Concept Note

Project/Programme Title:	Building Climate Resilient and Adaptive Ecosystems in Rural Eswatini
Country(ies):	Eswatini
National Designated Authority(ies) (NDA):	Ministry of Tourism and Environmental Affairs
Accredited Entity(ies) (AE):	Food and Agriculture Organization of the United Nations (FAO)
Date of first submission/ version number:	*[2021-02-12] [V.1]*
Date of current submission/ version number	*[2021-02-12] [V.1]*

GREEN CLIMATE FUND

Please submit the completed form to **fundingproposal@gcfund.org**, using the following name convention in the subject line and file name:
"CN-[Accredited Entity or Country]-YYYYMMDD"

Notes

- The maximum number of pages should **not exceed 12 pages**, excluding annexes. Proposals exceeding the prescribed length will not be assessed within the indicative service standard time of 30 days.
- As per the Information Disclosure Policy, the concept note, and additional documents provided to the Secretariat can be disclosed unless marked by the Accredited Entity(ies) (or NDAs) as confidential.
- The relevant National Designated Authority(ies) will be informed by the Secretariat of the concept note upon receipt.
- NDA can also submit the concept note directly with or without an identified accredited entity at this stage. In this case, they can leave blank the section related to the accredited entity. The Secretariat will inform the accredited entity(ies) nominated by the NDA, if any.
- Accredited Entities and/or NDAs are encouraged to submit a Concept Note before making a request for project preparation support from the Project Preparation Facility (PPF).
- Further information on GCF concept note preparation can be found on GCF website Funding Projects Fine Print.

A. Project/Programme Summary (max. 1 page)			
A.1. Project or programme	☒ Project ☐ Programme	**A.2. Public or private sector**	☒ Public sector ☐ Private sector
A.3. Is the CN submitted in response to an RFP?	Yes ☐ No ☒ If yes, specify the RFP: _____	**A.4. Confidentiality[1]**	☐ Confidential ☒ Not confidential
A.5. Indicate the result areas for the project/programme	Mitigation: Reduced emissions from: ☐ Energy access and power generation ☐ Low emission transport ☐ Buildings, cities and industries and appliances ☐ Forestry and land use Adaptation: Increased resilience of: ☒ Most vulnerable people and communities ☐ Health and well-being, and food and water security ☐ Infrastructure and built environment ☐ Ecosystem and ecosystem services		
A.6. Estimated mitigation impact (tCO2eq over lifespan)		**A.7. Estimated adaptation impact (number of direct beneficiaries and % of population)**	• Target 70 500 direct beneficiaries, of which 35500 are expected to be women. • Indirect beneficiaries: increased the resilience of approximately 312,531 people
A.8. Indicative total project cost (GCF + co-finance)	Amount: USD 55 000 000	**A.9. Indicative GCF funding requested**	Amount: USD 30 000 000
A.10. Mark the type of financial instrument requested for the GCF funding	☒ Grant ☐ Reimbursable grant ☐ Guarantees ☐ Equity ☐ Subordinated loan ☐ Senior Loan ☐ Other: specify_____		
A.11. Estimated duration of project/ programme:	5 years	**A.12. Estimated project/ Programme lifespan**	20
A.13. Is funding from the Project Preparation Facility requested?[2]	Yes ☐ No ☒ Other support received ☐ If so, by who:	**A.14. ESS category[3]**	☐ A or I-1 ☒ B or I-2 ☐ C or I-3
A.15. Is the CN aligned with your accreditation standard?	Yes ☒ No ☐	**A.16. Has the CN been shared with the NDA?**	Yes ☒ No ☐

[1] Concept notes (or sections of) not marked as confidential may be published in accordance with the Information Disclosure Policy (Decision B.12/35) and the Review of the Initial Proposal Approval Process (Decision B.17/18).

[2] See here for access to project preparation support request template and guidelines

[3] Refer to the Fund's environmental and social safeguards (Decision B.07/02)

A.17. AMA signed (if submitted by AE)	Yes ☒ No ☐ If no, specify the status of AMA negotiations and expected date of signing:	**A.18. Is the CN included in the Entity Work Programme?**	Yes ☒ No ☐
A.19. Project/Programme rationale, objectives and approach of programme/project (max 100 words)	Eswatini is facing more frequent droughts[4] and about 20% of its rural population is experiencing acute food insecurity. The agriculture sector, including livestock and crop production is the most vulnerable to the effects of climate change due to higher temperatures, droughts and floods, which jeopardize productivity and increase livestock mortality. The project will foster the climate resilience of vulnerable rural communities' dependant on mixed systems of crop and livestock farming through investments that catalyse and create enabling environment for resilient farming and livestock practices as well as adoption of climate smart technologies, approaches and practices through agricultural value chains. The project will scale up successful practices implemented in the country by FAO and COSPE and will address the barriers for sustainable adoption. FAO, the Ministry of Agriculture, COSPE and other partners (to be confirmed during project formulation) will be the main implementing partners.		

