



PROJECT DOCUMENT
MOZAMBIQUE



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Resilient nations.

Project Title: Sustainable management of Natural resources for Resilient and Equitable Development – II (SUNRED-2) Project in Mozambique

Project Number: 00102786

Implementing Partner(s): Ministry of Land, Environment and Rural Development (MITADER); Ministry of Economy and Finance (MEF)

Start Date: 1st Jan 2019 **End Date:** 31st Dec 2021 (36 months)¹

PAC Meeting date: 04 September

Brief Description

The new Sustainable management of Natural resources for Resilient and Equitable Development – Phase II (SUNRED-2) Project in Mozambique brings together the UNDP-UN Environment Poverty-Environment Action Programme (PEA), UNDP Mozambique’s Green Human Development project and the GCF funded National Adaptation Plan project. The programme addresses the relationship between unsustainable management of the environment & natural resources, climate change and climate adaptation, poverty eradication and broader economic growth.

Mozambique is rich in natural resources with fertile lands, minerals, a long coastline and vast forests. Before the debt crisis in 2016, Mozambique’s was one of the fastest growing economies driven by foreign direct investments in the natural resource and extractive sector. The agriculture, forestry, fisheries, tourism and mining sector together contribute approximately 30% of the GDP. 68% of the population live in rural areas and predominantly depend on natural resources for their livelihoods and well-being.

However, unsustainable management of natural resources and climate change are undermining poverty eradication, climate resilience and economic development efforts. Natural resource richness moreover presents challenges in terms of equitable sharing of revenues, poverty eradication, inclusive economic growth and environmental sustainability. This, highlights the importance to ensure that pressure to demonstrate immediate economic gains does not result in decisions and investments that are not environmentally, socially and economically sustainable in the long term.

The Government of Mozambique has taken many important steps together with SUNRED I and other actors to recognize the importance of environmental sustainability for economic development and poverty reduction. For example, inclusive environmental sustainability has been integrated in many policies, planning and budget processes and instruments.

However, there is still a gap in terms of sustainable and equitable management of natural resources and its related revenues in Mozambique. One of the key problems behind this is the inadequate translation of poverty-environment and climate objectives into implementation strategies and actions supported by sufficient investments. This problem is primarily driven by four key gaps: the policy coherence and coordination gap; the human capacity gap; information gap; and funding gap. We have learnt from the phase I of the project, that to fulfil these gaps, a functional inter-institutional mechanism should be to establish and its creation is under process.

Therefore, the proposed project Outcome is: “Strengthened integration of poverty-environment-climate objectives into policies, plans, regulations and investments of Mozambique to accelerate delivery of the 2030 Agenda and the SDGs.” This will be achieved through two main project Outputs:

¹ A 1 year cost extension for the PEA component of an additional \$300,000 will be considered after three years of implementation

- Output 1: Policies, strategies, plans and budgets are more coherent and better integrate environmental sustainability and climate objectives for poverty eradication
- Output 2: Investments in natural resource management support poverty reduction and environmentally sustainable economic growth

The three programme components contribute to the achievement of the same outputs and outcomes and are as such mutually reinforcing. The results framework follows the guidance of Agenda 2030 and the SDGs and is aligned with national policies and strategies, the global Poverty-Environment Action programme, UNDP country Document programme (CPD), United Nations Development Assistance Plan UNDAF (2017-2020) and other relevant frameworks.

Contributing Outcome (UNDAF/CPD, RPD or GPD):
UNDAF (2017-2020) - Result Area 4: PLANET
OUTCOME 2: Poor people benefit from sustainable economic transformation
OUTCOME 9: Most vulnerable people in Mozambique benefit from inclusive, equitable and sustainable management of natural resources and the environment
Indicative Output(s):
Project Outcome: Strengthened integration of poverty-environment-climate objectives into policies, plans, regulations and investments of Mozambique to accelerate delivery of the 2030 Agenda and the SDGs
Output 1 Policies, strategies, plans and budgets are more coherent and better integrate environmental sustainability and climate objectives for poverty eradication
Output 2: Public investments in natural resource management support poverty reduction and environmentally sustainable economic growth

Total resources required:	USD 5,500,000	
Total resources allocated:	UNDP TRAC:	USD 1,500,000
	Donor (Poverty-Environment Action Programme):	USD 900,000
	Donor (GCF-NAP):	USD 3,000,000
	Government (In-Kind):	USD 100,000
Unfunded:		

Agreed by (signatures):

Government	Implementing Partner	UNDP
 José Condugua António Pacheco , Minister of Foreign Affairs and Cooperation	 Celso Ismael Correia , Minister of Land, Environment and Rural Development	 Martim Faria e Maya , Resident Representative a.i.
Data:	Data:	Data: 14/01/2015



² Component NAP under revision by UNDP regional team – will be included later

I. DEVELOPMENT CHALLENGE

DEVELOPMENT CHALLENGE: Climate change, unsustainable use of ecosystems and natural resources reduces the social and economic benefits derived from the environment by people in Mozambique. This affects the rural population and specifically rural women that predominantly depend on natural resources for their livelihoods. It further hampers the productivity and performance of key economic sectors (such as agriculture, fisheries, forestry) which in turn reduces state revenues and budgets that otherwise could be invested in poverty eradication and gender equality efforts. Considering this, one of the key development challenges in Mozambique can be formulated as: **non-inclusive and unsustainable environment and natural resources management and climate change hampers efforts to eradicate poverty and gender inequality and enhance climate resilience in Mozambique.**

