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ANNEX 2

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Mozambique for 2022 – Part 2

Action Document for Melhorando a Resiliência Climática em Mozambique+ (MERCIM+)

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, within the meaning of Article 23(2) of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Melhorando a Resiliência Climática em Mozambique+ (MERCIM+) OPSYS: ACT-60962 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	Yes, the Action will contribute to the Green Deal for Mozambique Team Europe Initiative
3. Zone benefiting from the action	The action shall be carried out in Mozambique, with specific focus on Zambezia, Nampula, Sofala and Cabo Delgado provinces for results 2 and 3
4. Programming document	Multi Annual Indicative Programme (MIP) 2021 – 2027 for the Republic of Mozambique
5. Link with relevant MIP(s) objectives / expected results	<u>MIP's specific objective 1</u> : “Protect, restore and enhance Mozambique’s natural capital and ecosystem services as essential drivers of sustainable growth and resilience”. <u>Expected result</u> : “Reduced risks and vulnerabilities of communities to climate change”.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority area 1: Growing Green
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): 13 Climate Action Other significant SDGs (up to 9) and where appropriate, targets: 1 - No poverty; 2 - Zero hunger 5 – Gender equality 10- Reduced inequalities 14 - Life below water 15 - Life on land 16 – Peace, justice and strong Institutions
8 a) DAC code(s)	740 - Disaster Prevention & Preparedness: 30% 15110 - Public Sector Policy and Administrative Management: 30% 15128 - Local government finance: 30% DAC Sector 310: Agriculture, Forestry, Fishing: 10%

8 b) Main Delivery Channel	41000 United Nations Agency, Fund or Commission (UN) 13000 Third Country Government (Delegated co-operation)			
9. Target	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective
Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services		<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Connectivity @ Tags: transport people2people energy digital connectivity		<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Migration @ (methodology for tagging under development)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduction of Inequalities (methodology for marker and tagging under development)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Covid-19		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				

12. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14.020122-C1-INTPA Total estimated cost: EUR 15 850 000 Total amount of EU budget contribution EUR 15 000 000 This action is co-financed by UNCDF for an amount of EUR 850 000
MANAGEMENT AND IMPLEMENTATION	
13. Type of financing	Indirect management with United Nations Capital Development Fund (UNCDF) Indirect management with the entities to be selected in accordance with the criteria set out in section 4.4

1.2 Summary of the Action

Mozambique is a petri dish of climate change. It is a large, growing, resource- and biodiversity-rich country where magnitude and impact of climate shocks have become so enormous over last few decades to make any further hesitations or delay of decisive interventions untenable. The increasingly frequent and devastating cyclones, the longer and more extensive droughts, recurrent floods and erratic rain patterns are marring Mozambique's development potential and raise every year the obstacle that most of the population - especially vulnerable groups - have to overcome in their strive out of poverty.

As the first of a multi-annual set of interventions intended to contribute to tackle these challenges, gearing the new cycle of EU support towards Green Deal principles and commitments, this Action will deliver on the EU's commitment to step up international action for climate resilience¹. It will do so by addressing selected bottlenecks hampering Mozambique's capacity to adapt efficiently to climate change, and supporting the expansion of concrete adaptation interventions on the ground.

First, on the institutional front, capacities would receive a boost on two main strategic functions: strengthening inter-ministerial coordination structures and processes (for a genuine whole-of-economy approach to climate change) and - most importantly - building state of the art Measuring, Reporting and Verification (MRV) capacities. The latter are essential to ground policies and interventions on solid data and - critically - to provide the country with the necessary tools to engage in the global climate architecture and access dedicated, badly-needed financial resources.

Secondly, the action intends to expand and reinforce the EU flagship MERCIM² intervention, contributing to the implementation of Local Adaptation Plans (LAPs) through the financing of climate resilient socio-economic infrastructures in selected districts, strengthening resilience of communities through a participatory model which develops in parallel local authorities' knowledge and capacities.

Finally, the Programme would engage local communities and civil society, including women and women's organisations, organisations of persons with disabilities, and others in inclusive emergency response and coping strategies, while supporting the dissemination and enactment of sustainable and climate-resilient solutions aimed at reinforcing their livelihoods.

The programme contributes directly to SDG 13 (climate action) and is delivering on SDG 1 (no poverty), 2 (zero hunger), SD5 (gender equality) 14 (life below water) and 15 (life on land).

This Action is embedded within the framework of the Team Europe Initiative "Green Deal for Mozambique" (GDxM) and its "engage-protect-grow" integrated approach and will contribute directly to strategic objectives 1³ and 2⁴ of the TEI Joint Intervention Logic.

Within the TEI framework, it will build on EU Member States-funded successful interventions and also provide a strong example of complementarity, as several MS (such as Sweden and Belgium) are supporting the implementation Local Adaptation Plans (LAPs) with very similar methodologies in other areas of the country.

¹ EU Adaptation Strategy adopted, February 2021.

² Melhorando a Resiliência Climática em Moçambique (MERCIM) – Financing Agreement N°MZ/DCI-ENV/040-491: GCCA+ Building Local Climate Resilience in Mozambique.

³ TEI GDxM JIL S.O.1: Protecting, restoring and enhancing natural capital.

⁴ TEI GDxM JIL S.O.2: Increasing access to socio-economic opportunities for people benefitting from resilient, low-carbon and sustainable infrastructure.

2 RATIONALE

2.1 Context

Mozambique remains one of the bottom ten countries in the world in terms of human development⁵, suffering increasing inequality⁶, including significant gender differences⁷, and substantial disparities between north and south (with high levels of poverty concentrated in the former) and between urban and rural areas, as well as conflict affected areas in the North. Poverty affects close to half of the population (48.4%) that live - mainly in rural areas - below the 1.9 USD per day poverty line. While progress has been made in recent years⁸, due to growth in the economy's emerging sectors (such as services and extractive), evidence shows that the distribution of income is increasingly unequal, undermining the benefits of any (fragile) economic growth.

Mozambique is also one of the most risk-prone countries to weather-related hazards and to the impact of climate change in the world⁹, experiencing with increasing regularity floods, droughts and cyclones and severely suffering from coastal erosion, rising water levels and soil salinization. Historical climate analysis¹⁰ for the country shows temperatures already increasing and growing rainfall variability. With its fragile socioeconomic conditions and high levels of poverty and underdevelopment, sensitivity to the effects of climatic extremes is further intensified, particularly for women, for whom agriculture is the main activity in the communities, and for all those whose livelihoods depend on the ecosystem¹¹.

Mozambique's **vulnerability** results from multiple factors: i) physical location along the coast of the Indian ocean, where dozens of cyclones are formed each year, and downstream of nine international river basins; ii) high dependency on climate sensitive productive sectors (e.g. subsistence agriculture, livestock, and fisheries¹²); iii) interlinkages with high levels of poverty, in a context of limited Government's response capacities, challenges as regards the rule of law and vulnerable socio-economic and food systems; iv) overlapping between climate change risks and conflict dynamics in certain region of the country; v) environmental degradation due to extractive industries and other types of natural resources exploitation.