[4] Mlenga, D. H., Jordaan, A. J., & Mandebvu, B. (2019). Monitoring droughts in Eswatini: A spatiotemporal variability analysis using the Standard Precipitation Index. Jàmbá: Journal of Disaster Risk Studies, 11(1), 1-11.

B. Project/Programme Information (max. 8 pages)

B.1. Context and baseline (max. 2 pages)

Eswatini is a small, landlocked, Lower-Middle Income Country which is very vulnerable to the impacts of climate change, and particularly to more frequent droughts and floods. The Third National Communication report (2016) indicates that temperatures increased in 1901-2009 by 1 to 1.5 °C as the frequency of very hot days increased (above 34°C) while the number of cold nights decreased in the last three decades (1980 – 2010). Annual rainfall from 1992, 1994, 2002, 2003, 2005, 2007, 2008, 2010, 2013, 2015 and 2016 seasons were below the average annual rainfall in the period 1901-2016 (equal to 823.8 mm/year). In 2016, the country experienced the **most severe drought in over 35 years** resulting in food shortages, drying up of rivers as well as livestock deaths. Droughts intensified in terms of frequency, severity and geospatial coverage, with the worst drought years being 1985-1986, 2005-2006 and 2015-2016 agricultural seasons affecting 2,354,000 people[5]. **Floods** in 2000, 2008 and 2014 affected more than 250,000 people, while the storms of 2005 and 2006 affected 7,685 people[6]. Projections show that mean temperatures will keep increasing and hot days, dry spell[s] floods and heatwaves[7], will become more frequent.

Rural Eswatini, particularly Lubombo and Shiselweni regions and drier parts of Hhohho and Manzini regions are heavily impacted by increasingly intense droughts[8] and floods which have had severe impacts on the agricultural sector. In the rural areas of Eswatini, most of the rural population practices mixed farming, which include crops and livestock, making the population particularly impacted by climate change. In fact, increasing temperatures are increasing water demand and evapotranspiration in cropping systems such as maize, beans and sorghum, and increasingly intense floods are destroying farm lands. Additionally, droughts are considerably decreasing grass productivity and drinking water for cattle. Increasing temperatures have been reported to decrease the feed conversion ratio and crop failure hence resulting in higher costs of supplemental feedstock. Those factors interact generating a scarcity of fodder and resulting in an unsustainable pressure on communal rangelands, increasing rangeland degradation[9]. Crops and livestock productivity declined by more than 30% since 2014 due to decrease of soil fertility caused by increasing drought[10]. Projections based on the RCP 8.5 scenario[11] foresee a decrease of 4.19% in maize productivity and of 17.84% in managed grass productivity by 2050 assuming 1995 as year of reference[12].

The rural population of Eswatini particularly in Lubombo, Shiselweni and drier parts of HhoHho and Manzini, is particularly vulnerable to the impacts of climate change as around 80% of households live on National Land with subsistence agriculture based of crops and livestock as primary livelihood strategy[13]. The Vulnerability Assessment Report of July 2020 reported that an estimated 366,261people (32.7 per cent of the population) are at risk of food insecurity for the October 2020 to March 2021 time period. Lubombo and Shiselweni regions still have the highest proportion of vulnerable population when compared to the other regions. These regions have faced recurrent drought conditions of which it is perceived that the nature of food insecurity in these regions is now chronic. The average size of cultivated land is 1.3 ha per household and livestock ownership is 3.5 livestock units per household[14]. Maize and beans are the most common staple crops.

Despite all the efforts undertaken by the Government and these rural communities and its development partners, barriers for the adoption of climate change resilient agricultural practices still exist, and these include:

Institutional: smallholder farmers are particularly impacted by climatic events such as droughts and floods as they are not adequately reached by early warning and climate information systems. In fact, competencies are scattered in different departments of government ministries, with weak institutional

[5] Mlenga, D. H., Jordaan, A. J., & Mandebvu, B. (2019). Monitoring droughts in Eswatini: A spatiotemporal variability analysis using the Standard Precipitation Index. Jàmbá: Journal of Disaster Risk Studies, 11(1), 1-11.