1. Mozambique is rich in natural resources with 36 million hectares of fertile land, vast forests covering 51% of the country and a 2470 km long coastline offering opportunities for fisheries and tourism.
2. Mozambique's economy grew significantly from the year 2000 to 2014, demonstrating on average a 7% increase in GDP driven mainly by foreign direct investments (FDI) in the natural resources and extractive sectors. However, in 2016 Mozambique's GDP dropped and FDI has declined since then, mainly due the blockage of international aid (due the discover of hidden debt). Real gross domestic product (GDP) slowed to 3.7% in 2017, down from 3.8% in 2016 (<http://www.worldbank.org/pt/country/mozambique/overview>). Nevertheless, investment flows into natural resources sectors continues to open opportunities for increased government revenues and economic growth from natural resources.
3. Renewable and non-renewable natural capital accounts for 49% of Mozambique's total wealth, dominated by subsoil resources (41%), cropland (30%) and timber resources (15%), which is significantly above the Sub-Saharan average of 24%³. As such, natural resources play a critical role in the country's economy with the primary sector (agriculture, forestry, fisheries) contributing an estimated 23% share of the GDP (Gross Domestic Product) and occupying more than 80% of the active population.
4. Approximately 68% of Mozambique's population live and work in rural areas and are predominantly dependent on natural resources and environmental services for their livelihoods. The land and water provides food and incomes from agricultural excess, the forest biomass and timber to meet energy and material needs and minerals and wildlife incomes from mining and tourism. Rural poverty remains higher than urban poverty (50.1% vs. 37.4%) in Mozambique.
5. Women represent 51% of the rural population and are particularly vulnerable to environmental unsustainability and climate change due to their direct dependency on natural resources and environmental quality for their livelihoods. Women moreover represent more than 60% of the agricultural work force and experience gender inequalities and structural disadvantages in relation to access to land, capital, markets, education and exercise less power in decision making processes. Less than half of the women in Mozambique participate in decisions that are significant for them including when it comes to decisions over natural resource use⁴. Climate change and environmental degradation often increase the hours women need to spend looking for water and firewood, exacerbating inequalities. Moreover, drought and environmental degradation have in the last few years, resulted in men migrating to urban areas increasing both the productive and reproductive work burden on women in rural areas. Women are also in disadvantage when it comes to do alternative income source activities, such as artisanal mining, fishery and cash crop production, thus increasing their vulnerability.

³ MICOA, AFD, Feb 2009, Natural Resources, Environment and Sustainable Growth in Mozambique

⁴ World bank, Gender Data Portal <http://datatopics.worldbank.org/gender/>

6. Economic dependency on natural capital puts great pressure on natural resources leading to environmental losses. Unsustainable management of natural resources in Mozambique is currently resulting in alarming levels of deforestation, land degradation, loss of crops, livestock and incomes with climate change being both a driver as well as a cause. This environmental degradation significantly hampers efforts to eradicate poverty as the livelihoods of the poor are undermined and food prices rise. This is more aggravated by the lack value chain development on natural resources, which could lead to increases in jobs and incomes.
7. This environmental degradation moreover has significant economic implications. 17% of the GDP (c. 45 billion MZN equivalent to USD 749 million)⁵ is lost each year to environmental degradation and the inefficient use of natural resources. And while only, 9% of GDP is the estimated cost to remediate these damages, the average environmental expenditure for the period 2007-2010 was just 1.4% of GDP⁶.
8. The unsustainable management of natural resources is moreover reducing Mozambique's capacity to capture greenhouse gases. At the same time, environmental degradation is exacerbated by climate change. The dependency on natural resources, geographical exposure to climate hazards and low adaption capacity make Mozambique particularly vulnerable to the impacts of climate change, including the loss of human lives, crops, livestock, wildlife and social and economic infrastructure leading to, among others, the rising cost of agricultural products, food insecurity, human health impacts and further poverty and environmental degradation.
9. Recognizing that sustainable development cannot be achieved without striking a balance between the environmental, social and economic dimensions of development, the Government of Mozambique has integrated a set of policy objectives into high-level strategic documents such as the current Five Year Programme (PQG) 2015-2019 in which one out of five priorities includes ensuring the transparent and sustainable use of natural resources and environment (addressing also climate change).
10. The Government of Mozambique has taken several additional steps together with the SUNRED I programme to integrate environmental sustainability and climate objectives for poverty reduction in policy and budget frameworks. For example, poverty-environment objectives have been integrated in two generations of national poverty and development plans (PARPA 2011-2014, PQG 2015-2019) and operationalized with the help of poverty-environment mainstreaming planning tools through eight key sector plans (Agriculture & Food Security; Fisheries; Health; Mineral Resources & Energy; Public Administration; Public Works & Housing; Tourism & Culture; and Transport & Communication). A climate budget code has been introduced into the national budget tracking systems and environmental budget codes are being applied more systematically. Budget allocations for environment and climate have increased from 0.45% of the state budget in 2007-2010 to 2.2% in 2016. Most notably sector barriers between the Ministry of Economy and Finance (MEF) and the Ministry of Land, Environment and Rural Development (MITADER) are being broken down.
11. Despite the progress made by the government, there is still a gap in generating and equitably managing revenues from natural resources in Mozambique. According to the independent evaluation of the scale-up phase of the Poverty-Environment Initiative (PEI), *“Even when there is political will, there are significant information, knowledge, capacity and coordination barriers. Policy-makers do not have access to timely analysis to fully comprehend the trade-offs and*

⁵ MICOA, PEI, SBA & Ecosys, May 2012, Environmental Economic Analysis of Natural Resources Management in Mozambique

⁶ (2012, MICOA) Public Environmental Expenditure Review (PEER) for Mozambique (2005-2010)

*impact of policy decisions on the poor and the environment. Many opportunities for pro-poor and inclusive sustainable development are missed because of this same failure*⁷.

12. Considering these evidences, the over-arching development challenge that the SUNRED II programme will focus on can be formulated as: **non-inclusive and unsustainable environment and natural resources management and climate change hampers efforts to eradicate poverty and gender inequality and enhance climate resilience in Mozambique.**
13. Four main **underlying causes/gaps** have been identified to be behind the key development challenge:
 - a) **Policy coherence and coordination gap:** Incoherence between certain policies and insufficient institutional coordination among national and sub-national levels;
 - b) **Capacity Gap:** Limited capacities for integrated results-based planning, decision making and participation for environmental and natural resource sustainability;
 - c) **Knowledge & information gap:** Limited monitoring, data collection and analysis on the Poverty-Environment nexus and climate change related issues; and,
 - d) **Financing Gap:** Inadequate public expenditures and poorly managed allocation of natural resource revenues to support environmentally sustainable economic growth and community benefits.
14. More meaningful implementation of objectives that simultaneously promote environmental sustainability, climate action and poverty reduction is moreover hampered by several **structural root causes**. These are part of wider challenges facing Mozambique and are outside the boundaries of this project but are nevertheless important to be aware of. These include cultural factors (such as women's role in society), limited progress towards decentralization, limited incentives for civil service effectiveness that affect regulatory systems and enforcement, insufficient transparency and accountability mechanisms, long-standing economic development challenges resulting in pressure to prioritise short-term immediate gains at a cost of long term economic, social and environmental sustainability, still relatively high population growth, geographic location and climate vulnerability.