Cyclones, flooding and droughts affect about 2 million¹³ people every year, with an impact on the economy estimated by the World Bank at USD 7.6 billion dollars by 2050. In 2019, two powerful cyclones (Idai and Kenneth) submerged about 80% of the Country's second major city (Beira), flagging Mozambique's urgent need for vigorous climate change adaptation measures, and triggered additional funding and interventions on climate change by multiple partners, including the European Union¹⁴.

This vulnerability is exacerbated by increasing **ecosystem and natural capital degradation**. Reports by the *Ministério da Terra, do Ambiente e do Desenvolvimento Rural* (MITADER¹⁵) in 2018, highlighted that between 2003 and 2016 Mozambique lost, on average, 267,029 ha/year (0.79%) of forest cover¹⁶. If current trends prevail, this is expected to increase to about 514,000 ha/year by 2030. As the majority of the population (60%) and major cities are located along the coast, coastal resources and ecosystem are likely to suffer the most. Reports¹⁷ show that mangrove forest has dropped from nearly 400,000 ha in 1990 to nearly half of it (between 225-288,000ha) in 2016. Over the past 3 years Mozambique lost further 43 ha/year, with 89% of such mangrove deforestation occurring in 3 provinces: Sofala, Cabo Delgado and Zambézia.

Cabo Delgado and Nampula in the north and Sofala and Zambezia in the central part are the most populous provinces and among the poorest. In addition, since 2017 a brutal and growing insurgency, leading to large numbers of IDPs and considerable loss of lives and property, is evolving in the northern province of Cabo Delgado. Their **climatic**

⁵ Ranked 181 (out of 189) in the 2020 Human Development Index.

⁶ Gini-coefficient rose to 0.54 (2014/15) from 0.47 (2008/9), placing Mozambique among the most unequal countries in Sub-Saharan Africa.

⁷ Human Development Index is 0.39 for women compared to 0.44 for men.

⁸ Reduction in poverty rate between 2008/9 and 2014/15 period of over 10 percent, from 58.7 percent to 48.4, respectively.

⁹ The 2017 Global Climate Risk Index ranked Mozambique as the country most affected by climate change in 2015

¹⁰ Food security and livelihoods under a changing climate in Mozambique, WFP, March 2021.

¹¹ https://www.boell.de/sites/default/files/assets/boell.de/images/download_de/ecology/Mozambique.pdf

¹² The agriculture sector accounts for ca. a quarter of GDP and generate income of over 70% of the population.

¹³ Total population 27 909 798 (2017 Census, Instituto Nacional de Estatística (INE)).

¹⁴ This includes for example the European Union, EUR 5 million MERCIM program for the period 2019-2023.

¹⁵ Predecessor of the current Ministério da Terra e Ambiente (MTA).

¹⁶ Deforestation and degradations are due mainly to small scale farming (65%), urbanization (12%) extraction of wood products such as timber and construction material (8%), wood fuels (7%), commercial farming (4%) cattle rearing (3%) and mining (1%).

¹⁷ Macamo (2021) and FNDS (2021).

projections indicate marked temperatures increase, more frequent and intense dry spells as well as exacerbated risks of floods and cyclones. The densely populated coastal lowlands will suffer by growing erosion, saltwater intrusion, loss of vital infrastructure and the spread of diseases such as malaria, cholera, and influenza. Changing rainfall patterns will lead to a decrease of soil water recharge, affecting ground water resources and the water table, while reduction of river flows will decrease the availability of surface water.

Climate change has disproportionate effects on **women and girls**, since they are more dependent on natural resources for household and productive tasks. Women are usually responsible for crop production (men are in charge of livestock) and availability of food and water for the household. Women's rights and control over natural resources are limited and they are often underrepresented in decision-making bodies, particularly women from more marginalised groups, such as women with disabilities. Women's burdens are aggravated when men migrate to urban areas or abroad (common coping strategy to climate-related hazards)¹⁸. In many areas, over 50% of households are female-headed. Climate change has also had a direct and indirect impact on the effective enjoyment of a wide range of human rights for everyone, including persons with disabilities.

Mozambique has been a party to the UNFCCC since 1995 and has committed to reducing its carbon emissions. The country has also ratified the Hyogo Framework for Action (2005-2015) encouraging the adoption and implementation of disaster risk reduction legislation, as well as the Kyoto Protocol in 2005 and the Paris Agreement in November 2017. In addition, the country has also developed an integrated national climate change institutional framework, built upon several key legislative acts and development policies. The Ministry of Land and Environment (MTA) is responsible for climate change management and is the focal point for the UNFCCC. The main internal programmatic instrument is the National Climate Change Adaptation and Mitigation Strategy 2013-2025 (ENAMMC). An updated Nationally Determined Contribution¹⁹ (NDC), closely aligned to the ENAMMC, was submitted to UNFCCC secretariat prior to COP26. Meanwhile, at the local level, MTA has been leading the elaboration of Local Adaptation Plans (LAPs) in close cooperation with districts and municipalities, so that in 2022, 122 districts and municipalities have a LAP. Regarding **Disaster Risk Management** the National Institute for Disaster Risk Management and Reduction (INGD) has the coordinating mandate which is built on the National Disaster Risk Reduction Master Plan 2017-2030 (PDRRD). Its integration with the climate change strategy is still work in progress, as it is the case for the overall inter-institutional systemic coordination.

Recognising the more severe impact that climate change has on women, Mozambique was the first country in the world to develop a Gender, Environment and Climate Change Strategy and Action Plan in 2010. The commitment to gender mainstreaming has been referenced in key policy documents in the sector since then, including the Climate Change and Gender Action Plan for the Republic of Mozambique²⁰.

In terms of resources, even though climate change is integrated in the Government of Mozambique five-year plan 2020-2024, actions on climate resilience remain heavily dependent on external financing. In the absence of clear tagging of dedicated public expenditure within the State Budget, it is yet not possible to assess the level of spending contributing to the national climate change agenda, both in terms of mitigation and adaptation, by key sectors.

Mozambique joined the **NDC Partnership** in 2017 and launched its Partnership Plan in November 2018. This outlines climate change priorities of 21 Government institutions and has support from 18 development partners. Mozambique is working on transformational changes, including developing large-scale climate-resilience and adaptation investments, renewable energy projects, and a comprehensive MRV system, as well as gender mainstreaming of its Climate change action.

Over the last ten years, the **EU and its Member States** (including Belgium, Sweden, France, Germany, Italy and Denmark) have provided significant support to Climate Action in Mozambique. Within the EU Green Deal TEI, ongoing and expected investment over the 2020-2027 period is projected to reach 1 billion EUR (for adaptation and mitigation).