[6] https://www.emdat.be/

[7] Ministry of Tourism and Environmental Affairs (2012) Swaziland's second National Communication to the United Nations Framework Convention on Climate Change. The Kingdom of Swaziland

[8] Mlenga, D. H., Jordaan, A. J., & Mandebvu, B. (2019). Monitoring droughts in Eswatini: A spatiotemporal variability analysis using the Standard Precipitation Index. Jàmbá: Journal of Disaster Risk Studies, 11(1), 1-11.

[9] Rojas-Downing, M. M., Nejadhashemi, A. P., Harrigan, T., & Woznicki, S. A. (2017). Climate change and livestock: Impacts, adaptation, and mitigation. Climate Risk Management, 16, 145-163.

[10] Kingdom of eSwatini - Annual vulnerability assessment & analysis reports 2016, 2017, 2018 and 2019

[11] Riahi, K., Rao, S., Krey, V., Cho, C., Chirkov, V., Fischer, G., Kindermann, G., Nakicenovic, N. and Rafaj, P. (2011). RCP 8.5—A scenario of comparatively high greenhouse gas emissions. Climatic Change, 109(1–2), 33–57.

[12] Climate Adaptation in Rural Development Assessment Tool https://www.ifad.org/en/web/knowledge/publication/asset/41085709

[13] Xaba BG, Masuku MB. 2013. An analysis of the vegetables supply chain in Swaziland. Sustainable Agriculture Research 2: 1–10

mechanisms for coordination and cross sectoral planning, and coupled with problems of quality, lack of reliability and frequency of the data, limited resources for data collection and weak distribution of inputs to the farmers. Additionally, the country lacks updated surveys and regulatory instruments on land and water[15].
Social: thirty percent of inhabitants live with HIV/AIDS and lack equipment to support labour-intensive activities[16]. Conflicts with regards to land-tenure with communal rangeland converted to commercial cultivation/ranching[16] are decreasing available land for farming. There is lack of participation of local communities in the development plans with adequate consideration of climate change impacts on resources, especially youth and women.
Technological: access to farm mechanization, rainwater harvesting and small irrigation tools for small holders' farmers is quite limited, contributing to low productivity. More than 80% of irrigated farmland is occupied by commercial sugarcane farms[17]. Overall, there is lack of knowledge on climate resilient practices.
Financial: smallholder farmers' income rely heavily on climate-sensitive activities and are fully exposed to the economic shocks; financial options are out of reach for small holders farmers because of limited revenues and profitability from the agriculture production.

The project is integrated and aligned with the main climate change national policies and plans. In particular, it will address the objective of the National Adaptation Plan[18] to reduce vulnerability to the impacts of climate change by building adaptive capacity and resilience of poor rural agro-based communities. To support the Intended Nationally Determined Contributions, the project will foster the adaptation of the Biodiversity and Ecosystem, Water and Agricultural sectors, addressing also strategic focus areas (i, ii, and iv) of the National Climate Change Strategy and Action Plan. It is also aligned with the four priority areas of FAO-Government of Eswatini programming framework that are: Pluralistic agricultural support systems and institutional strengthening and efficiency; Sustainable agricultural productivity, market access and competitiveness; Sustainable management of natural resources, and strengthening adaptation to climate change; and Mitigation of food insecurity.

The project recognises the importance of agriculture for rural livelihoods in Eswatini and their vulnerability to climate change. It aligns with Eswatini's Ministry of Agriculture (MoA)'s various programmes which have the overall objective of transforming the rural farming sector. These are articulated in a number of national policy documents – including the National Strategic Development Plan (2018/19-2022/23), the Comprehensive Agricultural Sector Plan (CASP) (2005) and the National Agricultural Investment Plan (2015). As indicated in the Ministry of Agriculture's Strategic Plan (2020), at the centre of the programme is the organisation of systems for transformative change in Eswatini's smallholder agriculture and allied sectors through catalytic private investment in agricultural and food sectors and in associated services industries—along agricultural value chains. This includes supporting small-scale food producers to adopt inclusive climate resilient value chain approaches in agriculture and allied sectors.

The project aims at scaling up successful practices of FAO and COSPE, both agencies having vast field experience in Eswatini.

