of Climate Investment Facility subprojects might be summarized as follows: (i) agricultural production: soil erosion, loss of soil productive capacity, soil compaction, soil pollution, surface and underground water pollution, loss of biodiversity; (ii) small scale construction and/or rehabilitation of the existing premises: soil and air pollution, acoustic nuisance, construction wastes; (iii) on-farm irrigation and water management: increased soil erosion and water table rise, construction-related impacts; (iv) pasture and rangeland management: soil erosion and soil compacting through extensive use, loss of native fodder species; (v) sloping land horticulture: soil erosion

and soil movement; (vi) participatory forestry and agro-forestry: soil erosion, loss of biodiversity; and (vii) off-grid renewable energy production: reduction of downstream flows, water table fluctuations, land erosion, etc. All these impacts will be mostly site-specific and temporary and can be mitigated and managed through good projects design and implementation practices.

It is expected none of the activities (and in particular sub-investments under the Regional Climate Investment Facility) to be supported under the Program will cause significant environmental impacts which may fall under the Category A projects and for which a full Environmental Impact Assessment (EIA) would be required (such sub-investments will be supported under the proposed Climate Investment Facility investments). However, many of them might cause some level of environmental impacts that would fall under the Category B projects (small-scale agriculture and horticulture improvements; small-scale rehabilitation and maintenance of rangelands; off-grid renewable energy activities, plantation of new agro-forestry and orchards, etc.), for which the Bank requires a simple and/or a partial Environmental Assessment and/or preparing an Environmental Management Plan (EMP). It is also expected that many of the Program's sub-investments will not have environmental impacts and will fall under the Category C in accordance with OP/BP 4.01 (especially those related to purchasing of new agricultural machinery, small farm infrastructure, water management, rehabilitation of agricultural lands, etc.). Furthermore, it is expected the selected Climate Investment Facility will not include any investment in dams, and construction of new canals or head works that will increase water extraction from main sources. The Program area will not include parks or sanctuaries or other areas of high biodiversity significance. As confirmed by the Recipient, the selected sub-investments will not be located in protected zones, critical habitats or culturally- or socially-sensitive areas. This will be ensured during the sub-investments screening and EA, excluding them from the program financing.

Taking into consideration these impacts will be not significant or irreversible, in accordance with the Bank's safeguard policies the project is classified as Category B. Since it was not possible to identify which subprojects will be financed before Appraisal, an Environmental and Social Management Framework (ESMF) has been designed to guide the sub-investments' Environmental Assessment (EA). The document has been disclosed at the World Bank InfoShop on May 14, 2015 (including the English Summary and national versions, in Russian). The document outlines EA procedures and mitigation requirements in line with both national and World Bank policies for the sub-investments financed under Sub-component 2.1. It provides details on procedures, criteria and responsibilities for sub-investment EA, including, screening, review and approval, implementing, monitoring, supervision and reporting. The document also includes environmental guidelines for different types of proposed sub-investments providing analysis of potential impacts and generic mitigation measures to be undertaken for subprojects in key support sectors at all stages - from identification and selection, through the design and implementation phase, to the monitoring and evaluation of results.

In each participating country, the NCU will be responsible for ensuring compliance with Bank safeguards. The NCUs (as well as any other national/regional project entity as defined by the individual country implementation arrangements) will receive capacity building in environmental management of projects. An Environmental Officer with the NCU will be overall responsible for projects safeguards issues. This officer will ensure that the project activities are being assessed from an environmental point of view and that the EMPs are adequately implemented. In this regard, the Officer will be responsible for: (a) coordination of environmental and EA related issues; (b) monitoring of the environmental impacts within the overall monitoring of the implementation of climate investments (under Sub-component 2.1); (c) communication with the national EIA competent authority; and (d) ensuring linkages between the EIA and CAMP4ASB



investments, i.e., to support the proper implementation of the conditions given by the EIA for climate investments. In particular, the Environmental Officer will conduct the following: (a) environmental screening of climate investments; (b) carry out the evaluation of the climate investment's eligibility from an environmental point of view; (c) provide necessary information on the environmental issues to climate grant applicants (in particular, to inform them about the environmental criteria to be used, explain all obligations regarding the EIA procedures, etc.). Additionally the NCU Environmental Officer will be also responsible for supervising independently or jointly with the National Environmental Agencies the mitigation and environmental protection measures stipulated in Environmental Management Plans.

The proposed types of climate grant investments are anticipated to have insignificant impacts and in most cases the EIAs and EMPs will be reviewed and approved by the NCUs. In rare cases, when impacts are expected to be significant, the review and approval of the EIA and EMPs will be undertaken by the State Ecological Expertise of the respective countries. No activity will be permitted to start (re)construction until a favorable official written approval is received. The EA documentation for the first three Category B subprojects from each NCU will be subject to prior review and approval by the World Bank.

The ESMF and particular EMP provisions will form part of the design documents for the project, and will be included in construction contracts for proposed activities, both into specifications and bills of quantities. Respectively the Contractors will be required to include the cost of EMP requirements in their financial bids and required to comply with them while implementing the project activities. The bidding documents for selecting the contractors will include specifications that would ensure effective implementation of environmental, health and safety performance criteria. The actual sub-investment implementation will be carried out by its beneficiary or the contractors selected on behalf of the beneficiary. They have to operate in full compliance with national environmental legislation and with the EMP requirements. Further, the sub-investment beneficiaries are obliged to follow regulative requirements of the national law related to occupational health and safety as well as environmental protection. They will also be requested to designate a person in charge of environmental and safety issues and for implementing the EMP.