More specifically on Local Adaptation Plans, the EU²¹, Sweden and Belgium have financed implementation in 17 districts over the past 4 years: Belgium and Sweden were active in Inhambane and Gaza and the EU in Nampula and Zambezia. All partners will keep expanding their support to LAPs' implementation in their new programming cycle, maintaining the same geographical division of labour.

¹⁸ Arnall, A.H. (2006): Understanding Adaptive Capacity at the Local Level in Mozambique. ACCRA. http://community.eldis.org/.5af30949/Mozambique_Synthesis_Report_3_WEB.pdf

¹⁹ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Mozambique%20First/NDC_EN_Final.pdf.

²⁰ https://genderclimatetracker.org/sites/default/files/Resources/2014_IUCN_Climate-Change-Gender-Action-Plan-Mozambique.pdf

²¹ Through the GCCA+ Building Local Climate Resilience in Mozambique (MERCIM) – ENV/2017/040-491

Other important donors are the US, the UK and the World Bank. Several UN agencies (WFP, UNICEF, FAO, UNDP, and UNCDF) and international NGOs (Care, Save The Children, Concern, and Oxfam) have been implementing programmes on climate resilience.

2.2 Problem Analysis

Changing climatic conditions may act as “threat multiplier,” interacting with existing conflict drivers such as political and economic instability, inequality, poverty, weak governance, human right abuses, and historical grievances that exacerbate existing conflicts or trigger new ones²².

Weak institutional and technical means for effective climate action

Acknowledging the country’s extreme exposure to climate risks, which puts at risk laboured development gains, the governments of Mozambique adopted a comprehensive climate change policy over the last decade. At international level, the Country is fully committed to the climate regime as identified in the UNFCCC, the Kyoto Protocol and the Paris Agreement. To this aim, the new NDC established domestic greenhouse gases (GHG) emissions mitigation efforts and adaptation actions, and identified the financial needs to effectively operationalize its national climate action agenda.

Absence of adequate tools for monitoring and reporting the implementation of climate change policy

In 2015, the Government approved the National System for Monitoring and Evaluating of Climate Change (SNMAMC). Despite improvements in its reporting and monitoring capacity on GHG emission, SNMAMC’s implementation was undermined by inadequate institutional arrangements, lack of technical capacity and insufficient financial resources. In addition, under the provisions of the Enhanced Transparency Framework (ETF) of the Paris Agreement²³, signatory countries are to provide on a regular basis information on their greenhouse gases inventories and the implementation of their NDCs. Meeting these provisions (setting-up of a **measuring, reporting and verification (MRV) system**) will require substantial improvements to the current system. In 2021, the institutional arrangements required to set up a robust tracking system (MRV) on climate action were outlined in the *Road Map for the MRV system implementation*. However, there are still many weaknesses hampering proper operationalization: 1) insufficient coordination among ministries 2) little information sharing and collection, especially between different territorial levels of public administration; 3) lack of consistent procedures and regulations to operationalize the information sharing mechanisms. The quality of the national MRV system is essential to enhance the reputation and accuracy of national data (including sex-disaggregated data) and instrumental to access climate finance.

Mozambique has been facing significant challenges in mobilizing and accessing climate finance

Despite progress achieved on climate action planning, Mozambique’s access to climate finances is insufficient against the tremendous needs. Current climate finance mobilization covers 17% of the financing needs of the country’s NDC and resources mobilized during the period 2010-2019 averaged around USD 320 million per year. From 2019 to date, International Climate Funds²⁴ approved a mere 64 million USD for activities in Mozambique: financing needs for the implementation of the updated NDC (2020-2025) are estimated at 7.5 billion USD.

Article 6 financial mechanism of the Paris Agreement, which focuses on carbon markets, will be an important way to mobilize additional financing for the implementation of Mozambique’s NDC. International cooperation through carbon markets can bring additional public and private finance and catalyse emissions reductions in countries hosting the mitigation activity. Mozambique needs support to negotiate appropriate rules for the financial mechanisms described by Article 6 so that they reflect its specific needs.

Insufficient multi-sectorial planning, budgeting and coordination of climate change

Addressing the impacts and building resilience to Climate Change requires a multi-sectoral and integrated approach, both at central and decentralized level. While Climate Change considerations have been mainstreamed through

²² United Nations General Assembly (UNGA), Report of the Secretary General, *Climate change and its possible security implications*, 64th session, UN Doc A/64/350 (11 September 2009).

²³ As defined in the Decision 18/CMA.1, under the provisions of the **Enhanced Transparency Framework (ETF)** established by the Paris Agreement, parties are required to provide regular information through a Biennial Transparency Report (BTR) on, inter alia, their national GHG inventories and information necessary to track progress in implementing and achieving NDCs.

²⁴ Green Climate Fund (GCF), Global Environment Facility (GEF), Adaptation Fund (AF), Climate Investment Funds (CIF), Special Climate Change Fund (SCCF), Least Developed Country Fund (LDCF), Climate Technology Centre and Network (CTCN), NAMA Facility.

several key policy documents over the past decade²⁵, specific actions were not adequately planned and budgeted by key sectoral ministries.

Progress in local adaptation planning but limited implementation

Responses to climate change are most effective when designed in a participatory and inclusive manner, in accordance with locally prioritized needs. In this perspective, local governments are best placed to promote and implement adaptation actions. Acknowledging this, the Government has been leading the elaboration of Local Adaptation Plans (LAP) in close cooperation with districts and municipalities. To date 121 districts have a LAP (out of 153). However, in the absence of adequate financial resources at district level, only 28 were implemented so far. In the provinces of Cabo Delgado and Sofala none of the - respectively - 8 and 12 approved LAPs are being implemented. In Nampula and Zambezia, only 6 (out of 15) and 4 (out of 15) of the approved LAPS are being implemented²⁶.

Depletion of natural resource base exacerbates vulnerability to climate change

Natural capital provides crucial eco-system services (water cycle, food production, construction material, biomass fuel) that are vital to rural livelihoods and to climate change mitigation; it also offers carbon sinks and protection of coastal areas and soil protection functions (e.g. forests, mangrove) as well as protection to physical infrastructure and landscapes by reducing the impact of weather related shocks. Mozambique has been facing the constant depletion of its natural resources over the last decades, mainly driven by demographic pressure, unsustainable practices and high levels of poverty. The current exploitation model of the natural resource base generates a vicious circle, with people living in most vulnerable situations becoming more exposed to climate change risks and further dragged into destitution. Against this backdrop and as recently stressed²⁷ by the latest IPCC report²⁸, ecosystem (nature) based solutions need to be fully integrated in disaster risk reduction and climate change adaptation interventions.

Main stakeholders

The **Ministry of Land and Environment (MTA)** is the focal point for the UNFCCC in Mozambique and is responsible to coordinate and implement policies and programmes on climate change. MTA is also in charge of policy development and implementation in the areas of environment, forests, territorial planning, protected areas and land management.