Through application of AGRINVEST[19] approach, MoA and FAO have designed agricultural Sector Development Programme Agreements for nine value chains, including in crops and livestock which will determine inclusive investments in these value chains in line with the country's National Agricultural Investment Plan. The Government of Eswatini as expressed in the National Strategic Development Plan and MoA strategic plan its intention to ensure that any agricultural investments are inclusive of small poor rural farmers, climate resilient and sustainable. The Government has developed an Agricultural Development Fund in 2020, which is a key tool to intervene along agricultural value chains through a suite of measures to de-risk private sector investment. This is expected to impact most of the rural population, 79% of whom depend on agriculture for their livelihoods. In order to increase the impact of the project, the Government as agreed to provide co-financing through the Agricultural Development Fund.

[15] Use of Communal Rangeland Regulatory Instrument, Eswatini Nation Land Commercialisation Bill and Land Policy, are all not finalised
[16] Masuku, M. B., Kibirige, D., & Singh, A. S. (2015). Impact of HIV and AIDS on agricultural production in Swaziland: strategies for mitigation. International Journal of Economics, Commerce and Management, 3, 27.
[17] Frenken, K. (Ed.). (2005). Irrigation in Africa in figures: AQUASTAT Survey, 2005 (Vol. 29). Food & Agriculture Org..
[18] UNEP (2018) Building capacity to advance National Adaptation Plan process in Swaziland. GCF Readiness and Preparatory Support Proposal
[19] http://www.fao.org/in-action/agrinvest-food-systems/en/

B.2. Project/Programme description (max. 3 pages)

The long term impact of the project is to increase the resilience and enhance the livelihoods of the rural communities most vulnerable to climate change in Eswatini. This will be achieved through three integrated components:

Component 1: Scaling up Climate-resilient land use practices

Sub-component 1.1: Train farmers to adopt climate resilient agriculture and livestock management practices

This activity will consist of capacity building and TA provided to farmers working under mixed systems. Activities will build on the successful Agriculture School initiative carried out by FAO. Activities include:

1.1.1 Training of farmers in conservation agriculture practices mainly applying the Pfumvudza concept[20] and other scientifically sound agro-ecological practices as well as training on climate resilient practices in communal rangelands areas (e.g. rotational grazing, paddocking, community grazing platforms)

1.1.2. Strengthening of Information and Communications Technology (ICT) systems for the extension officers and technicians who will support the trainings.

Sub-component 1.2: Establish climate resilient agriculture and livestock systems

This sub-component will consist of providing inputs, workforce support and equipment to smallholder farmers to establish climate resilient agriculture and livestock systems. Activities include:

1.2.1 Selection, multiplication and distribution of most resilient varieties of local seeds among those already used in rain fed regime (maize, sorghum, sugar beans, Bambara nuts, groundnuts, mung beans, cowpeas and sweet potatoes) and others with great adaptation potential but underutilised (such as cassava)

1.2.2 Construction/rehabilitation of small and medium earth dams (under 5m) in farmland and rangelands for rainwater harvesting and of small irrigation systems (less than 10ha) (co-financed by MOA)

1.2.3 Restoration of degraded communal rangeland through “vallerani” plough, control of invasive alien species and encroaching bushes

1.2.4 Establishment of green fences using local multi-purpose tree and shrub species

1.2.5 Support to community level structures/platforms as well as construction of soil erosion control infrastructure/and other community initiatives for protection of water sources (co-financed by MoA).

Component 2: Strengthen climate resilient agriculture value chains (VCs)

The project will intervene through investments in concrete climate adaptive infrastructure identified through the Sector Development programme plans developed by VC actors through the support of MoA and FAO. Smallholder farmers will benefit from support aiming at ensuring the sustainability of the resilient activities introduced in Component 1 through local value chain structuring, enhancement of climate resilient technologies and facilities, improvement of VCs efficiency and market linkages.

Sub-component 2.1: build capacity and connect smallholder farmers to VC actors

2.1.1 Facilitating organisation of farmers into viable and visible business entities for the selected VCs in line with the specific value chain/local Sector Development Plan agreement

2.1.2 Train and provide technical assistance to the business entities to increase their skills, provide market information, increase organization along the value chain and negotiation skills

2.1.3 Establish platforms to link smallholders farmers to private sector entities and other key stakeholders in the value chain (through farmers fairs, networks and forums)

2.1.4 Provide capacity building to private sector players to increase their engagement and design innovative, integrated and affordable climate change risk management tools/products including smallholder farmer group insurance schemes, weather indexed insurance schemes, assisted group lending and saving schemes to protect environment and vulnerable farmers

Sub-component 2.2: climate proof infrastructure along the VC

[20] https://foundationsforfarming.org/new/wp-content/uploads/2020/06/Pfumvudza-Concept-Note.pdf, https://web.facebook.com/foundationsforfarming/videos/372939907231491/, https://web.facebook.com/foundationsforfarming/videos/pfumvudza/337821106850185/?__rdc=1&__rdr,

2.2.1 Establish climate resilient facilities and infrastructure along the value chain (agro-processing, market and storage equipment and infrastructure (financed by MoA).