Supervision and monitoring activities. During sub-investment implementation NCUs will have overall supervision responsibility for assuring that the measures indicated in the EMPs are being properly performed. Independently, or in collaboration with the national environmental authorities, they will perform the climate investment environmental supervision during both construction and operation phases as specified in the monitoring plan of the EMP. Regular climate grant investment progress reports should include a section entitled "Environmental Management." The section should provide a condensed description of the monitoring activities, any issues identified and how they were or are planned to be resolved.

### Social Risks

The overall social impacts of the Program are expected to be positive. CAMP4ASB will facilitate greater cooperation and dialogue among institutional stakeholders in the region to deepen the understanding of, and act upon, the social dimensions of climate change, in particular its differentiated impact on vulnerable groups (e.g., poor farmers, female-headed rural households, etc.). The Program's Climate Investment Facility will directly benefit vulnerable rural communities, including farmers, farmer groups, water user associations, pasture management and/or user groups. Village communities, and other community groups and beneficiaries, will take responsibility for the choice, design, and management of rural investments and resource management plans to address climate change. The demand-driven Climate Investment Facility will

also provide capacity building to communities, through contracted facilitating organizations, supporting them in the preparation and implementation of rural investments. Facilitating organizations will be required to have expertise in working on gender issues and with vulnerable and marginal groups, as well as in using participatory techniques.

**Gender Dimensions.** Women in Central Asia tend to have unequal access to and control over resources, particularly in rural areas. In Tajikistan and Uzbekistan, women carry out at least half of the agricultural labor, however relatively few have meaningful decision-making power. This makes them more vulnerable to poverty and climate change will exacerbate these existing problems, in particular on food/nutrition, energy, and livelihoods. The Program will pay particular attention to gender dimensions. Specific knowledge management activities will be supported and monitored through the Results Framework to ensure awareness on these issues is increased among CAMP4ASB stakeholders. The Program will also ensure that men and women benefit equally from its interventions by requiring a minimum percentage of women as beneficiaries. The results of these interventions will be monitored, using gender-disaggregated data based on capacity and participation intermediary indicators included in the Results Framework. In terms of voice, the Program will ensure that women are provided with an opportunity to have their voices heard and influence decision-making, by (i) requiring a minimum representation of women participants in consultations; (ii) undertaking outreach efforts that pay attention to different ways in which information is disseminated at the community level; and (iii) carrying out community mobilization activities using mechanisms that will help ensure active participation of women, e.g., women-only sessions, ensuring meetings are held at times of the day when women can participate, etc. Different demands and expectations of male and female beneficiaries will also be considered as part of the beneficiary feedback mechanisms. Specific implementation mechanisms are further detailed in the project operational manual and progress will be monitored during implementation.

**Citizen Engagement.** The Program explicitly seeks to support engagement of stakeholders and beneficiaries through the wider use of publicly available information, consultative processes, and feedback mechanisms to strengthen CAMP4ASB design, build ownership and thus contribute to sustainability and better project outcomes. Feedback mechanisms have been developed in the project design to ensure transparency and a continuous dialogue with stakeholders and beneficiaries. Particular attention will be given during implementation to the capacity of the implementation partners to close the feedback loop and report on action taken in this regards. The specific elements of the framework for citizen engagement include: (a) access to climate information and exchange platforms (data, ICT, workshops, etc.) for Program stakeholders (institutions and communities) to be supported at both the regional and national levels. Percentage of users satisfied with the Program's climate information platform will be monitored; (b) information campaigns on climate change and awareness-raising activities targeting national agencies, CSOs, academia, local governments, media and local communities, and consultations with program stakeholders through the Technical Working Group and the regional Climate Forum involving CSOs; (c) community participation will be a core feature of the project investments as the Regional Climate investment Facility will support community engagement in determining local investment needs to ensure local communities participation and ownership in these climate investments; (d) a feedback mechanism will be designed to process complaints, concerns, and questions from stakeholders at different levels (regional to local), with a view to resolving 100% of these concerns and questions within stipulated service standards (to be monitored in the Results Framework); and (e) specific third-party monitoring of Program activities will be supported annually to ensure transparency and feedback on these activities. The protocol and mechanisms for elements of this citizen engagement framework will be detailed in the Project Operational Manual. Quality of its

implementation and progress will be monitored both at regional and national levels through supervision and dialogue with the CSOs forum.

**Other Social Issues.** Additionally, child and forced labor remains a concern in the agriculture sector of some of the countries participating in the Program (such as Uzbekistan and Tajikistan), particularly in cotton production. CAMP4ASB will explicitly engage only in subprojects where child and forced labor issues are not present and will not engage in cotton-related activities. To mitigate any residual risk and avoid any potential cross linkage with cotton production, the Program will include awareness raising and training of beneficiaries on the applicable legislation and regulations on child and forced labor. Supervision missions will closely monitor the communication and implementation of the forced labor screening measures by reviewing the sub-investments at community level.

**Social Safeguards.** The Program will not finance activities that result in involuntary resettlement impacts as per OP 4.12 and therefore the policy on involuntary resettlement is not triggered. Activities to be financed under Component 2 are expected either to be own-farm investments and/or investments on community land. Any activities that result in impacts as those anticipated under OP 4.12, including impacts on livelihoods, will be screened out and not financed by the Program. The Program will not finance any activities that result in limitations to access to legally designated parks and protected areas which result in adverse impacts on livelihoods. Land donation will not be allowed under the Program unless it meets the guidelines on voluntary land donation which will be detailed in the Project Operational Manual.