⁷ (2016) – Final report - Independent Evaluation of the Scale-up Phase (2008-2013) of the UNDP-UNEP Poverty – Environment Initiative



II. STRATEGY

The essence of the programme strategy assumes that one of the **key problems** driving the development challenge identified is the inadequate translation of poverty-environment objectives into implementation strategies and actions supported by sufficient investments. This problem is primarily driven by **four key gaps**: the policy coherence and coordination gap; the human capacity gap; the information gap; and the funding gap.

These gaps can be addressed by focusing on building systemic, organizational and individual capacity for strengthening the integration of poverty-environment-climate objectives into policies, plans, regulations and investments to accelerate delivery of the 2030 Agenda and the SDGs (**project outcome**). To achieve this, policies, strategies, plans and budgets need to be more coherent and better integrate environmental sustainability and climate objectives for poverty eradication (**output 1**) and public investments in natural resource management need to support poverty reduction and environmentally sustainable economic growth (**output 2**). To deliver on the outputs the programme will work on deepening and broadening the application of poverty-environment mainstreaming tools and approaches, strengthening cross sectorial coordination and enhance the capacity to monitor environmentally related SDG indicators (**key deliverable 1.1-1.3**). The programme will also strengthen the management and allocations of natural resource revenues in ways that benefit communities and environmental sustainability, spread the application of environment and climate budget codes and ensure that national investment management systems and regulatory frameworks supports socially inclusive climate resilient and environmentally sustainable investments (**key deliverable 2.1-2.2**).

The achievement of the key deliverables and the project outcome is expected to contribute to more sustainable and equitable use of the environment and natural resources and its related revenues, climate adaptation and increased productivity. The project impact can therefore be expressed as: environmental and natural resource sustainability contributes to poverty reduction, inclusive economic growth and climate resilience.

The programme will bring together the Poverty-Environment Action for Sustainable Development Goals programme (hereafter the Poverty-Environment Action programme), the Green Human Development programme and a Green Climate Fund supported programme on National Adaptation as well as the MEF, MITADER, MASA, MIMAIP, INAM (National Institute for Meteorology) and UNDP as implementing partners. The three programme components contribute to the achievement of the same outputs and outcomes described above and are as such mutually reinforcing. The programme is also aligned with broader UNDAF, UNDP and UN Environment programme frameworks. This partnership and alignment approach is an important strategy to achieve the project outcome.

15. The Government is committed to use the opportunity offered by the 2030 global and 2063 regional Agenda to further address poverty, environmental sustainability and development in a cross-sectoral and integrated manner. The government, through the MEF is also committed to address some of the main challenges related to natural resource revenues including how to optimize revenue collection and benefit sharing mechanisms. The Government is also making a concerted effort to significantly improve the coherence between and the implementation of its policies, strategies, programs, plans and budgets through the creation of a new planning and budget system referred to as the SPO (*Sistema de Planificação e Orçamento*).
16. As Mozambique moves forward in the spirit of Agenda 2030 it will be important to ensure that the environmental dimension is not left behind when addressing poverty and broader economic growth. It will be essential that SDG implementation processes advance environment and climate objectives to generate better social and economic development

17. In line with the Government commitment and opportunities described above a project strategy or Theory of Change (ToC), has been jointly elaborated through a consultative process with the implementing partners namely, MITADER, the MEF, the Ministry of Sea, Interior Waters and Fisheries (MMAIP) and INAM, among others. An overview of the theory of change is provided in figure 1 and further described below.
18. The programme strategy is fully aligned with international, regional and national **development agendas** and priorities (the 2030 Agenda and the Sustainable Development Goals; the African Agenda 2063; the UNDP Strategic Plan (2018-2021); the 5-years government plan (PQG 2015-2019), jointly with the UNDAF (2017-2022)). Further details on contributions towards achievement of these agendas will be provided in the next section “Expected results”.
19. The programme strategy has been built bringing together three complementary project components, all of them addressing the development challenge in an integrated manner, but from different perspectives maximizing synergies and efficiencies⁸. The three programme components contribute to the achievement of the same outputs and outcomes and are as such mutually reinforcing. The three components are the following:
- a. **Green Human Development (GHD)**: with a focus on the successful implementation and monitoring of the environmental related SDGs and integration of the environmental dimension of sustainable development across sectors to be mainly implemented by the MITADER as the coordinating institution for the environment sector in the country.
 - b. **Poverty-Environment Action for Sustainable Development Goals (Poverty-Environment Action programme)**: with a focus on the integration of environmental sustainability and climate objectives for poverty eradication into national plans, budgets and investment frameworks at central, sectorial and sub-national level. mainly implemented by the MEF, to ensure ownership and clear orientations from Planning and Budgeting authorities.
 - c. **National Adaptation Plan (NAP)**: with a focus on starting the implementation of the National Adaptation Plan Road Map, as the Adaptation component of the NDC (Nationally Determined Contributions) for the implementation of the Paris Agreement. Mainly implemented by the UNDP, in close coordination with the MITADER, the MEF, the INAM and the MIMAIP.
20. The project strategy builds on the achievements and lessons learned during the implementation of the SUNRED I programme and previous phases of the ACAFS (Africa Climate Adaptation and Food Security), PEI (Poverty-Environment Initiative) and GHD projects, with the objective of capitalizing and strengthening the results achieved.
21. The SUNRED II will particularly focus on supporting the Government of Mozambique to address the key problem and its four underlying gaps and thereby contribute to addressing the overall identified development challenge. The backbone of the strategies based on strengthening **capacity development** at three levels⁹:
- a. At the **systemic level** (*enabling environment – policy framework*): the project will work towards closing the ‘institutional coordination and policy coherence gap’ as well as the ‘capacity gap’, ensuring that inclusiveness, human rights approach and gender considerations, are properly addressed at upstream policy level, and contributing towards further domestication of SDG into the national agenda;

⁸ This is a good practice recognized by the SUNRED-I Terminal Evaluation

⁹ Adapted from (UNDP, UNEP, GEF) Monitoring Guidelines of Capacity Development in GEF Operations

- b. At the **organizational level** (*functioning capabilities, such as tools, guidelines and management information systems to catalyse organizational change*): The project will work towards closing the 'capacity gap', the 'knowledge and information' as well as the 'funding and financing' gaps by providing (developing and testing) tools and establishing mechanisms to strengthen environmental and climate integration into national planning, monitoring & evaluation and budgeting systems for SDGs implementation and Paris Agreement preparation and implementation;
- c. At **individual level** (*changing attitudes and behaviours, most frequently through imparting knowledge and developing skills*): The project will work towards closing the 'capacity' and 'knowledge and information' gaps by fostering strategic partnerships, brokering south-south cooperation alliances and development of strategic skills to improve institutional performance and increase individual motivation and professional commitment.