Component 3: Enabling the environment for the sustainable adoption of climate resilient agricultural practices

This component will ensure that the smallholders' farmers are able to sustainably establish and expand climate resilient agricultural systems. This will be possible thanks to proper resource mapping and planning and strengthened access to land. In addition, climate information and early warning will be strengthen to avoid any sudden damage to their system.

Sub-component 3.1: Improve planning of resources and access to land

3.1.1 Participatory mapping and traditional ecological knowledge analysis with communities and local institutions at local/sub national level

3.1.2 Participatory planning and development of Local Adaptation Plans (LAPs[21]) at community level that will consider and address climatic risks linked/and integrated with activity 1.2.1

3.1.3 Strengthening the regulatory and institutional framework for management of agricultural farmland and rangelands (MOA co-financing), including strengthen land access rights.

Sub-component 3.2: Strengthen climate information systems

3.2.1 Strengthen the current agricultural Information management systems to increase its reach and scope of data, information and services provided

3.2.2 Strengthening of the early warning system with the Eswatini Meteorological Service to ensure climate data collection and distribution to the project beneficiaries.

Theory of change

In rural Eswatini, particularly Lubombo and Shiselweni regions and drier parts of Hhohho and Manzini regions smallholder mixed farming communities are heavily impacted by increasingly intense droughts and floods. A number of megatrends are evident including, rising temperatures evapotranspiration, increasingly intense floods, decreasing grass productivity and drinking water for animals. There are also to decreases in the feed conversion ratio with crop failures resulting in higher costs of procuring supplemental feedstock.

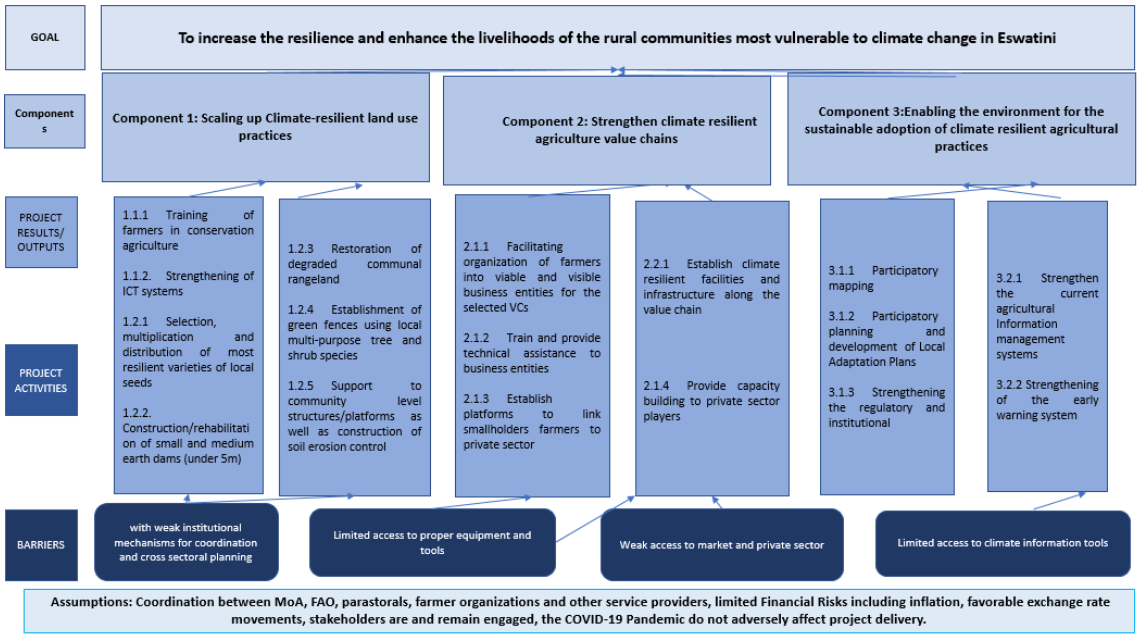
Despite all the efforts undertaken by the Government and rural communities, and its development partners, barriers for the adoption of climate change resilient agricultural practices still exist including include inter alia, i) embedded institutional barriers where smallholder farmers smallholders are not reached by early warning and climate information systems and limited institutional mechanisms for coordination; ii) a range of socioeconomic challenges including HIV/AIDS ; lack equipment; conflicts with regards to land-tenure and lack of participatory approaches to decision making; iii) a range of technological barriers hindering access to farm mechanization, water harvesting and irrigation with negative impacts on productivity and marketing; and iv) serious financial challenges epitomised by financial options that are out of reach for smallholders.