The **National Institute for Disaster Management (INGD)** under the Ministry of State Administration and Civil Service (MAEFP) coordinates work on disaster risk planning and management and carries out some implementation tasks. Under INGD, more than 1,500 local committees for disaster risk reduction and management (CLGRD) have been created at provincial and district levels, and special units for rescue and emergency response were established.

Both MTA and INGD have mandates on coordination on climate change. MTA is concentrating on climate change adaptation and mitigation efforts, while INGD coordinates disaster risk management and - increasingly - climate resilience.

The **Ministry of Economy and Finance (MEF)** has the responsibility for national development planning, overall budget coordination and prioritization of expenditure. The National Meteorological Institute (INAM) under the Ministry of Transport and Communications (MTC) oversees meteorological services and the National Directorate of Water (DNGRH) under the Ministry of Public Works, Housing and Water Resources (MOPHRH) is responsible for water resources management. Both DNGRH and INAM have the responsibility for collecting and disseminating information derived from hydro-meteorological monitoring networks. The Ministry of Agriculture and Rural Development (MADER) and the Ministry of Inland waters and Fishery (MIMAIPS) also have responsibilities regarding adaptation on agriculture production and food security.

At **district level**, the District Community Councils meet twice a year to advise the district government on support to projects and other issues. Within the district administration, the department of planning and infrastructures (SDPI) is the one dealing with issues of climate change in addition to its mandate for disaster risk/relief activities as well as for all public works.

²⁵ National Adaptation and Mitigation Climate Change Strategy (NAMMC), Green Economy Action Plan, Disaster Risk Reduction Master Plan, National Climate Change Monitoring and Evaluation Framework (SNMAMC), Intended Nationally Determined Contribution (INDC, 2015), National Development Strategy, REDD+ Strategy, Strategy for Basic Social Action, National Determined Contribution (NDC, 2018)

²⁶ In these provinces live around 50% of the national population (Cabo Delgado 2.3 million, Nampula 5.7, Zambezia 5.1 and Sofala 2.3).

²⁷ "Safeguarding biodiversity and ecosystems is fundamental to climate resilient development, in light of the threat's climate change poses to them and their roles in adaptation and mitigation. Comprehensive, effective, and innovative responses can harness synergies and reduce trade-offs between adaptation and mitigation to advance sustainable development".

²⁸ IPCC, AR6 (2022).

Next to the benefit for the whole Mozambican society, the **main beneficiaries** of the Action are the communities of the targeted districts in the 4 provinces. Their active involvement in the definition of the LAPs and the prioritization of the main climate resilient socio-economic infrastructures are crucial for the achievement of the programme's outcome as well as its sustainability. Communities will be at the centre of the consultation processes at district level, both during the possible update exercise of the Plans (if necessary) and during the prioritization exercise of investments. Women and youth, including people with disabilities, will be especially empowered to be active members/actors of change within their communities, while ensuring that all members of community and in particular the groups in more disadvantaged situations (usually the most affected by climate change) are benefitting from this action.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective (Impact)** of this Action is to improve climate resilience in Mozambique.

The **Specific Objective (Outcome)** of this action is to support the Government (central, provincial and local) of Mozambique in implementing climate change strategies and actions for the benefit of all, women and men in all their diversity.

The **Outputs** to be delivered by this action contributing to the corresponding Specific Objective (Outcome) are:

1. A National Strengthened Transparency Framework is established.
2. Capacities and facilities of local entities (municipalities, districts and communities) for inclusive climate change adaptation and risk reduction are strengthened
3. Communities' preparedness, response and adaptive capacities to weather related hazards are strengthened to ensure women and men, in all their diversity, participate in climate change solutions.

3.2 Indicative Activities

Output 1: A National Strengthened Transparency Framework is established

The main activities are related to the establishment of a National Strengthened Transparency Framework (ETF) as foreseen in the updated NDC, improving effectiveness of climate change coordination and increase access to climate finance.

1.1. Establishment of a National Measurement, Reporting and Verification (MRV) system for mitigation, adaptation and climate finance:

- Enhance knowledge at all levels on international requirements, rules and models of MRV systems;
- Strengthen existing system and procedures to prepare and submit annual GHG inventories and periodical information to the Paris Agreement (national communication, biennial transparency reports, updated NDC);
- Identify MRV indicators (including gender-sensitive) to monitor and keep track of NDC implementation;
- Update guidelines for the elaboration of Local Adaptation Plans (LAPs), including linkages to NDC 2020-2025 implementation and MRV system;
- Support the preparation of climate reporting documentation, including biennial transparency reports, REDD+ documents and Article 6 information to including all key stakeholders supporting climate action.

1.2. Strengthening MTA's capacity in mainstreaming and coordinating climate change action:

- Develop MTA and MEF capacities for climate change mainstreaming into planning, budgeting and reporting;
- Develop capacities for inter-sectoral coordination of climate change focal points and departments in charge of planning and budgeting in line Ministries;
- Support MTA in its communication and public awareness activities related to climate change adaptation and disaster risk reduction;
- Support the institutionalisation of the Inter-institutional Group for Climate Change (GIIMC).

1.3. Access to climate finance increased by strengthening MTA and MEF roles and capacities:

- Enhance knowledge of climate finance and opportunities both at the public and private level;
- Improve MTA and MEF technical capacity to access climate finance;
- Review and adjust national framework (policy and legislative) to generate further climate financing.

Output 2: Capacities and facilities of local entities (municipalities, districts and communities) for inclusive climate change adaptation and risk reduction are strengthened

The main activities are related to the support of local entities (municipalities, districts and communities) to be better able to respond to climate change adaptation needs and to the provision of decentralised finance to build climate resilient, socio-economic infrastructures in targeted districts.

1. Local entities (municipal, district and communities) are better able to respond to communities climate change adaptation needs:
 - Build technical capacity of provinces and district services to plan, budget and implement climate adaptation investments;
 - Support LAPs mainstreaming exercises into the local annual planning and budgeting (PESOD);
 - Align provincial and district level monitoring and reporting systems with national MRV system, supporting the collection and analysis of sex-disaggregated data and gender-sensitive indicators.
2. Provision of decentralised finance to build climate resilient, socio-economic infrastructures in targeted districts:
 - Establish an Effective Performance-based Climate Resilient Grant system (finance mechanism);
 - Develop inclusive, (gender) responsive, effective and accountable Climate Change planning & budgeting processes at district level;
 - Establish Monitoring and Evaluation system and document lessons learned to inform policies and integrate Climate Change in all steps of PFM processes & improvements;
 - Complete roll-out plans and provide capacity building to new districts/provinces covered by the action.

Outputs 3: Communities' preparedness, response and adaptive capacities to weather related hazards are strengthened to ensure women and men, in all their diversity, participate in climate change solutions.

The main activities are related to establishing and improving emergency response and coping strategies at community level and to invest in income generation solutions based on the sustainable management of natural resources and preservation of ecosystems and their biodiversity.