22. The programme will work towards a joint **project outcome and two project outputs**.

Project Outcome: Strengthened integration of poverty-environment-climate objectives into policies, plans, regulations and investments of Mozambique to accelerate delivery of the 2030 Agenda and the SDGs. Two interrelated outputs will be delivered in this regard:

Output 1: Policies, strategies, plans and budgets are more coherent and better integrate environmental sustainability and climate objectives for poverty eradication

Output 2: Public investments in natural resource management support poverty reduction and environmentally sustainable economic growth

23. Achievement of the proposed outputs and outcome will be dependent on the implementation of the following deliverables (see also figure 3):

24. **Output 1: Policies, strategies, plans and budgets are more coherent and better integrate environmental sustainability and climate objectives for poverty eradication:** The work under output 1 will focus on deepening and broadening the application by planners and decision makers across sectors of the poverty-environment and climate mainstreaming tools and systems that have been developed by MEF and MITADER during previous phases of the SUNRED-I programme. The output will be achieved through three key deliverables outlined briefly below. The actions under Output 1 are further aimed at helping to establish the enabling conditions for influencing public investments aimed at under output 2. The detailed activities for each of the deliverables are further outlined in section VII Multi-Year Workplan.

Deliverable 1.1: Application of mainstreaming tools for environmental sustainability and climate objectives for poverty reduction through the national planning and budget system. Attention will be paid to fully integrating P-E-C considerations in the SPO (Planning and Budgeting System) and to ensure that existing and updated P-E-C tools, guidelines and training materials are part of the annual SPO trainings for planning and budget officers. This is of critical importance to ensure policy and budget coherence for poverty-environment objectives as the SPO will be applied for all planning and budgeting processes across Mozambique including at the sector and district level. Ensuring integration into government processes and building institutional capacity for the application of the tools is one of the projects key sustainability approaches.

Deliverable 1.2: Cross-sectoral coordination mechanism promote mainstreaming and policy coherence of environmental sustainability and climate objectives for poverty reduction at national. Through the SUNRED-I, the environmental units within government sector were strengthened and became more effective, for example, the use of Poverty-Environment-Climate tools for policy development and annual planning processes have improved significantly. A proposal for a public sector inter-institutional mechanism that aims to improve the integration of environmental sustainability into sectoral plans is currently under

consideration by the Government. Through the SUNRED-II this coordination mechanism will be supported with a view to ensure its operationalization. The SUNRED-II will also support the National SDG Reference Group to include environmental sustainability and climate adaptation into SDG implementation. The SDG reference group hosted by MEF will build on the recently established government-civil society platform and include other government actors as well as civil society, parliament, development cooperation agencies and municipalities. This will be one important avenue for the Government of Mozambique to ensure civil society participation in shaping sustainable development in Mozambique. The project will also work to influence donor priorities for poverty-environment mainstreaming.

Deliverable 1.3: Improved capacity to produce, monitor and use MITADER/environment-SDG indicators. Through the SUNRED-I, the MITADER has been supported to domesticate the SDGs, and prepare a related implementation and monitoring action plan and identify specific capacity gaps. Through SUNRED-II, MITADER's SDG implementation and monitoring action plan will be supported. Specifically, capacity building for MITADER's statistics team will be provided focusing on indicator development, data analysis, collection and reporting (including SDG reporting and the state of environment reporting) at both national and sub-national level. The capacity building will particularly focus on how to obtain gender disaggregate data.

25. **Output 2: Public investments in natural resource management support poverty reduction and environmentally sustainable economic growth** will be achieved through two deliverables.

Deliverable 2.1: Management and allocation of natural resource revenues benefit communities and support environmentally sustainable economic growth, focusing on mining, forestry and wildlife. Under this deliverable the MEF, in close collaboration with MITADER and MIREME, will be supported to improve the natural resource revenues collection systems and shift the allocation of such revenues to better contribute to poverty reduction and environmental sustainability. The support will include the preparation and dissemination of specific guidelines and strengthening the coordination among key partners involved in the process (MEF, MITADER, MIREME, sub-national level authorities and communities). Clear guidance's on the use and management of the natural resource revenues at community level, with a particularly emphasis on women's participation will be provided. Collaboration with the private sector will also be sought to get a better overview of the natural resource revenues/taxes that the state receives and review if the amount that goes to local communities is aligned with the national targets in line with the Extractive Industry Transparency Initiative.

Building on previous achievements, work under this output will also include strengthening of the application of environment and climate budget codes at sector and provincial level and the inclusion of an environment and climate budget in the budget for citizens. The budget for citizens is an important communication tool whereby citizens of Mozambique can gain an understanding of the budget priorities of the country and hold the government accountable for its priorities.

Deliverable 2.2: National investment management systems and regulatory frameworks support socially inclusive, climate resilience and environmentally sustainable investments. Under this deliverable, the existing Environmental Impact Assessment (EIA) procedures will be strengthened. The existing technical EIA guidelines will be updated to improve how social considerations are reflected in EIA, and to provide guidance of how to evaluate impacts of investment proposals and ensure that EIA plans are implemented. This will be supplemented by further training and capacity building of government staff, communities and civil society (to participate meaningfully in EIA consultation processes).

26. The achievement of the key deliverables and the project outcome is expected to contribute to more sustainable and equitable use of the environment and natural resources and its related revenues, climate adaptation and increased productivity. The project **impact** can therefore be

expressed as: **environmental and natural resource sustainability contributes to poverty reduction, inclusive economic growth and climate resilience.**

27. The main **drivers** that will contribute to the successful delivery of the outputs are the following:
- i)** the favorable momentum provided by the 2030 Agenda and the SDGs to work on an integrated manner to also ensure environmental sustainability to eradicate poverty and gender disparities;
 - ii)** the engagement of the MEF as a national champion into cross-cutting issues integration into national plans and budgets; **iii)** the increasing national adoption of concepts such as “Sustainable Development” or “Green Economy” as drivers for economic growth; and **iv)** the international pressure for the UN system to improve efficiency and effectiveness in delivering.