Goal: To increase the resilience and enhance the livelihoods of the rural communities most vulnerable to climate change in Eswatini

In consideration of the barriers identified, the Theory of Change of the project is ***IF*** smallholder farmers are supported in sustainably establishing climate resilient crop and livestock agriculture systems ***THEN*** smallholder farmers will be able to adapt to the impacts of climate change ***BECAUSE*** they will be able to sustainably increase their productivity and income even in light of increasing climate change impacts.

21 Local Adaptation Plans of Action (LAPAs) are community-based approaches that take a "vulnerability first" approach to climate change adaptation. The practice was initiated in Nepal under the guidance of the Ministry of Population and Environment, the national focal point to United Nations Framework Convention on Climate Change. The LAP approach here proposed is more grassroots and it has been tailored to the local context building on proven participatory methodologies, such as CVCA (Climate Vulnerability and Capacity Analysis) and PAVACC (Participatory Analysis of Vulnerability and Adaptation to Climate Change), thanks to the support of MoA and of eSwatini Meteorological Service.

The intervention framework is validated by scientific literature, as follows: the higher profit of farmers adopting CA[22]; the potential of context-specific drought resistant crops[23]; effective adaptation measures as rainwater harvesting, zero/minimum tillage, mulching, appropriate stocking levels, rotational grazing and farmers' participation[24]. The action will scale up the successful LAPs which have been piloted by various partners including FAO, WFP, COSPE as model of participatory identification and implementation of climate change adaptation measures. FAO has been implementing various documented initiatives including incorporation of Climate Smart Agriculture in Swazi Schools and Agriculture Training Centres. MoA has developed an Agriculture Marketing Information System[25] that currently reaches up to 800 subscribers, and it will be scaled up. The project will consider and uptake of lessons learnt as well as use of existing institutional coordination mechanisms created through FAO, COSPE and those implemented by other partners at national and at Tikundla level. The project will identify and form synergies with any other existing GCF, GEF and Adaptation Fund projects particularly in Lubombo and Shiselweni regions and drier parts of Hhohho and Manzini regions.



Risk		Mitigation
Financial	Perceived low profitability of alternative practices	In addition to a beneficiary and stakeholder engagement and awareness strategy which will be developed, market information systems and incentive strategy are embedded as part of the intervention framework
	High adoption costs of alternative practices	Analysis of adoption costs will be carried out at project formulation stage as well as during early stages of promotion with farmers
Operation	Seeds varieties for Participatory Plant Breeding are not available	The partners are already carrying out in partnership a country program of local seed selection and multiplication

[22] Oladeebo, J. O., & Mkhonta, C. S. (2013). Does conservation agriculture matters in Swazis' economy? Evidence from maize producing farmers in Ngwempisi rural development area of Swaziland. Journal of Environment and Earth Science, 3(10), 79-85.

[23] Shongwe, P., Masuku, M. M., & Manyatsi, A. M. (2014). Cost Benefit Analysis of Climate Change Adaptation Strategies on Crop Production Systems in the Lowveld of Swaziland: A Case of Mpolonjeni Area Development Programme (ADP) in Swaziland. Sustainable Agriculture Research; Vol. 3, No. 1

[24] Orchard, S. E., Stringer, L. C., & Manyatsi, A. M. (2017). Farmer perceptions and responses to soil degradation in Swaziland. Land degradation & development, 28(1), 46-56.

[25] http://www.amis.co.sz/

	Equipment for CA and other implements are not available in Eswatini	The few implements required are available in the country or can be imported from neighboring country (South Africa)
	Beneficiaries are not willing to adopt the most appropriate practices and strategies for climate change adaptation	The appropriateness of practices and strategies will be defined through participatory planning processes at project formulation stage

The project will adopt an innovative, though tested M&E system where conventional procedures (field and desk monitoring, interim and final evaluations, annual reports) will be supported by a Geographic Information System using ICT (web-GIS, mobile applications, and remote-sensing) for data collection and story-telling. Beneficiaries will be directly involved in defining indicators and monitor the measures of the LAPs.

B.3. Expected project results aligned with the GCF investment criteria (max. 3 pages)

Impact potential

The project will increase the resilience of approximately 312,531 people in Eswatini's rural areas[26]. The project will directly target 70,500 direct beneficiaries, of which 35,500 are expected to be women. The beneficiaries have been estimated taking into account the percentage of smallholder farmers among the most food insecure household at Tikundla level (Tikundla)[27].