- Equip and train Local Committees for Risk Reduction and Management (CLGRC) and for gender-responsive Community Based Natural Resource Management (CBNRM);
- Early warning systems developed and tested²⁹;
- Conduct environment sensitization campaigns at community and provincial level;
- Implement income generating activities based on Nature-Based solutions, benefiting women and men in all their diversity;
- Further disseminate climate-smart and conservation agriculture techniques;
- Support people in the most vulnerable situations affected by climate disasters to restore their asset base;
- Provide access to climate information and knowledge to small-holder farmers, both women and men.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection and Climate Change

MERCIM + is a climate change specific programme essentially targeted towards increasing adaptive capacity, disaster preparedness and resilience of the population in targeted districts.

Under output 1, in line with the national commitments stated in the updated NDC, the establishment of MRV system will help measuring the contribution to climate change adaptation and mitigation of key sectors of the economy and overall public policy. The updated NDC is aligned with sector policies and foresees to support climate smart practices in both adaptation and mitigation aspects. An efficient MRV system shall enable to track of investments and practices in agriculture, forestry and biodiversity (including fisheries) contributing to climate change adaptation and mitigation efforts.

At district level (output 2), climate adaptation will be mainstreamed through the integration of the Local Adaptation Plans (LAPs) into local territorial planning and budgeting processes. All prioritized climate-proof/resilient

²⁹ Establish synergies with JRC climate change data and tools as well as EU Copernicus Earth Observation Programme Copernicus.

infrastructure to be financed through the action will be subject to an Environment Impact Assessment as per (decree 54/2015³⁰) and will abide by national (or international) accessibility standards. Capacity building activities of the provincial and local administration will include the dissemination of the regulation and training in implementing key provisions of the decree.

Some activities under output 3 aimed at increasing the communities' adaptive capacity shall diminish the pressure on degraded natural resources and preserve ecosystems/biodiversity, reducing the risks of desertification in semi-arid areas, through for example the forest regeneration, mangrove rehabilitation, anti-erosion barrier, nature-based solutions livelihoods opportunities (agroforestry systems, coco trees, mangrove honey, integrated pest management, etc..)

Outcomes of the EIA (Environmental Impact Assessment) screening

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

The Action will contribute to the implementation of the Gender Action Plan III, being aligned with its thematic objective of supporting women in all their diversity to influence decision-making processes on environmental conservation and climate change policies and actions.

Women tend to be more adversely impacted by disasters. Climate change adaptation interventions tend to be led by men and often target men given their frequent head of the households' status. In 2010 the Government of Mozambique approved the Gender, Environment and Climate Change Strategy with the main goal to ensure that there is gender equality in the process of formulation, implementation, monitoring and evaluating of adaptation and mitigation interventions. This Action will ensure a gender sensitive approach, in line with the LAPs methodology, which also prioritizes wider vulnerability issues in its preliminary assessments. Current implementation of MERCIM shows that LAPs' methodology is delivering solid and sustainable results in the effective inclusion of women in decision-making processes. 60-70% of investments selected and implemented originated from women groups' proposals.

The decentralized, participatory approach of MERCIM+ strengthens feelings of inclusiveness and ownership. Through participatory activities, local consultative councils, community representatives – women, men and youth, including those in the most vulnerable situations, such as women and girls with disabilities – identify, prioritize and select the climate-adaptive investments that best respond to their needs.

The MRV will have gender disaggregated indicators and all interventions will be accessed looking at the differentiated impacts and benefits among men and women. Women and girls will be particularly targeted to ensure equity and reduce the gap. Livelihood interventions will access the differentiated needs and capacity of men and women before the start and ensure that a gender-sensitive implementation strategy is in place.

Human Rights

In all districts covered, the Action will integrate all 5 principles of the human rights-based approach: i) transparency, ii) accountability, iii) respect to all human rights, iv) participation and v) non-discrimination.

The Human Rights-based Approach (HRBA) to local development embedded in the initiative shall analyse and facilitate discussions among local governments, local development actors and communities over existing socio-economic inequalities which may jeopardize resilient development progress. The HRBA to local development is embedded in existing national policies and locally led development strategies through a strong participatory approach in the elaboration and prioritization of resilient development interventions within the Local Adaptation Plans and the District Development Plans.

Mozambique has also had experiences of Free, Prior and Informed Consent (FPIC) processes, for communities affected by natural resource exploitation, including communities that may be considered indigenous peoples under UN/ILO international standards. This is also linked to the role of CSOs on general accountability and on cross-cutting issues such as rights-based approaches, and due diligence in natural resources issues, including extractive industries.

³⁰ Integrates climate change and biodiversity off-sets provisions.

Disability

Persons with disabilities in Mozambique are among the most left behind groups. In crisis settings, persons with disabilities, particularly young women and girls, face enormous barriers to access services and humanitarian assistance and face discrimination and stigmatization, which expose them to risks of physical, sexual and emotional violence and abuse. Within the Action, interventions under component 2 and 3 will pay particular attention to the specific needs of disabled persons within the benefitting communities as well as their effective representation within the participatory processes.

Democracy

Mozambique has embarked in the decentralization process which led to the election, in 2019, and for the first time in history, of the provincial governors and assemblies. It is expected that by 2024 district level authorities will also have to be elected. MERCIM has already started decentralized planning, budgeting, funding, monitoring and verification methodology which has been, generally, well accepted and should be continued. The new program will be run within the time frame of the district decentralization and will be a good opportunity to keep promoting good governance practices, already being tested by MERCIM, such as participatory planning, open procurements and tendering, performance-based financing, and competence and evidence-based district administration.

Local governance issues are simultaneously being addressed while seeking to build climate resilience through financial support and capacity building at the district level. The performance-based approach provides the incentives to gradually improve local administrations' governance performance.

Conflict sensitivity, peace and resilience

The Action has the potential to strengthen different resilience dimensions, at societal, institutional, community, economic and with regard to conflict prevention. It will be mindful of the humanitarian-development-peace nexus, especially in areas with specific humanitarian needs and in relation to displaced population and host communities. The fundamental variables associated to the human rights-based approach (see above) will be addressed to resolve existing-potential conflicts between different stakeholders in the local development process. Community-based mechanisms proven to be effective in a range of sectors in Mozambique – from wildlife conservation to prevention of natural hazards and crises – and could be a significant resource for the conflict sensitivity and peacebuilding.

A conflict-sensitive approach to climate change and natural resources management is essential in Mozambique, not least in conflict-affected areas such as Cabo Delgado.

Disaster Risk Reduction (DRR)

Mainstreaming of climate change and disaster risk management in strategic planning, budgeting and implementation will be key activities of the Action, both at central, provincial and district level.

Moreover, specific shock-sensitive solutions, such as crisis modifiers, shall be defined under the implementation contracts of component 3, wherever considered feasible and suitable. This will enable early action and rapid response to new humanitarian needs that could occur in the project areas during the implementation phase.