#### F.4. Financial Management and Procurement

*Describe the project/programme's financial management and procurement, including financial accounting, disbursement methods and auditing.*

##### Financial Management

Responsibility for national-level project financial management (FM) will rest with the NCUs. These include existing units within the Rural Restructuring Agency under the Ministry of Agriculture and Water Resources (Uzbek Rural Restructuring Agency, or RRA), as well as a unit to be established under the Committee on Environmental Protection (CEP) in Tajikistan. The RCU that will be established under EC-IFAS and hosted by CAREC will be responsible for project financial management functions at the Regional level. As part of the Project's implementation support (as Accredited Entity), the World Bank's Financial Management Specialist will conduct risk-based financial management supervision within six months of effectiveness, and then at appropriate intervals. This Specialist also will supervise the Project's financial management arrangements in the following ways: (a) review the program's semiannual Interim Financial Reports and annual audited financial statements together with auditor's Management Letter and remedial actions recommended in the auditor's Management Letter; and (b) during the Bank's on-site supervision missions, review the following key areas (and as relevant provide recommendation and guidance and agree on an action plan/next steps): (i) project accounting and internal control systems; (ii) budgeting and financial planning arrangements; (iii) disbursement management and financial flows, including counterpart funds, as applicable; and (iv) any incidences of corrupt practices involving project resources.

The financial management arrangements of CEP, RRA, and CAREC have been assessed to determine if these arrangements, including budgeting, accounting, reporting, internal controls, staffing, funds flow and

external audit are satisfactory to the Bank. Executing entities will also comply with the GCF's Fiduciary Principles and Standards.

CEP shall have overall responsibility for financial management and disbursement functions. The FM assessment found that, while CEP staff does have financial management experience under an existing Bank project, dedicated consultants will need to be contracted for project financial management and disbursement functions.

Uzbek RRA will be responsible for financial management and disbursement functions. The RRA has extensive prior experience in the implementation of the Bank-financed projects. The FM arrangements at RRA have been reviewed periodically as part of supervision of existing projects and have been found satisfactory. Based on the FM assessment, it was established that RRA has overall acceptable FM arrangements in place. In order to adapt those arrangements to the proposed project and for capacity building purposes, the following actions will need to be implemented: modify the existing accounting software within 30 days after the project's effectiveness to accommodate the project's reporting and accounting requirements, including capacity to generate Interim Unaudited Financial Statements (IFRs).

Financial management arrangements for RCU were found to be overall adequate and satisfactory to the Bank. CAREC is implementing various projects financed by ADB, European Union, and OCSE. The FM staffing capacity is also considered to be sufficient both in terms of numbers and skills. CAREC has automated accounting software that can be easily modified to include the accounting and reporting requirements of the Program. CAREC prepares interim unaudited reports for the donors as well as annual financial statements that are subject to audit.

Project budgets, prepared annually, and agreed with the World Bank, will form the basis for allocating funds to project activities and reporting (of actual against planned expenditures). Accounting, based on suitable accounting software, will be maintained on the cash basis, with supporting documentation maintained in files in accordance with existing government financial regulations and standards acceptable to the Bank. Funds will be disbursed through transaction-based disbursement methods that include: (i) Reimbursements; (ii) Advances to the Designated Account (DA), (iii) Direct Payments; and (iv) payments against Special Commitments. The DA (one each for two NCUs and the RCU) shall be opened in a commercial bank/financial institution acceptable to the World Bank.

In addition, a manual of financial procedures should be developed as part of the POM and within the timeline of the POM covering all Implementing Agencies. These agencies will be responsible for submission of interim un-audited financial reports (IFRs) that will be generated by the accounting system based on formats agreed with the World Bank. The reports, to include Statement of Sources and Uses of Funds, Uses of Funds by Project activities (Components & Expenditure Categories) and Statement of Designated Account (DA), will be submitted to the World Bank within 45 days of the end of each quarter, with the first reports under the proposed Project being submitted after the end of the first full quarter following initial disbursement. In addition, there will be separate annual audits for the regional activities as well as the country-level activities in Tajikistan and Uzbekistan. The annual audited project financial statements will be submitted to the Bank within six months of the end of each Recipient's fiscal year and also at the closing of the Project. The cost of the audit will be financed from the Project's funds.

## Procurement

Procurement for the Program will be carried out in accordance with World Bank Guidelines. Specifically, procurement will be carried out in accordance with: (i) “Guidelines: Procurement of Goods, Works, and Non-Consultancy Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers,” dated January 2011 and revised July 2014; (ii) “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers,” dated January 2011 and revised July 2014; and (iii) the provisions stipulated in the Credit Agreements. The World Bank Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006 and revised on January 2011, would also apply. Further, the procurement arrangements under the grant program will be in line with the Guidance Note for Design and Management of Procurement Responsibilities in Community-Driven Development Projects, dated March 15, 2012.

An assessment of the procurement arrangements for the Program has been conducted, to provide guidance and help ensure that the proposed arrangements for the Program meet the necessary procurement requirements. This assessment found that there is sufficient capacity at the two NCUs and recommended the RCU to hire one additional procurement specialist with international experience to manage the procurement at regional level and provide adequate support to national procurement staff.