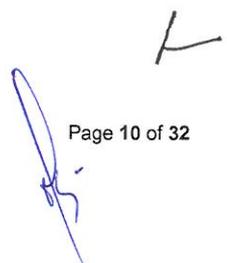
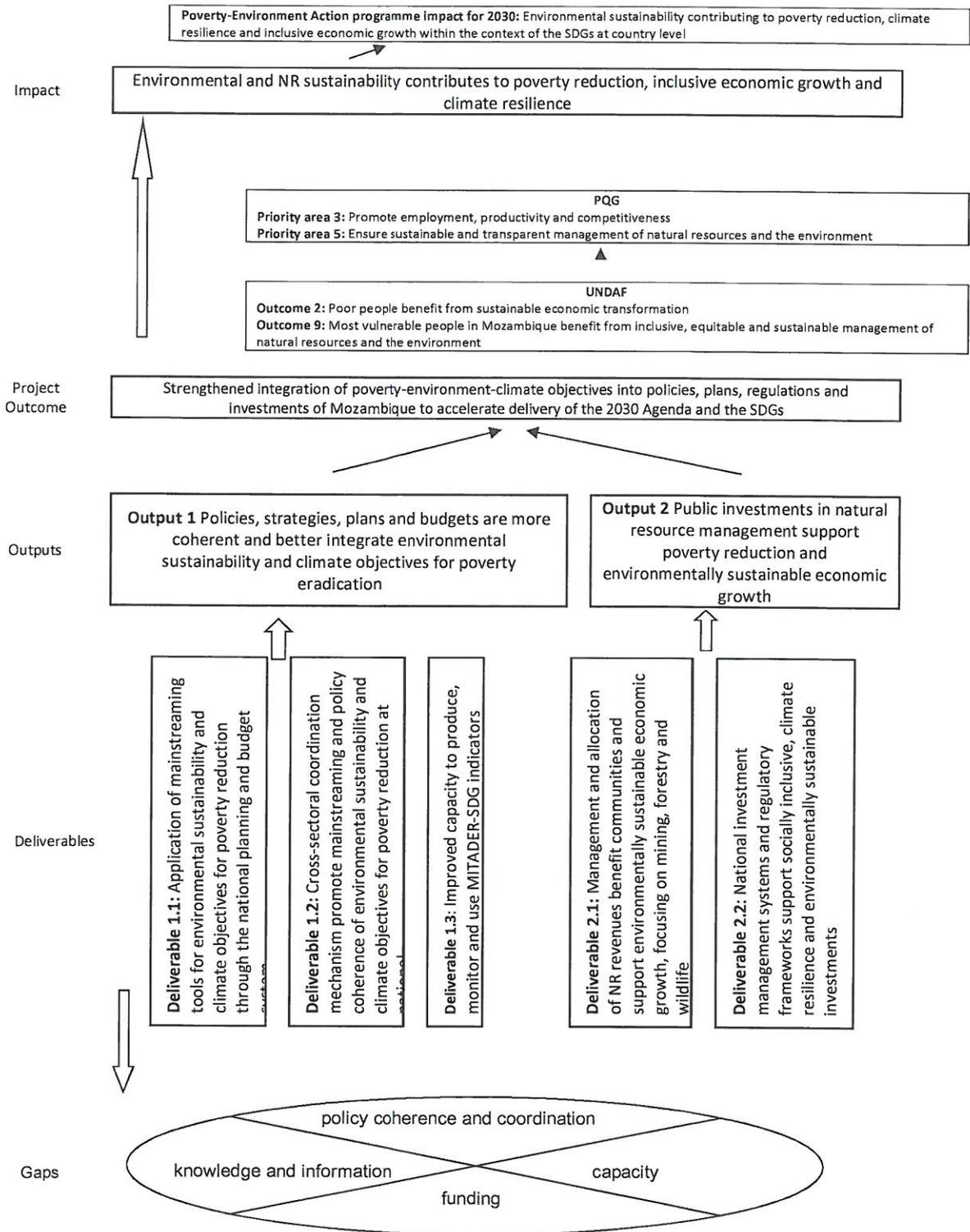


Figure 1. Programme Theory of Change



III. RESULTS AND PARTNERSHIPS

Expected Results

28. In paragraph 28 The achievement of the Project Outcome is expected to contribute to more sustainable use of the environment and natural resources, climate adaptation and increased productivity of land, forests and fisheries. Such changes are expected to enhance food security and incomes for the poor and groups in vulnerable situations that depend on natural resources for their livelihood. This would in turn help bring about the desired **project impact**: Environmental and natural resource sustainability contributes to poverty reduction inclusive economic growth and climate resilience as well as the UNDAF outcome that *most vulnerable people in Mozambique benefit from inclusive, equitable and sustainable management of natural resources and the environment*.
29. The project will thereby also contribute to Mozambique achieving higher level poverty and environment related goals of the GoM PQG (2015-2019), the African agenda 2063¹⁰ and the 2030 Agenda for Sustainable Development. The project is moreover aligned with the UNDP Strategic Plan (2018-2020) and the UN Environment Africa Office strategy.¹¹ The project will particularly contribute towards the achievement of:
- a. Priority area 3 and 5 of the PQG: “Promote employment, productivity and competitiveness” and “Ensure sustainable and transparent management of natural resources and the environment.”
 - b. Aspiration 1 of the African Agenda 2063 “A Prosperous Africa Based on Inclusive Growth and Sustainable Development” and several of the SDGs in Mozambique:
 - **SDG 1**: “End poverty in all its forms everywhere”, by contributing to effective utilization of natural resource revenue to benefit the poor
 - **SDG 5**: “Achieve gender equality and empower all women and girls”, specifically by providing gender disaggregated data on natural resource management
 - **SDG 8**: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”, by working with governments to ensure that the economic benefits of natural resources positively impact other economic sectors
 - **SDG 13**: “Take urgent action to combat climate change and its impacts”, by increasing resilience and mainstreaming climate considerations in plans and budgets
 - **SDG 14**: “Conserve and sustainably use the oceans, seas and marine resources for sustainable development” by contributing to sustainable and resilient fisheries sector
 - **SDG 15**: “Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss” by supporting the government to increase investment in sustainable use of environment and natural resources.

Resources Required to Achieve the Expected Results

30. The total project budget, for 3 years, is 5,500,000 USD. The financial resources will come from different sources: **i)** UNDP TRAC funds - will mainly support the implementation of the GHD component; **ii)** Poverty-Environment Action programme funds will support the implementation of the Poverty-Environment Action Programme component; **iii)** Green Climate Fund – NAP readiness window to support the implementation of the NAP road map; **iv)** Government of Mozambique will provide support in kind, by facilitating office space for the project unit staff.