Other considerations if relevant

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Security	Expansion of Cabo Delgado conflict	M	H	LAPs implementation activities could still proceed at municipal level (Pemba). Districts of the coastal areas of Sofala, Nampula and Zambézia are considered secure. In Cabo Delgado, the southern coastal districts are being pre-identified. In the event of worsening trends, some activities could

				be relocated to other districts. Conflict sensitivity of all activities will be assessed.
Increased exposure to weather related shock	Further extreme weather events lead to more people in need of support and the erosion of adaptation gains	H	H	The program will support activities aiming at increasing preparedness and adaptive response as well as coping strategies (use of weather forecast tools and financial support mechanisms as well as a crisis modifier).
Institutional	Overlap of interventions leads to detrimental competition among implementers and ineffective outcomes	M	M	Criteria for districts' selection shall consider the number of interventions and implementing partners present in the district and posing potential risk for overlapping. Effective coordination mechanisms at provincial and district level need to be set-up to ensure the alignment of activities.
Institutional	Institutional arrangements are not operational and tensions between institutions arise	L	H	There is already a very strong buy-in by provincial authorities in the provinces of Zambezia and Nampula, given the good results achieved to date under the MERCIM programme. Provinces of Sofala and Cabo Delgado have been consulted during the formulation process and MoU between UNCDF, central, provincial and local administrations at the beginning of implementations should offer considerable guarantees for risk mitigation. High-level decision makers should also be well informed on their responsibilities and the implementation set-up.

Lessons Learnt:

Many relevant lessons learnt refer to Components 1 and 2 and come from MERCIM Mid-term review (January 2022), MERCIM ROM (April 2022), PRO-Act ROM (March 2022) and MTA's good practices in LAPs implementation (2021).

The reports highlight that:

- The **MERCIM model** is acknowledged as an effective and appropriate mechanism to use national systems for channelling decentralized climate finance to local governments.
- The model is replicable in its current form and can be up-scaled without major modification.
- Local government's capacity to prioritise, plan, budget, execute and monitor the resilient investment projects increased thanks to the engagement in the programme.
- The use of the performance-based capital grants promotes competition between participating local governments, which improves their capacity to deliver quality services in a transparent and participatory manner and guarantees greater citizen inclusion in decision making.
- Civil society organisations' involvement in MERCIM has broadened the impact of the project and increased community ownership of the capital investments.
- The gender-positive, decentralised, participatory approach used by MERCIM strengthens the sense of community ownership of the projects, thereby contributing to success and sustainability and increases community voice in local level decision making processes.

- g) Government-led programmes are more sustainable in the long-term, although slower to make impact in the early stages. However, capacity is built at all levels and vertical, horizontal and inter-sectoral communication and coordination are improved.
- h) Institutional set-up (MTA/MEF/provincial infrastructure services) and implementation modalities of MERCIM have ensured ownership, eased communication channels and ensured appropriate ownership of the program.

At the same time, the review of MERCIM also recommended efforts to ensure better inter-sectoral coordination at decentralized level to the benefit of a swifter operationalization of the infrastructure and access to the services they provide.

In addition, it was highlighted that adjustments in the MoU between MEF, UNCDF and MTA will be needed to overcome administrative and procedural challenges, streamline some of the financial monitoring and avoid unnecessary delays in the expected disbursements.

3.5 The Intervention Logic

Enhancing Mozambique's resilience against the increasing adverse impact of climate change requires an effective implementation of its NDC (impact). The latter depends on: a) the effective mainstreaming of climate actions in national and subnational planning and budgeting processes; b) increased access to climate finance to fund the climate agenda capacity for the implementation of the planned actions at national and subnational levels; c) efficient implementation of climate adaptation interventions where they are most needed.

The **underlying intervention logic for this action** is that:

If (i) a National Measuring, Reporting and Verification (MRV) system for mitigation, adaptation and climate finance is established, (ii) MTA's capacity in mainstreaming and coordinating climate change action is strengthened and (iii) MTA's and MEF's roles are better defined and their capacities developed to gain better access to climate finance,

and if, (i) technical support is provided to local entities (provinces, municipalities, districts) to inclusively plan, budget, implement and report on climate change adaptation interventions and (ii) decentralised finance is channelled through the national system to the targeted districts to build climate resilient, socio-economic infrastructures,

and if, (i) Early Warning System and anticipatory actions are developed and integrated in to local disaster response mechanisms, (ii) population – women and men, in all their diversity – gains access to climate knowledge and information, (iii) depletion of natural capital is avoided by developing with communities inclusive income generation activities adopting nature-based solutions,

And assuming that

- Both MTA and MEF assume responsibility for ensuring coordination efforts and full appropriation of provided support,
- Synergies and complementarities with other EU interventions are maximized,
- Coordination by local authorities is ensured,
- Conflict sensitivity approach is followed, as well as a human rights based approach and gender mainstreaming,
- provincial and district services prioritize climate adaptation in their agenda and facilitate coordination among key stakeholders at community level,

Then

The implementation and monitoring of climate change and disaster risk reduction strategies at central, provincial and local level in Mozambique will improve. **And**

Progress will be achieved towards a more climate resilient development path.

3.6 Logical Framework Matrix

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To improve climate resilience in Mozambique	1.Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population	1. Baseline to be established in year 1	1.To be established after the baseline	1.INGD reports	<i>Not applicable</i>
		2. Direct economic loss attributed to disasters in relation to global gross domestic product (GDP)	2. Baseline to be established in year 1	2. To be established after the baseline	2. INGD, MEF, MRV reports	
Outcome	The implementation and monitoring of climate change and disaster risk reduction strategies at central, provincial and local level is improved in Mozambique	1. 1.Number of subnational entities (districts) with climate change/ or disaster risk strategies a) developed b) under implementation with EU support** (GERF 2.5)	1. a) 15 b) 4 districts (2 Provinces in 2022)	1.a) 20 b) 10 (4 provinces)	1.MTA/MRV- for adaptation	Climate change adaptation remains a key priority for the Government, both at central, provincial and district level Security situation doesn't further deteriorate in the context of the conflict in the North Macroeconomic situation remains stable
		1.2 Allocated financial resource to NDC 2020-2025 actions implementation(international/domestic)	1.2. Baseline will be informed after the approval(in 2022) of the NDC implementation plan	1.2. To be established after approval of NDC implementation plan(2027)	MTA, UNCDF reports	
		1.3. % of budget of local administrations dedicated to climate change adaptation in selected district	1.3. 0 (2022)	1.3. At least 15% (2027)	MA, UNCDF reports internal report	
		1.4. # of local authorities (districts and municipalities) implementing Local Adaptation Plans (LAPs) via PESOD.*	1.4. 4 districts in 2 Provinces in 2022	1.4. 10 districts in 4 Provinces (in 2027)	LAPs Implementation reports included into PESODs.	