The overall procurement risk for the project is rated as High. The risk rating is based on experience from the past and ongoing Bank-financed projects in the countries, the general public procurement environment and current capacity of proposed implementing agencies in administering international procurement. To mitigate this risk, the four measures below will be undertaken (in addition to staffing with skilled procurement expert, training on World Bank’s guidelines, preparation of agreed Procurement Plans, and preparation of Procurement Handbook): i) Preparation of the bidding documents, terms of references and draft request for proposals for the first year of project implementation to facilitate the initiation of procurement as per the agreed Procurement Plans; ii) Ensuring quality review of the both technical specifications/ terms of references, Bid Evaluation Reports and the final deliverables; iii) Putting in place an efficient contract monitoring mechanism designed to maximize overall value for money of contracting activities; and iv) Regular procurement support during project implementation by Bank accredited procurement staff.

The procurement plans for each country covering the initial 18 months of project implementation have been developed. These documents will be updated at least annually and all procurement plans and their updates or modifications shall be subject to the World Bank’s prior review and no objection

### G.1. Risk Assessment Summary

Please provide a summary of main risk factors. Detailed description of risk factors and mitigation measures can be elaborated in G.2.

- *Political and Governance.* Balancing the interests of each country and each sector involved will be an important outcome under CAMP4ASB. However, countries may resist collaboration due to national vested interests and agendas, with potentially differing priorities, which may delay decision making and hinder the collaborative process. The Program itself is a mitigating measure for this risk, as it seeks to quickly build on an area of expressed intent for cooperation among the countries of Central Asia. The Bank team is working closely with the client countries to assess and demonstrate benefits from collaboration. CAMP4ASB is designed to make the best progress in areas where cooperation is well accepted (e.g., around knowledge and capacity building, where benefits of a regional approach are well established). In addition, the project design has been agreed by a broad range of stakeholders, including national agency counterparts and TWG members.
- *Technical Design of Program.* The Program in this initial phase will support national climate investments in these countries. Given that countries' implementation capacities are not uniform, there is a risk that some countries' implementation may lag behind. The RCU will play an important role in monitoring the implementation of national climate investments, and will provide technical support, as needed, to facilitate investment implementation.
- *Institutional Capacity for Implementation.* Given that a regional implementation coordination mechanism (the RCU supporting EC-IFAS) is to be strengthened during preparation, there is a risk that appointment of key staff will be delayed and that there may be lack of capacity in fulfilling managerial and technical requirements, which could delay implementation. A work plan to help ensure that World Bank readiness requirements for implementation can be met has been prepared, including the appointment of key staff prior to program effectiveness.
- *Fiduciary.* Similarly, given that fiduciary staff (e.g., procurement and financial management) are yet to be appointed, there is also a risk that there will be a delay in the appointment of these key staff and that once appointed, these staff may lack experience with World Bank procurement and financial management requirements. A fiduciary assessment for the CAMP4ASB Program was conducted. Based on its findings and recommendations, financial management and procurement functions will be strengthened as needed, so that systems and reporting mechanisms are in place to comply with Bank requirements in a timely manner.

### G.2. Risk Factors and Mitigation Measures

Please describe financial, technical and operational, social and environmental and other risks that might prevent the project/programme objectives from being achieved. Also describe the proposed risk mitigation measures.

#### Selected Risk Factor 1

Description	Risk category	Level of risk	Probability of risk occurring
<i>Political and Governance:</i> Balancing the interests of each country and each sector involved will be an important outcome under the project. However, countries may resist collaboration due to national	Other	High (>20% of project value)	High

vested interests and agendas, with potentially differing priorities, which may delay decision making and hinder the collaborative process.			
Mitigation Measure(s)			
<p><i>Please describe how the identified risk will be mitigated or managed. Do the mitigants lower the probability of risk occurring? If so, to what level?</i></p> <p>The project itself is a mitigating measure for this risk, as it seeks to quickly build on an area of expressed intent for cooperation among the countries of Central Asia. The Bank team is working closely with the client countries to assess and demonstrate benefits from collaboration. CAMP4ASB is designed to make the best progress in areas where cooperation is well accepted (e.g., around knowledge and capacity building, where benefits of a regional approach are well established). In addition, the project design has been agreed by a broad range of stakeholders, including national agency counterparts and TWG members. Despite all these positive factors however, momentum behind CAMP4ASB and impetus for regional cooperation on climate change remains fragile and can suffer from any setback in a volatile regional dialogue.</p>			
<b>Selected Risk Factor 2</b>			
Description	Risk category	Level of risk	Probability of risk occurring
<i>Technical Design of Program.</i> The Program in this initial phase will support national climate investments in two countries. Given that countries' implementation capacities are not uniform, there is a risk that some countries' implementation may lag behind.	Technical and operational	Medium (5.1-20% of project value)	Medium
Mitigation Measure(s)			
<p><i>Please describe how the identified risk will be mitigated or managed. Do the mitigants lower the probability of risk occurring? If so, to what level?</i></p> <p>The RCU will play an important role in monitoring the implementation of national climate investments, and will provide technical support, as needed, to facilitate investment implementation.</p>			
<b>Selected Risk Factor 3</b>			
Description	Risk category	Level of risk	Probability of risk occurring
<i>Institutional Capacity for Implementation.</i> Given that a regional implementation coordination mechanism (the RCU supporting EC-IFAS) is to be strengthened during preparation, there is a risk that appointment of key staff will be delayed and that there may be lack of capacity in fulfilling managerial and technical requirements, which could delay implementation.	Technical and operational	Medium (5.1-20% of project value)	Medium
Mitigation Measure(s)			

*Please describe how the identified risk will be mitigated or managed. Do the mitigants lower the probability of risk occurring? If so, to what level?*

A work plan to help ensure that World Bank readiness requirements for implementation can be met has been prepared, including the appointment of key staff prior to program effectiveness.