Paradigm shift

The proposed approach represents a major paradigm shift from vulnerable farming and livestock keeping practices that decrease resilience of agro systems to climate change to sustainable and climate resilient practices. With the majority of smallholder farming communities in rural Eswatini involved in mixed farming activities integrating smallholder crop and livestock systems as a main source of livelihood, the proposed approach ensures a holistic approach to sustain these livelihoods in the context of the impact of climate change on their mixed farming systems. The project goes beyond the simple restoration and sustainable management of natural resources by adding a critical dimension of value/profit generation from their ecosystem. Through removing residual risks, the proposal will generate a shift from a trend of reduction of cultivated land and cattle breeding to an environment that enables and incentives smallholder farmers to invest in their businesses along VCs, thus bringing sustainability to the improved practices. Moreover, the more structured, more resilient and therefore less risky local smallholder value chains will attract private sector investment in the form of improved rural financial services, agro-processing infrastructure, and market linkages. Finally, the project fosters a change of attitude among smallholder farmers' passive recipients of decisions and marginalised groups to become key actors in climate-response planning and action.

Sustainable Development Potential

Gender and human rights-based approaches for a more equitable access to resources and decision-making spaces will be applied. The participatory approach will enhance context specific decision-making that will give sustainability to the adopted measures. Higher and sustained crop and livestock yields with minimal reliance on external productive inputs will ensure higher profitability of farming activities. Strengthening of VCs will reduce the vulnerability to the shocks providing sustainability and better bankability.

Needs of the recipients

The project targets the most climate vulnerable region of the country where livelihoods depend on rain fed agriculture. Additionally, more than 30% of the population live under the poverty line, and the unemployment rate is estimated at 28.6%, while the incidence of HIV/AIDS is around 30.3%. 31.3% of the population faces severe hunger and 31% of the population is classified in Integrated Phase Classification (IPC) phase 4 or 5 in terms of access to water.

Country Ownership

The concept note has been developed in close collaboration with the Ministry of Agriculture and the NDA. The actions comply with the MoA strategically plan 2018-2023 to reduce poverty and improve food security. Activities are consistent with national regulatory frameworks such as the National Development Strategy, the National Development Plan 2018-2023, the Eswatini Strategic Road Map 2019-2023, the Food and

[26] UNFPA (2017) The 2017 Population and Housing Census Preliminary Results. Central Statistical Office of Swaziland
[27] Vulnerability Assessment Committee report 2019, Annex 7
https://reliefweb.int/sites/reliefweb.int/files/resources/2019%20ESWATINI%20VAC%20REPORT.pdf

Nutrition Policy 2017 the National Stunting Prevention Action Plan, and the National Resilience Strategy and Disaster Risk Reduction Plan of Action (2017-2022). The NDA and relevant national stakeholders have been consulted during the development of the concept note and have provided the no-objection for the project.

Efficiency and Effectiveness

The proposed activities have been piloted in the target areas, are grounded on best practices and will be re-tailored with participatory planning processes. Efficiency is guaranteed by the fact that FAO, MoA, COSPE and other partners are well rooted in the country with operational management system in place.

B.4. Engagement among the NDA, AE, and/or other relevant stakeholders in the country (max ½ page)

The programme has been developed through consultative process, and it is close collaboration between Government of Eswatini through NDA (Ministry of Tourism and Environment Affairs) and the Ministry of Agriculture, FAO and other UN agencies and an international NGO (COSPE). Relevant stakeholders at local level (livestock and farmers groups, associations, cooperatives, traditional authorities, Community Development Committees), regional (Regional Administrator, Ministry of Tikundla, Line Ministries' regional offices, Regional Experimental Stations-DARSS-MoA) and national level (Eswatini Environmental authority), NGOs, Swaziland National Trust Commission, Ministry of Natural Resources and Energy, National Agricultural Marketing Board (NamBoard), National Maize Corporation, Land Management Board, Eswatini Water Agriculture Development Enterprise, MoA Departments (Veterinary and Livestock Services, Land Use, Agricultural Promotion and Extension Services, Agriculture Research and Specialist Services - Malkerns Research Station, Agriculture Planning, Early Warning Unit and Marketing Unit, Home Economics), farmer organizations and value chain actors representatives will be further engaged during full proposal development. Private sector and institutions will be engaged in the VCs development and strengthening.