¹⁰ Agenda 2063. The Africa We Want, 2014

¹¹ Transforming our world: the 2030 Agenda for Sustainable Development

However, it should be noted that the three programme components all contribute to the achievement of the same outputs and outcomes and are as such mutually reinforcing.

31. To implement the programme, based on the SUNRED-I experience, a minimum staffing structure composed of 3 full time positions is required: i) Project Coordinator; ii) Financial and Administrative Assistant; iii) International Technical Advisor. The team will be cost-shared by the three programme components and their donors. Having a joint SUNRED-II programme team is essential to achieve the project outcome and outputs, create the required synergies and complementarities not only among the project components, but also with other similar projects.
32. In addition to the full-time project staff, support from the UNDP CO and from the Poverty-Environment Action programme-global team will also be provided. The CO will provide quality assurance for the components implemented by the IPs as well as operational support in terms of procurement, recruitments, etc. as required.
33. The above donors have committed resources for 3 years and this Project Document has been designed based on the committed and available resources, but also keeping in mind the potential further resources to be mobilized which can then easily be added and activities continue and upscaled, including lessons learned.

Partnerships

34. SUNRED II, with its three project components bringing together the UNDP-UN Environment Poverty-Environment Action Programme, UNDP Mozambique's Green Human Development project and the GCF funded National Adaptation Plan project is a manifestation of the strong partnership approach. The three project components contribute to the same main outputs, outcome and impacts through joint key deliverables but separate activities and implementing partners.
35. At the national level, UNDP is very well positioned in the environment sector which will help to ensure close coordination and synergies with other development actors: The SUNRED II project team will be closely engaged in the UNDAF outcome 9 working group (*Most vulnerable people in Mozambique benefit from inclusive, equitable and sustainable management of natural resources and the environment*) chaired by UNDP. Through the working group coordination with other UN agencies/interventions working to achieve the same overarching impact will be explored and ensured.
36. UNDP is moreover the chair of the Environment and Climate Change Donor's Working group in which the SUNRED II project team will participate. The working group provides an avenue through which the programme can be involved in strategic discussions with donors, present programme progress and seek alignment with similar donor projects. The project team will undertake specific efforts to partner with the EC, Sida and NORAD in Mozambique.
37. SUNRED II will also be implemented in coordination with other UNDP and UN Environment projects, such as: i) BIOFIN which is a "*global partnership addressing the biodiversity finance challenge in a comprehensive manner. The Initiative provides an innovative methodology enabling countries to measure their current biodiversity expenditures, assess their financial needs in the medium term and identify the most suitable finance solutions to bridge their national biodiversity finance gaps*"¹². BIOFIN will also contribute to address the funding gap identified in the capacity assessment and the achievement of the SUNRED II output 2 and is implemented by the same IPs as SUNRED II. Its inclusion under the same project board as SUNRED II will be proposed to ensure alignment and synergies.

¹² <http://www.biodiversityfinance.net/>

38. UN Environment will provide technical expertise specifically on issues of poverty-environment and gender mainstreaming, climate change mitigation in natural resource management and renewable energy. This expertise will be provided through the Poverty-Environment Action programme global team in collaboration with other experts within the organisation.
39. Other UN agencies, such as FAO and UN-Women may be key partners as the implementation of the programme moves forward. The two agencies are supporting related efforts in the country to ensure environmental sustainability and climate resilience for the agriculture sector (FAO) and to reduce gender inequalities (UN-Women). Partnerships with the two agencies will be sought for the implementation of relevant activities as the programme is approved.

Risks and Assumptions

40. The logic behind the programme theory of change and the achievement of the outputs and outcomes are based on several **assumptions**:
- Strong Government of Mozambique commitment on sustainable management of environment and natural resources:** Government will maintain its strong commitment on prioritizing (plans and budgets) for sustainable and transparent management of environment and natural resources and on implementation of SDGs;
 - Sustainable Management of Environment and Natural Resources has a clear impact on economic growth:** more transparent management of natural resources will lead, among others, to increased revenues and higher participation of civil society and communities in NR management related decision. This is expected to contribute positively to increased budgets for implementation of poverty-environment objectives at national and sub-national level;
 - Donor community and UN system continue technical and financial support for environmental mainstreaming:** the UN system and development partners will maintain the commitment to technically and financially support national processes towards better mainstreaming of environmental sustainability and climate change adaptation.
 - Good governance and low levels of mismanagement of NR revenues:** all parties are committed to good governance practices
41. There are moreover **risks** that have been considered in the design of this programme, and that will have to be managed during implementation. The below table provides a summary of the programme risks assessment

	Risk	Type	Level	Mitigation Plan
1	International economic crisis affects national economic performance and the national budget is reduced, increasing internal competition for the allocation of financial resources (from national budget) to different priorities away from poverty-environment issues	Political	high risk	1) placing an emphasis on tools for influencing decisions (e.g. civil society participation in EIA and SEA), 2) improving coherence between plans and budgets (via the SPO) and 3) on improving investment management (NR revenues; EIA); 4) increase dynamics in inter-institutional coordination to avoid duplication of efforts and maximize the use of the few available resources

2	High levels of staff turnover within government departments	Political	high risk	Re-training of newly acquired government staff; Engage IP leadership to consider the negative impact and avoid staff turn-over whenever possible
3	Highly bureaucratic processes (procurement processes) bring delays on implementation and progress towards results	Organizational	high risk	Reinforce national partners on procurement processes to ensure are processed on duly time

Stakeholder Engagement

42. *The project target groups* are the people which the project aims to reach and change their practices, behaviours and attitudes of and ranges from decision makers, planners and local communities.,

43. The primary project target groups include:

National and provincial planners: including key technical staff in the respective government departments and sectors. The project will engage the planners to undertake analysis on the poverty-environment nexus and ensure the application of poverty-environment mainstreaming tools.

Policy and decision makers: these are the leadership of the key government departments, that the project will need to influence. The project will engage this group to ensure approval of plans and budgets that includes poverty- environment objectives.

44. Secondary target group:

Vulnerable communities living in rural areas: These are the populations whose livelihood depend on natural resources and who are negatively impacted by environmental degradation. Improved participatory planning that includes vulnerable communities is one way of contributing to inclusive and sustainable natural resource management. The project will provide trainings to local communities and districts on the sustainable management of natural resources and identify and assess related investment opportunities. The project will moreover engage vulnerable communities in its work on natural resources revenues. While defining and implementing these activities consultations and partnerships with local communities' will be further explored.