**Selected Risk Factor 4**

Description	Risk category	Level of risk	Probability of risk occurring
<i>Fiduciary.</i> Similarly, given that fiduciary staff (e.g., procurement and financial management) are yet to be appointed, there is also a risk that there will be a delay in the appointment of these key staff and that once appointed, these staff may lack experience with World Bank procurement and financial management requirements.	Technical and operational	Medium (5.1-20% of project value)	Medium

Mitigation Measure(s)

*Please describe how the identified risk will be mitigated or managed. Do the mitigants lower the probability of risk occurring? If so, to what level?*

A fiduciary assessment for the CAMP4ASB Program was conducted. Based on its findings and recommendations, financial management and procurement functions will be strengthened as needed, so that systems and reporting mechanisms are in place to comply with Bank requirements in a timely manner.

**Selected Risk Factor 5**

Description	Risk category	Level of risk	Probability of risk occurring

Mitigation Measure(s)

*Please describe how the identified risk will be mitigated or managed. Do the mitigants lower the probability of risk occurring? If so, to what level?*

**Selected Risk Factor 6**

Description	Risk category	Level of risk	Probability of risk occurring

Mitigation Measure(s)

*Please describe how the identified risk will be mitigated or managed. Do the mitigants lower the probability of risk occurring? If so, to what level?*



*\* Please expand this sub-section when needed to address all potential material and relevant risks.*

## H.1. Logic Framework.

Please specify the logic framework in accordance with the GCF's [Performance Measurement Framework](#) under the [Results Management Framework](#).

### H.1.1. Paradigm Shift Objectives and Impacts at the Fund level<sup>14</sup>

#### Paradigm shift objectives

<p><i>Increased climate-resilient sustainable development</i> <i>Increased climate-resilient sustainable development</i></p>	<p>Through climate-investments proposed, designed, and implemented by rural communities (e.g., farmers or farmer groups, villages or village communities, resource-user groups), the Project will support climate-smart productivity and improved livelihoods in climate-vulnerable rural areas. GCF financing will strengthen the climate resilience of those most vulnerable to climate change, by supporting the adoption of climate-smart rural production and landscape management investments that aim to achieve multiple benefits (e.g., climate resilience, food security, increased well-being of beneficiaries, including gender and social inclusion).</p> <p>The Project will also enhance capacity for Central Asian countries' long-term, climate-smart development. CAMP4ASB will support the systematic assessment and region-wide sharing of lessons from implementing Program-supported investments to address common climate challenges in common agro-ecological zones across Central Asia. These experiences, offering concrete insights on climate-smart technologies and practices, including their costs and results on the ground, can result in significant cost-savings from learning-by-doing and centralization of this experience for government agencies overseeing climate-sensitive sectors, academia, civil society, farmers and communities. Through this collaboration, CAMP4ASB's results and lessons into Central Asian countries' planning processes, as well as lead to greater scale-up and replication of good climate practices in the region (and promote solutions to avoid locking into highly emission-intensive or climate-vulnerable trajectories).</p>
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Expected Result	Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions
				Mid-term (if applicable)	Final	

#### Fund-level impacts

<p><i>A1.0 Increased resilience and enhanced livelihoods of the most vulnerable people, communities and regions</i></p>	<p>Number of males and females benefitting from the adoption of diversified, climate-resilient livelihood options (Number)</p>	<p>Annual reports of Regional Steering Committee; Bi-annual reports of Regional Coordination Unit; Quarterly reports of</p>	<p>0</p>	<p>123,000 (of which 49,000 female)</p>	<p>205,000 (of which 82,000 female)</p>	<p>Members of household/community implementing the grant benefit equally. This will be checked by review on the ground of a sample of grant investment to provide any</p>
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<sup>14</sup> Information on the Fund's expected results and indicators can be found in its Performance Measurement Frameworks available at the following link (Please note that some indicators are under refinement):

[http://www.gcfund.org/fileadmin/00\\_customer/documents/Operations/5.3\\_Initial\\_PMF.pdf](http://www.gcfund.org/fileadmin/00_customer/documents/Operations/5.3_Initial_PMF.pdf)

		National Coordination Units; Climate Investment Grant proposals; and progress reports by the Facilitating Organizations				adjustment factor, as relevant.
<i>A4.0 Improved resilience of ecosystems and ecosystem services</i>	Number of hectares under climate-resilient agricultural, land, and water management practices supported by the Project (Hectare)	Annual reports of Regional Steering Committee; Bi-annual reports of Regional Coordination Unit; Quarterly reports of National Coordination Units; Grant proposals; and progress reports by the Facilitating Organizations	0	17,000	35,000	Climate change impacts develop according to projections and climate grant investments will in effect help communities become more resilient for the next 10-20 years.  Investments are properly implemented and sustained after project closure.