		1.5. Number of reporting documentation submitted to the Paris Agreement (National communication, BTR, REDD+ Technical Annex, Article 6 information, etc.)	1.5. 0 (2027)	1.5. 3 (BUR/BTR, Nacional Communication, NDC) (2027) MTA/DMC	Officially transmitted reports to the UNFCCC secretariat	
Output 1	1. A National Strengthened Transparency Framework is established	1.1.1 Status of a National Monitoring, Reporting and Verification (MRV) system, including gender disaggregated indicators	1.1.1 Lack of consistent procedures and regulations, as well as indicators to operationalize the MRV	1.1.1 National Monitoring, Reporting and Verification (MRV) with procedures, regulations and indicators is operational	MTA/DMC internal report	MTA and Ministry of Economy and Finance (MEF) maintain the lead and ensure adequate responsibility to secure the MRV systems and coordination efforts for NDC implementation at the national level. Appropriate staffing is available
		1.1.2. Number of staff/technicians reporting an increased knowledge for climate change mainstreaming into planning, budgeting and reporting (MEF/MTA and key NDC sectoral Ministries) (disaggregated by gender)	1.1.3. 0 (2022)	1.1.3. 15 (2027)	Implementing partner reports, Surveys/tests after trainings	
		1.1.3 # annual GIIMC committees	1.3. 0 (2022)	1.3. 8 (2027)	1.4. GIIMC minutes	
		1.1.4 # projects proposal ready for submission at GEF/GCF with EU support	1.4. 0 (2022)	1.4. 10 (2027)	MEF, MTA, implementing partner reports	
		1.1.5 Number of relevant policy documents and legislations drafted/reviewed with the support of the EU intervention	1.1.5 0 (2022)	1.1.5 after Year 1 (2027)	Implementing partner reports	
		1.1.6 Number of staff/technicians reporting an increased knowledge on climate finance (disaggregated by gender)	1.1.6 0 (2022)	1.1.6 after Year 1 (2027)	Implementing partner reports	

					Surveys/tests after trainings	
Output 2	Capacities and facilities of local entities (municipalities, districts and communities) for climate change adaptation and risk reduction are strengthened	2.1.1.a. # of local authorities (districts and municipalities) implementing gender-responsive Local Adaptation Plans (LAPs) via PESOD.	2.1.1 4 districts in 2 Provinces in 2022.	2.1.1. 10 districts in 4 Provinces (in 2027)	2.1.1 LAPs included into PESODES.	<p>Clear decentralization mechanisms for service delivery to provincial and district levels</p> <p>Appropriate staffing is available</p> <p>Provincial and District services prioritize climate adaptation in their agenda and facilitate coordination among key stakeholders at community level</p>
		2.1.1.b. Number of women, men, girls and boys, in all their diversity, participating equally in public planning and consultation meetings on local and national levels, disaggregated at least by sex, age and disability (GAP III indicator)	2.1.1.b. Baseline to be established after district selection	2.1.1.b. To be determined after selection of target districts	UNCDF implementation reports	
		2.1.2 # of socio-economic infrastructures/interventions supported by EU in the district (disaggregated by sector and location)*	2.1.2. 20 in Nampula and Zambézia provinces in 2022	2.1.2.To be determined after selection of target districts	UNCDF implementation reports	
		2.1.3 # of beneficiaries of local climate resilient infrastructures (disaggregated by sex, age and disability)	2.1.3. Baseline to be established after district selection	2.3. To be established after selection of targeted districts	UNCDF implementation reports	
		2.1.4 Number of staff/technicians of local authorities reporting an increased knowledge to plan, budget and implement climate adaptation investments (disaggregated by gender)	2.1.4 0 (2022)	2.1.4. To be established after selection of targeted districts	UNCDF implementation reports, Surveys/tests after training	
		2.1.5 Number of local authorities (districts and municipalities) whose monitoring and reporting systems have been aligned with the national MRV with the support of the EU	2.1.5 0 (2022)	2.1.5 10 (2027)	UNCDF implementation reports	

		2.1.6 Number of local authorities having obtained decentralised finance to build climate resilient, socio-economic infrastructures in targeted districts with the support of the EU	2.1.6 4 (2022)	2.1.6 10 (2022)	UNCDF implementation report	
Output 3	3. Communities' preparedness, response and adaptive capacities to climate related hazards are strengthened to ensure women and men, in all their diversity, participate in climate change solutions.	3.1.1 Number of Local Committees for Risk Reduction and Emergency Response (CLGRC) trained at district level	3.1.1. 0 (2022)	3.1 To be determined after selection of target districts	3.1 INGD reports and district authorities.	Communities and final beneficiaries are actively engaged and committed to the climate resilience agenda
		3.1. 2 Number of beneficiaries of having access to climate information and knowledge services disaggregated by sex and disability where feasible	3.2 0 (2022)	3.2 To be determined after selection of target districts	3.2 INGD reports and district authorities.	
		3.1.3 Number of Early warning systems developed and tested with the support of the EU	3.1.3 0 (2022)	3.1.3 To be determined after selection of target districts		
		3.1.4 Number of people reached through sensitization campaigns on climate change at community and provincial level (disaggregated by gender)	3.1.4 0 (2022)	3.1.4 To be determined after selection of target districts		
		3.1.5 Areas of agricultural and pastoral ecosystems where sustainable management practices (including climate smart) have been introduced with EU support (ha) (GERF 2.2)	3.1.5. Baseline to be established after selection of target district.	3.1.5 Targets to be established after the Baseline.	3.3. Implementing partner execution reports, and district authorities	

		3.1.6. Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land (GERF 2.1)	3.1.6 0 (2022)	3.1.6 To be determined after selection of target districts	3.1.6 Implementing partner execution reports, and district authorities	
		3.1.7 # of women with increased training, financial resources, technology or other resources for sustainable and safe food production and clean water sources, for family consumption or for productive uses (GAP III indicator).	3.1.6 0 (2022)	To be determined after selection of target districts		

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 54 months from the date of entry into force of the Financing Agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

N.A.

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures³¹.

4.4.1 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria:

- Technical competence in the climate change sector and leverage for policy dialogue
- Established presence in Mozambique, including logistical and management capacities
- Administrative capability and the experience to implement this type of intervention due to its mandate and expertise;
- Experience with management of delegated funds from the EU
- Strategic relevance for EU multilateral engagement (link with TEI)
- Demonstrated capacity to coordinate with various stakeholders.

The implementation by this entity entails some of indicative activities contributing to part of output 1: (1.1) A National Strengthened Transparency Framework or National Transparency System or National MRV system is established to ensure effective coordination of climate change matters and (1.3). Access to climate finance increased by strengthening MTA and MEF roles and capacities.

³¹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4.2 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with the United National Capital Development Fund (UNCDF).