45. Other Potentially Affected Groups: include: Civil Society Organizations (CSOs), media, parliamentarians, academic and research institutions, private sector (particularly agriculture, fishery, tourism and extractive industry). CSOs will particularly be engaged in the project through the work on the SDG reference group and the private sector in relation to the work on natural resource revenues.

South-South and Triangular Cooperation (SSC/TrC)

46. National participation in climate negotiations will be strengthened through SSC/TrC with country(ies) that have long and strong experience in climate negotiations. The cooperation will focus on sharing tools/strategies to improve performance during climate negotiations and on learning how to effectively coordinate a climate delegation consisting of different institutions., etc.




Under SUNRED I, the project has started a partnership between FNDS (*Fund Nacioanl para o Desenvolvimento Sustentável* - National Fund for Sustainable Development) and FONERWA (Rwanda's Green Fund). A MoU between the two institutions is under preparation and will focus on technical cooperation, training, knowledge and experience exchange, technological support and transfer. This south-south cooperation will be further supported under SUNRED II.

47. The Government of Mozambique is one of the pioneering countries in Africa in terms of tracking climate and environment budgeting and expenditure. Under the SUNRED II programme south-south cooperation, where African countries can learn from the Mozambican experience and where Mozambique can learn from experiences from Asia, e.g. Indonesia, will be sought. South-south collaboration on budget coding will be explored within the framework of the Poverty-Environment Action programme component which is part of a global programme which operates in selected Least Developed Countries in Africa and Asia. The programme will take an active role in promoting south-south cooperation for poverty-environment mainstreaming among its partner countries including Mozambique.

Knowledge

48. The programme will produce knowledge products for Mozambican and regional and global stakeholders with the aim of influencing policymaking and investments towards environmental sustainability for poverty reduction and climate resilience. The knowledge products will be strategically disseminated through in country and regional events such as discussion forums with stakeholders and media launches. Online platforms of UNDP and UN Environment will moreover be used to reach global audiences.
49. Due the fact the ultimate users of these products will be different (from decision makers, CSOs, government technical staff, communities, academics, etc.), the project will display the information in different ways to make it accessible, comprehensive and useful for different groups. So, the material produced will include, technical report, debriefing summaries, easy-to-read materials, newspaper articles, documentaries, blogs.
50. Expected knowledge products include but are not limited to the Environment Outlook Report (*Relatório do Estado do Ambiente*); and training materials for the integration of environmental sustainability for poverty reduction in planning and budget processes.
51. Deliverable 1.3. and the development of indicators, data analysis, collection and reporting for SDG indicators related to the environment will further create new knowledge on the relations between poverty and environment to be used for policymaking.

Sustainability and Scaling Up

52. SUNRED II is fully embedded in the Mozambican Government's system and processes ensuring sustainability of achievements and results. The activities proposed primarily aims to strengthen and enhance government planning and budgeting frameworks to better integrate environmental sustainability and climate objectives for poverty eradication rather than setting up parallel processes and mechanisms. Moreover, SUNRED II will continue building the capacity of MEF and MITADER through a technical advisor and programme manager sitting within the two ministries. This will ensure ownership of the project within the government departments. The government will also take lead in coordinating the programme specifically through the steering committee meetings and the technical review meetings further strengthening national ownership.
53. The SUNRED II programme will moreover specifically focus on scaling up the achievements of SUNRED I, by broadening and deepening the application of tools and approaches developed for the integration of environmental sustainability objectives that supports poverty reduction across government policies, budget and investment frameworks.

Gender Strategy

54. The SUNRED 2 programme in Mozambique will apply a gender and rights-based approach as a key factor to effectively promote equity. The empowerment of the poor, especially of women, is critical for achieving successful poverty-environment mainstreaming and gender equality. During the project initiation, a gender analysis to better define integration of gender on planning, implementation and monitoring of project activities will be undertaken. This plan will provide a vision and will guarantee the integration of gender equality and women's empowerment aspects in the project.
55. Building on the tools developed under SUNRED 1 (e.g. gender training materials for poverty-environment mainstreaming), SUNRED 2 will contribute to addressing existing gender inequalities in the access to and use of natural resources. The project will specifically use the training manuals to build the capacity of budgeting and planning staff to apply an integrated approach for environment, climate and gender planning and budgeting.
56. The approach is guided by overarching relevant United Nations System-Wide policies, i.e. the 2006 Policy on Gender Equality and the Empowerment of Women and the 2003 United Nations Statement of Common Understanding on Human Rights-Based Approaches to Development Cooperation and Programming (the Common Understanding). Within UNDP these have translated into its Gender Equality Strategy and Social and Environmental Standards and gender marker among other guiding principles. UN Environment counts on Policy and Strategy on Gender Equality and the Environment, a gender marker and its Policy Guidance on Environment, Human Rights and Addressing Inequalities. Guidance on the integration of a gender and rights-based approach has moreover been documented through the Poverty-Environment Initiative Handbook which will be the key reference tool for the Poverty-Environment Action Programme.

IV. PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

57. Based on lessons learnt from the implementation of the SUNRED 1 project and as recognized by the Terminal Evaluation of the project, a good cost efficiency and effectiveness strategy is to bring several smaller projects under one umbrella framework with a shared programmatic approach and theory of change as well as a shared project board as proposed in this project document.
58. The cost efficiency and effectiveness of this project will moreover be enhanced by building on the achievements and lessons learnt of the successful previous SUNRED programme implementation. For example, the project will broaden and deepen the application of tools and approaches developed during the previous programme to generate change and catalyse investments in environmental sustainability that contributes to poverty reduction.
59. The close engagement of two key ministries - MEF and MITADER – will moreover continue. The Project Advisor and Project Coordinator will provide his/her technical expertise and project management support to both MEF and MITADER by dividing the time between both the ministries. This will save costs of not having to employ two technical advisors will improve coherence between the two implementing partners.
60. The programme will also be implemented in close coordination with other related projects, such as the BIOFIN (Biodiversity Finance Initiative, implemented by UNDP in Mozambique). Outside the UN System, the project will explore collaborations with other projects working on poverty and environment related issues such as WWF, CARE and Save the Children. By having a joint Project Board transactional cost of the involved actors will be reduced and synergies and complementarities between projects ensured.