### H.1.2. Outcomes, Outputs, Activities and Inputs at Project/Programme level

Expected Result	Indicator	Means of Verification (MoV)	Base line	Target		Assumptions
				Mid-term (if applicable)	Final	
<b>Project/programme outcomes</b>	<b>Outcomes that contribute to Fund-level impacts</b>					
A5.0 Strengthened institutional and regulatory systems for climate-responsive planning and development	Country-led plans and programs that draw on the Program's climate knowledge services, including lessons from climate investments (Number)	Annual reports of Regional Steering Committee; Bi-annual reports of Regional Coordination Unit; and Quarterly reports of National Coordination Units.	0	1.00	3.00	Attribution (both causality and unicity) can be challenging. Robust evidence that CAMP4ASB's growing knowledge base did inform measures and targets in government strategic and policy documents will be required.
A6.0 Increased generation and use of climate information in decision-making	Share of users reporting satisfaction with Climate Knowledge Services provided by the Project (Percentage)	Field and online surveys; interviews; participatory appraisals.	0	30.00	60.00	Climate Knowledge Services are used by a growing share of stakeholders
<b>Project/programme outputs</b>	<b>Outputs that contribute to outcomes</b>					
1. Improved understanding of climate-smart technologies and practices (Sub-component 1.1)	Number of Project-financed climate investments assessed	Bi-annual reports of Regional Coordination Unit and Quarterly reports of National Coordination Units	0	40.00	114.00	Note: Not all of the Program financed climate investments (190 expected in all) can be fully assessed as those financed in later stages of the Project will be only at early implementation
2. Action-oriented climate networks fostered (Sub-component 1.2)	Number of multi-country climate coordination networks supported under Project, enabling intra-governmental, sectoral, NGO, etc. cooperation.	Bi-annual reports of Regional Coordination Unit and Quarterly reports of National Coordination Units	0	2.00	5.00	

3. Climate-smart technologies and practices piloted (Sub-component 2.1)	Number of climate investments financed under the Project	Quarterly reports of National Coordination Units and Facilitating Organizations	0	114.00	190.00	
4. Capacity of climate-investment beneficiaries strengthened (Sub-component 2.2)	Number of beneficiaries of facilitation package	Quarterly reports of National Coordination Units and Facilitating Organizations	0	25,000.00	50,000.00	
<b>Activities</b>	<b>Description</b>		<b>Inputs</b>			<b>Description</b>
Sub-component 1.1	<i>Climate Investment Assessment Mechanism.</i> This activity will support the in-depth evaluation of GCF-financed climate investments in Tajikistan and Uzbekistan under Component 2, based on a common template, to grow the repository of climate-smart lessons and inspire climate action in Central Asia.		US\$0.5 million, in consulting services (e.g., consultant input to evaluation), operating costs (e.g., travel expenses of experts to the sites of the selected climate investments), and non-consulting services (e.g., printing, translation).			
Sub-component 1.2	<i>Outreach and coalition building.</i> This sub-component will foster regional experience sharing (e.g., via a regional annual Climate Knowledge Forum, for engagement of Central Asia stakeholders around the Program's results and its future orientations) and fostering climate knowledge networks.		US\$0.5 million, in consulting services (e.g., development of knowledge products), operating costs (e.g., travel of participants in the Forum, organization of community-to-community experience sharing), non-consulting services (e.g., printing, translation).			
Sub-component 2.1	<i>Investment Financing.</i> This sub-component aims to increase the resilience of rural communities (e.g., village, resource users) in select climate vulnerable areas of Tajikistan and Uzbekistan, via matching grants on a demand-driven basis to promote the adoption of rural production, land management, and other climate-resilient and investments.		US\$20 million (including US\$5 million in Beneficiary Contributions), in goods and minor civil works procured via Community Procurement			
Sub-component 2.2	<i>Capacity building and Community Support.</i> This sub-component includes financing for awareness raising, participatory planning, and		US\$2 million, in consulting services from international and national experienced Facilitating Organizations, for several Facilitation Packages			

	implementation support of climate investment plans at the community level.	(two countries, different areas per country, awareness and participatory appraisals/ grant application and implementation support)	
Sub-component 3.1	<i>Regional Coordination.</i> This sub-component will finance the operating costs of the Regional Coordination Unit (RCU) to be established under the regional host institution (EC-IFAS), responsible for regional coordination and implementation.	no (co-)financing sought from GCF for this sub-component	
Sub-component 3.2	<i>National Coordination.</i> This sub-component will support the operating costs of the National Coordination Units (NCUs), responsible for national investment oversight, in each of the participating countries (Tajikistan and Uzbekistan).	US\$1 million, in consulting services (e.g., climate investment grant management specialists in Tajikistan and Uzbekistan) and operating costs (e.g., site visits for climate investment safeguards oversight, as well as monitoring and evaluation).	

## H.2. Arrangements for Monitoring, Reporting and Evaluation

*Please specify institutional setting and implementation arrangements for monitoring and reporting. Please indicate how you will organize mid-term and final evaluations.*

The program's M&E system will involve EC-IFAS's Regional Coordination Unit (RCU), National Coordination Units (NCUs), facilitating organizations (who provide technical assistance to communities for the design, implementation and monitoring of climate investments) as well as the beneficiaries. The M&E system will highlight the roles of different project stakeholders in collecting, processing, and disseminating program data and results. Data collection and reporting formats for country field-based partners (e.g., the Facilitating Organizations) will aim to capture essential information while being straightforward to implement. Outcome monitoring and project impact assessments will make use of the data collected by field-based partners, as well as specialized data collection and analyses conducted with external technical assistance as needed. At the community level, monitoring should focus on the range of issues relevant to sub-investment sustainability, including environmental, social, and economic. Facilitating organizations will need to actively build community capacities to monitor these aspects and to adapt to changing conditions. For example, the community/beneficiary group as a whole should assemble, at least on a bi-annual basis, to review progress and impacts of all the rural investments, make adjustments in proposed allocations in the community investment plan where necessary, and provide feedback to the facilitators. NCUs will be responsible for collecting and assessing this information, and sharing results and lessons learned with other national and regional stakeholders. The RCU will also ensure these results and lessons are shared among regional program stakeholders at annual climate knowledge forum and in climate knowledge collaborative networks.