C. Indicative Financing/Cost Information (max. 3 pages)

C.1. Financing by components (max ½ page)

Please provide an estimate of the total cost per component/output and disaggregate by source of financing.

Component	Output	Indicative cost (USD)	GCF financing		Co-financing			
			Amount (USD)	Financial Instrument	Type	Amount (USD)	Financial Instrument	Name of Institutions
Component 1: Scaling up Climate-resilient land use practices	Output 1.1, 1.2	25,768,458	15,768,458	Grants	Public Source	10, 000,000	Grants	MoA
Component 2: Strengthen climate resilient agriculture value chains (VCs	Output 2.1, 2.2	23,000,000	13,000,000	Grants	Public Source	10,000,000	Grants	MoA

Component 3: Enabling the environment for the sustainable adoption of climate resilient agricultural practices.	Output 3.1, 3.2	6,231,542	1,231,542	Grants	Public Source	5,000,000	Grants	MoA
Indicative total cost (USD)		55,000,000	30,000,000		25,000,000			

C.2. Justification of GCF funding request (max. 1 page)

Eswatini is facing serious barriers that jeopardize its capacity to mobilize finances to effectively respond to the challenges posed by climate change. This difficulty is evident in the budget of the National Emergency Response Mitigation and Adaptation Plan (NERMAP), where only 3.75% of the US$80 million needed for climate change adaptation interventions have been provided by the government[10]. COVID-19 pandemic has exacerbated the situation bringing new health emergencies to cope with, and this has shifted some government priorities. Additionally, the main private sectors actors, such as sugar cane companies, are facing serious problems related to low international commodity prices and, as such, are unable to contribute financially to the present programme. The GCF grant will fund activities that directly address the impacts of climate change events (higher temperatures, more intense droughts and floods) and will cover the incremental costs of climate change. GCF investment will leverage USD 25 Million of co-financing from the Ministry of Agriculture, who will complement the GCF activities by financing the environmental and social activities that need to be carried out in order to ensure the project impact and sustainability over time. In addition, the private sector is envisaged to bring in climate smart investments into viable smallholder commodity value chains and estimates will be established during full proposal formulation.

C.3. Sustainability and replicability of the project (exit strategy) (max. 1 page)

All the agricultural and livestock keeping practices promoted by the project can be implemented without high investments and provide higher returns in the medium term when compared to conventional practices. Similarly, infrastructure and equipment maintenance costs will be minimal. Smallholder farmers reliance on costly farming input will be reduced, enhancing their capacity to buffer unexpected increases in input prices. Crop diversification will also ensure a stronger capacity to overcome climatic and market shocks. Development and strengthening of rural value chains and market linkages will ensure more options and higher profitability for farming and livestock keeping activities. Structured, resilient and market linked local smallholder value chains will remove the residual risk and increase their capacities and opportunities to connect with the private sector and services including to access to private sector funding , agro processing facilities and infrastructure as well as markets. Through the climate and market information and early warning system strengthened by the project, rural household will be able to maximize their incomes or reduce damages in case of extreme climatic events.

Policy makers and land users will be actively engaged in adaptive management with the objective of identifying and implementing win-win solutions. This represents the conceptual basis for a permanent change in livelihood and coping strategies.

The expected improvement in regulatory frameworks generated through the project will ensure that the policies are conducive to the enhancement of smallholder farmers' resilience. The project does not entails post finance costs for the public sector. The climate and market price information services will be improved building on the existing infrastructures and capacities. Each Local Adaptation Plan will include a

participatory monitoring plan. The participatory and remotely sensed monitoring framework that will be established through the project will ensure that post-project monitoring can be carried out efficiently by the relevant ministries and departments.

D. Supporting documents submitted (OPTIONAL)

- ☐ Map indicating the location of the project/programme
- ☒ Diagram of the theory of change
- ☐ Economic and financial model with key assumptions and potential stressed scenarios
- ☐ Pre-feasibility study
- ☐ Evaluation report of previous project
- ☐ Results of environmental and social risk screening

Self-awareness check boxes

Are you aware that the full Funding Proposal and Annexes will require these documents? Yes ☒ No ☐

- Feasibility Study
- Environmental and social impact assessment or environmental and social management framework
- Stakeholder consultations at national and project level implementation including with indigenous people if relevant
- Gender assessment and action plan
- Operations and maintenance plan if relevant
- Loan or grant operation manual as appropriate
- Co-financing commitment letters

Are you aware that a funding proposal from an accredited entity without a signed AMA will be reviewed but not sent to the Board for consideration? Yes ☒ No ☐