This implementation entails the activities related to output 1: “A National Strengthened Transparency Framework is established to ensure effective and adequate reporting and coordination of climate change matters and to facilitate access to climate finance (1.2. Strengthening MTA’s capacity in mainstreaming and coordinating climate change action)” and output 2: “Climate change adaptation (CCA) strategies and actions are implemented at decentralized level.

The envisaged entity has been selected using the following criteria:

- Technical competence in the area of strengthen of local governance capacity and channelling decentralized finance;
- Established presence in the provinces of Sofala, Nampula and Zambézia, including logistical and management capacities;
- Administrative capacity and experience to implement this type of intervention;
- Established working relation with MTA and MEF and proven experience on implementation of Local Adaptation Plans.

The United Nations Capital Development Fund (UNCDF) mission and capacity in Mozambique are uniquely aligned to the local governance and local development objectives of the Action. UNCDF expertise and mandate revolve around support to effective, transparent and sustainable decentralized financing and management of development interventions to enhance local development and local governance. UNCDF supports the Government of Mozambique (GoM) decentralisation policy and its implementation strategy to further decentralise financial resources, authority and autonomy to local-district government units. Since 2018, UNCDF has been successfully supporting the implementation of 18 LAPs in 4 provinces (Inhambane, Gaza, Nampula and Zambézia).

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

4.4.3 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission’s services using the following criteria:

- Technical experience and expertise in the disaster-risk preparedness and reduction as well as food security;
- Proven experience in implementing nature based solutions towards climate change adaptation;
- Established presence in Mozambique, including management and logistical capacities;
- Proved operational capacity for the management of delegated funds from the EU;
- Strategic relevance for EU multilateral engagement, including implementation of e-youth and Green Deals TEIs and to push forward the education agenda;
- Demonstrated capacity to coordinate with various stakeholders.
- Successfully EU pillar assessed.

This implementation entails the activities related to output 3: “Communities’ preparedness, response and adaptive capacities to weather related hazards are strengthened

4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other

duly substantiated cases where application of the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components³²	EU contribution (amount in EUR)	Third-party contribution, in currency identified
Implementation modalities – cf. section 4.4		
Output 1 (1.1 and 1.3): <i>A National Strengthened Transparency Framework is established to ensure effective and adequate reporting and coordination of climate change matters and to facilitate access to climate finance</i> composed of	2 000 000	
Indirect management with a pillar assessed entity	2 000 000	
Output 1 (1.2): <i>A National Strengthened Transparency Framework is established to ensure effective and adequate reporting and coordination of climate change matters and to facilitate access to climate finance</i> and Output 2: <i>Climate change adaptation (CCA) strategies and actions are implemented at decentralised level</i> composed of	9 250 000	850 000
Indirect management with UNCDF	9 250 000	850 000
Outputs 3: <i>Communities' preparedness, response and adaptive capacities to weather related hazards are strengthened</i> composed of	3 600 000	
Indirect management with a pillar assessed entity	3 600 000	
Evaluation – cf. section 5.2 Audit – cf. section 5.3	150 000	
Contingencies	N.A.	
Totals	15 000 000	850 000

4.7 Organisational Set-up and Responsibilities

A Steering Committee shall be set up with the responsibility to monitor and orientate the Programme implementation. It will be composed of: one representative of MTA, one representative of MEF, one representative of INGD, one representative of the sector at provincial and district level that are involved in the action (MOPH, MINEDH, MADER), one representative of the Ministry of Foreign Affairs, one representative of the EU Delegation, one focal point from each of the Provinces (Nampula, Zambezia, Sofala and Cabo Delgado), one representative of the concerned districts, one representative from civil society organisations, one representative of UNCDF, one representative from the International Organisation responsible for output 3 and the one representative of the EU Member State organisation.

The Steering Committee will meet once per year, will provide overall guidance to the Programme and approve its annual work-plans.

A Technical Committee will meet regularly (at least 3 times a year) to discuss and review the implementation of the programme's work-plan. It shall indicatively be composed of: one representative of MTA, one representative of MEF, one representative of the Ministry of Foreign Affairs, one representative of the EU Delegation, one representative of UNCDF, one representative from the International Organisation responsible for output 3 and the one representative of the EU Member State organisation.

The program will be implemented at three inter-linked levels:

At the national level: Activities under component 1 will be planned and implemented under the leadership of MTA, in close coordination with the MEF and INGD.

At the provincial level: Activities related to output 2 and 3 will be under the leadership of UNCDF and the implementing partners of output 3 in close coordination with the State Secretaries of the respective Provinces through the Environment and Infrastructure Planning Services.

At local level: Under the leadership of UNCDF and the implementing partners of output 3 in close coordination with the District Governments, the SDPIs (*serviços distritais da planificação e infraestruturas*), SDAs (*serviços distritais do ambiente*) and other sectors (health, education, disaster risk response and management, agriculture, water and sanitation) benefitting from the implementation of the LAPs.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Indicators shall be disaggregated at least by sex. All monitoring and reporting shall assess how the action is taking into account the human rights-based approach, gender equality and the inclusion of persons with disabilities and other marginalised groups.

Roles and responsibilities for data collection, analysis and monitoring:

The monitoring system will focus on process monitoring, progress and results indicators. All 3 implementing partners will be responsible for internal monitoring of the programme's outputs and impact results and regularly reporting to the Steering Committee. This monitoring will include periodic collection of information; primary sources of verification will be activity reports, field visit reports, checklists and sectoral review reports.

External monitoring under the form of external Results Oriented Monitoring (ROM) exercises will be commissioned by the EU Delegation at selected times of the project.

Relevant information for the indicators at provincial and district level will not be available until the baseline survey is undertaken. Once the baseline data are available, the programme's logical framework and activities

framework will be updated to reflect the baseline value before, and target values after the action. This update will be a joint exercise and will follow a joint monitoring mission.

Regular monitoring will also be assured by partner institutions – MTA, SPA, SPIs and SDPIs – providing as such immediate feedback, on the pace and quality of activity implementation for immediate corrective action to achieve annual targets.

The EU delegation will participate in joint monitoring missions. Annual joint reviews will provide the formal mechanism through which all parties can agree to modify the logical frameworks and adapt the programme accordingly.

5.2 Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action contracted by the Commission.

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that important lessons may be drawn regarding the implementation of the humanitarian-development nexus in crisis settings as well as nature based solution to climate resilience.

The Commission shall inform the implementing partner at least 1 month in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination³³. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments. All evaluations shall assess to what extent the action is considering the human rights-based approach as well as how it contributes to gender equality and women's empowerment. Expertise on human rights and gender equality will be ensured in the evaluation teams.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents,

³³ See best [practice of evaluation dissemination](#)

allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.
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Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as:

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Indirect Management with an EU MS Organization
<input checked="" type="checkbox"/>	Single Contract 2	Indirect Management with an International Organization
<input checked="" type="checkbox"/>	Single Contract 3	Indirect Management with an International Organization