A detailed guide for program monitoring and evaluation is being developed as part of the Program's Operational Manual. The document will provide guidance on the roles and responsibilities of program beneficiaries and stakeholders, in collecting, analyzing, and disseminating program data and results, including the process for mid-term and final evaluations.

Mid-term review will take place approximately at the end of Year 3 of implementation, with an aim to conduct jointly with mid-term review of the World-Bank financed first phase of the Program, to maximize learning opportunities and synergies between the grant (GCF-funded) and credit lines (World Bank-funded) mechanisms. For this review, a team of World Bank Specialists, covering climate institutions/environment management, information technology (including climate-related monitoring systems), sustainable land management, general agriculture, market development, water resource management, and social development, safeguards, FM and Procurement, will visit national and regional counterparts to review project's results and plans together with implementation issues that may arise, as well as select sites of climate investments. The Mid-term review will also include a stakeholder workshops (beneficiaries, government agencies, development partners etc.) – which could be held back-to-back with the Forum – to review progress and future orientations for the Program (including discussion of long-term sustainability and resource mobilization). Final evaluation will follow the World Bank's procedures and methodologies (e.g., preparation of an Completion Report – assessing Results, Lessons learned and challenges).

*Please provide methodologies for monitoring and reporting of the key outcomes of the project/programme.*

National Coordination Units (NCUs) will play a central role in ensuring data and information are appropriately and regularly reported, by beneficiaries themselves, and Facilitating Organizations (who provide technical assistance to communities for the design, implementation and monitoring of climate investments). Dedicated Monitoring and Evaluation Specialists will be hired by the NCUs. Number of beneficiaries (including gender disaggregation) as well as number of hectares will be based on direct reporting (e.g., when sub-investment proposals are prepared) and sample checks. Emissions reduced and avoided will be estimated using methodologies and tools already developed and applied by the World Bank and the Climate Investment Funds or similar, such as EX-ACT developed by FAO for carbon balance estimations of forestry/agriculture-related activities. Estimation of climate strategies and programs informed by the Project's activities will be evidence-based (e.g., reference to lessons from climate investments in rationale, in economic analysis/feasibility study, in design of strategy/programs), with NCUs responsible for quarterly reporting and the RCU responsible for biannual reporting on the status of this indicator. Baseline data will be consolidated in the period between World Bank Board Approval (scheduled in early November 2015) and effectiveness of project (envisaged in late April 2016), with support from the Europe and Central Asia Capacity Development Trust Fund, or ECADEVF, which will also finance the preparation of a the Project's Operational Manual.

## I. Supporting Documents for Funding Proposal

- NDA No-objection Letter
- Feasibility Study
- Integrated Financial Model that provides sensitivity analysis of critical elements (xls format)
- Confirmation letter or letter of commitment for co-financing commitment
- Term Sheet
- Environmental and Social Impact Assessment (ESIA) or Environmental and Social Management Plan
- Appraisal Report or Due Diligence Report with recommendations (please see a Project Appraisal Document)
- Evaluation Report of the baseline project (NOT APPLICABLE)
- Map indicating the location of the project/programme
- Timetable of project/programme implementation (please see Section C.8, of the GCF Funding Proposal)
- Project/programme confirmation (NOT AVAILABLE. Given that GCF General Counsel has yet to issue the revised Master Agreement template, the Project Confirmation will have to be drafted in due course).

### Additional Annexes


- Detailed Cost Table
- Documentation of Stakeholder Engagement
- Draft Sections of Operational Manual (covering FM, M&E, and Procurement)

*\* Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*





## No-objection letter issued by the national designated authority Tajikistan

<p>КУМИТАИ ҲИФЗИ МУҲИТИ ЗИСТИ НАЗДИ ҲУКУМАТИ ҶУМҲУРИИ ТОҶИКИСТОН</p> <p>734003, шаҳри Душанбе, кӯчаи Шамси, 5/1 тел./факс: (992 37) 236-40-59, 236-13-53 Веб-сайт: <a href="http://www.hifztabiat.tj">www.hifztabiat.tj</a> Почтаи электронӣ: <a href="mailto:muhit@hifztabiat.tj">muhit@hifztabiat.tj</a></p>		<p>КОМИТЕТ ОХРАНЫ ОКРУЖАЮЩЕЙ СРЕДЫ ПРИ ПРАВИТЕЛЬСТВЕ РЕСПУБЛИКИ ТАДЖИКИСТАН</p> <p>734003, город Душанбе, улица Шамси, 5/1 тел./факс: (992 37) 236-40-59, 236-13-53 Веб-сайт: <a href="http://www.hifztabiat.tj">www.hifztabiat.tj</a> Электронная почта: <a href="mailto:muhit@hifztabiat.tj">muhit@hifztabiat.tj</a></p>
<p>COMMITTEE OF ENVIRONMENTAL PROTECTION UNDER THE GOVERNMENT OF THE REPUBLIC OF TAJIKISTAN</p> <p>5/1 Shamsi str., 734003, Dushanbe city, tel./fax: (992 37) 236-40-59, 236-13-53, web-site: <a href="http://www.hifztabiat.tj">www.hifztabiat.tj</a>, e-mail: <a href="mailto:muhit@hifztabiat.tj">muhit@hifztabiat.tj</a></p>		
<p>№ <u>1/31-03-</u> аз <u>12.7.7.</u> <u>30.07</u> соли 201<u>5</u> Ба № _____ аз « _____ » _____ соли 201<u>5</u></p>		
<p>30.07.2015</p> <p>Ms Hela Cheikhrouhou Executive Director Green Climate Fund Songdo International Business District 175, Art Center-daero Yeonsu-gu, Incheon 406-840 Republic of Korea</p>		
<p>Re: Funding proposal for the GCF by Committee for Environmental Protection of the Republic of Tajikistan regarding Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB)</p>		
<p>Dear Madam, Sir,</p> <p>We refer to the Central Asia Climate Adaptation and Mitigation Program for Aral Sea Basin in Tajikistan, as included in the funding proposal submitted by World Bank to us on July 25, 2015.</p> <p>The undersigned is the duly authorized representative of the Committee for Environmental Protection, the National Designated Authority/focal point of the Republic of Tajikistan.</p> <p>Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the programme as included in the funding proposal.</p> <p>By communicating our no-objection, it is implied that:</p> <p>(a) The government of Tajikistan has no-objection to the programme as included in the funding proposal;</p>		



- (b) The programme as included in the funding proposal is in conformity with Tajikistan's national priorities, strategies and plans;
- (c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

We also confirm that our no-objection applies to all activities to be implemented within the scope of the programme.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,


A handwritten signature in blue ink, appearing to read 'K. Ibodzoda', written over a horizontal line.

Khayrullo Ibodzoda

Chairman



## No-objection letter issued by the national designated authority Uzbekistan

<p>O'ZBEKISTON RESPUBLIKASI VAZIRLAR MAHKAMASI HUZURIDAGI GIDROMETEOROLOGIYA XIZMATI MARKAZI (O'ZGIDROMET)</p> <p>100052, Toshkent shahar, Bodomzor yo'li 1 tor ko'chasi, 72</p> <p>Telefonlar:    +(99871) 234 23 41                   +(99871) 150 86 27                   +(99871) 237 35 11 Telegraf manzili: Toshkent ГИМЕТ Fax:            +(99871) 234 38 45 E-mail:         uzhymet@meteo.uz</p>		<p>REPUBLIC OF UZBEKISTAN CABINET OF MINISTERS THE CENTER OF HYDROMETEOROLOGICAL SERVICE (UZHYDROMET)</p> <p>72 1st Bodomzor yuli st. Tashkent 100052. Republic of Uzbekistan</p> <p>Telephones:    +(99871) 234 23 41                   +(99871) 150 86 27                   +(99871) 237 35 11 Telegraph:     Tashkent GIMET Fax:            +(99871) 234 38 45 E-mail:         uzhymet@meteo.uz</p>
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Ms. Hela Cheikhrouhou  
Executive Director  
Green Climate Fund  
Songdo International Business District  
175, Art Center-daero  
Yeonsu-gu, Incheon 406-840  
Republic of Korea

Re: Funding proposal for the GCF by the Centre of Hydrometeorological Service of the Republic of Uzbekistan regarding Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB)

Dear Madam, Sir,

We refer to the Central Asia Climate Adaptation and Mitigation Program for Aral Sea Basin in Uzbekistan, as included in the funding proposal submitted by World Bank to us on July 27, 2015.

The undersigned is the duly authorized representative of the Centre of Hydrometeorological Service, the National Designated Authority/focal point of the Republic of Uzbekistan.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the programme as included in the funding proposal.

By communicating our no-objection, it is implied that:

- (a) The government of Uzbekistan has no-objection to the programme as included in the funding proposal;
- (b) The programme as included in the funding proposal is in conformity with Uzbekistan's national priorities, strategies and plans;
- (c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

We also confirm that our no-objection applies to all activities to be implemented within the scope of the programme.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,



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Prof. Victor Chub

GCF National Designated Authority

Minister, Director General, Centre of Hydrometeorological Service

## Environmental and social report(s) disclosure

Basic project/programme information	
Project/programme title	GCF support to Climate Adaptation and Mitigation Program for the Aral Sea Basin (CAMP4ASB)
Accredited entity	World Bank
Environmental and social safeguards (ESS) category	Category B
Environmental and social report disclosure information	
Date of disclosure on accredited entity's website	2015-05-11
Language(s) of disclosure	Russian
Link to disclosure	<p>ESMF – Tajikistan (Russian)  <a href="http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EC/A/2016/01/21/090224b0840e8003/2_0/Rendered/PDF/Environmental00ublic0of0Tajikistan.pdf">http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EC/A/2016/01/21/090224b0840e8003/2_0/Rendered/PDF/Environmental00ublic0of0Tajikistan.pdf</a></p> <p>ESMF – Tajikistan (Unofficial English translation of Russian original)  <a href="http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EC/A/2016/05/06/090224b084306550/3_0/Rendered/PDF/Environmental00ublic0of0Tajikistan.pdf">http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EC/A/2016/05/06/090224b084306550/3_0/Rendered/PDF/Environmental00ublic0of0Tajikistan.pdf</a></p> <p>ESMF – Uzbekistan (Russian)  <a href="http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EC/A/2016/01/21/090224b0840e7fa9/2_0/Rendered/PDF/Environmental00ublic0of0Uzbekistan0.pdf">http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EC/A/2016/01/21/090224b0840e7fa9/2_0/Rendered/PDF/Environmental00ublic0of0Uzbekistan0.pdf</a></p> <p>ESMF – Uzbekistan(Unofficial English translation of Russian original)  <a href="http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EC/A/2016/05/06/090224b08430657a/4_0/Rendered/PDF/Environmental00ublic0of0Uzbekistan.pdf">http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/EC/A/2016/05/06/090224b08430657a/4_0/Rendered/PDF/Environmental00ublic0of0Uzbekistan.pdf</a></p>
Other link(s)	http://