Project Management

61. SUNRED II, with its three components, will be governed by a joint Project Board (PB), composed of representatives from MITADER, MEF, Ministry of Foreign Affairs (MINEC), MIMAIP, INAM, UNDP and UN Environment and chaired by MITADER (further details will be provided under section VIII. Governance and Management Arrangements).
62. The implementation of the project will be supported by the Project Support Team, based in Maputo (Project Manager, Administrative and Finance Assistant, and International Technical Advisor) under direct co-supervision of UNDP, MITADER and MEF, in close coordination with UN Environment and the global/regional Poverty-Environment Action programme.
63. To provide technical guidance for the implementation of SUNRED II and to ensure full ownership by the IPs, specific Technical Committees will be established to meet on regular basis as required. The Technical Committees will be composed of government focal points nominated by the different ministries, technical staff from donor agencies and academy.

Implementation (Finance) Modality

64. NIM modality per UNDP rules and regulations, based on HACT and capacity assessments will be applied with MITADER responsible for the management of a project specific bank account for the GHD Component.
65. NIM modality with 100% Country Office support per UNDP rules and regulations will be applied with MEF for the Poverty-Environment Action Programme Component.
66. DIM modality according to UNDP rules and regulations will be applied to NAP component.
67. Based on the quarterly work plan, UNDP will review the request for advance and disburse the appropriate amount. The Government party will be accountable for the use of funds advanced to the project according to the agreed work plans. The respective ministry will be expected to maintain books of accounts in accordance with UNDP's NIM accounting and reporting guidelines.

V. RESULTS FRAMEWORK¹³

Intended Outcome as stated in the UNDAF Programme Results and Resource Framework: UNDAF (2017-2020)													
OUTCOME 2: Poor people benefit from sustainable economic transformation													
Project Outcome: Strengthened integration of poverty-environment-climate objectives into policies, plans, regulations and investments of Mozambique to accelerate delivery of the 2030 Agenda and the SDGs													
Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:													
CPD Outcome 2: Most vulnerable people in Mozambique benefit from inclusive, equitable and sustainable management of natural resources and the environment													
CPD Indicators:													
Indicator 2.1.2. No. of functional mechanisms for stakeholder consultations on natural resources and environment Baseline: 2; target: 4													
Indicator 2.3.1. Percentage of total revenues from natural resources management shared with local communities Baseline: 25%; target: 50%													
Indicator 2.3.2. No. of communities in Cabo Delgado, Nampula and Gaza benefiting from natural resources management-related revenues Baseline: 42; target: 68													
Applicable Output(s) from the UNDP Strategic Plan: Related strategic plan Output 1.1.1. Capacities developed across the whole of government to integrate the 2030 Agenda, the Paris Agreement and other international agreements in development plans and budgets, and to analyse progress towards the SDGs, using innovative and data-driven solutions													
Project title and Atlas Project Number: 00102786 Sustainable management of Natural resources for Resilient and Equitable Development – II													
EXPECTED OUTPUTS	OUTPUT INDICATORS ¹⁴			DATA SOURCE			BASELINE			TARGETS (by frequency of data collection)			DATA COLLECTION METHODS & RISKS
	Value	Year	Year1	Year2	Year3	FINAL	Year	Year	Year	Year1	Year2	Year3	
Output 1: Policies, strategies, plans and budgets are more coherent and better integrate environmental sustainability and climate objectives for poverty eradication	1.1	Number of poverty-environment and climate mainstreaming tools into the SPO	e-SISTAFE	0	2017	1	2	0	3				
	1.2	Number of SDG reports which clearly monitor the environmental dimension of Agenda 2030	SDG report (GoM)	0	2017	0	1	1	1				
	1.3	Number of meetings of the inter-sectorial coordination mechanism led by MITADER, promoting coherence of planning frameworks, legislation and regulations	Minutes by MITADER	0	2017	2	2	2	6				
	2.1	Increased annual budget allocation for climate resilience and environmental sustainability ¹⁵	Budget Execution Report (REO) – MEF website	0,458%	2016	0,63%	0,65%	0,7%	0,7%				
	2.2	Number of UGB ¹⁶ (sectors and provinces) that use environment and climate budget codes	MEF (internal report)	23	2018	25	27	30	30				
Output 2: Public investments in natural resource management, support poverty reduction and environmentally sustainable economic growth	2.3	Number of "Budget for citizens" which includes analysis of environmental and climate budget allocation	Budget for citizens (Orçamento Cidadão) – MEF website	0	2017	1	1	1	3				
	2.4	% of revenues from natural resources (extractives industries and forestry) which are canalized to communities.	MEF (internal report)	25%	2016								
	2.5	Number of guidelines produced to enhance public investments in sustainable natural resource management	MEF and MITADER	0	2017	1	2	1	3				

¹³ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

¹⁴ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

¹⁵ UNDAF indicator 9.4.1

¹⁶ UGB: Budget Management Unit



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VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following steps:

Within the annual cycle

- a) An Issue Log shall be activated in UNDP Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- b) Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in UNDP Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- c) Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot. This report will be elaborated on a quarterly basis, including technical and financial information (written in Portuguese and subsequently translated into English) to track implementation of activities towards results.
- d) A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- e) The Global Poverty-Environment Action Programme will also be monitoring the project progress through its monitoring framework. Quarterly and annual reports in accordance with agreed formats shall be submitted to the Poverty-Environment Action programme global/regional team.
- f) A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

68. **Annual Review Report.** An Annual Review Report (Annual Report) shall be prepared by IPs, with the support from the Project Support Team and shared with the Project Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the quarterly progress report (QPR) covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level. The quarterly and annual reports will provide progress, challenges and lessons learned to ensure on-going learning and adaptation within the organization. These reports will be presented to the relevant stakeholders for action including the steering committees.

69. **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

Project Evaluation

70. Due to the complexity and innovative approaches applied by the SUNRED II programme, the project will undergo a project Final Evaluation during the last semester of the implementation period. The evaluation will produce valuable lessons learned for the Government and UN partners and will be a useful tool to share experiences and lessons learned with other countries and stakeholders.

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.		
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Specify frequency (i.e., at least annually)	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

Evaluation Plan¹⁷

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Final Evaluation	all	all	9	End of project implementation period		External evaluation (funds included in the project budget)

¹⁷ Optional, if needed

VII. MULTI-YEAR WORK PLAN ^{18/19/20}

All anticipated programmatic and operational costs to support the project, including development effectiveness and implementation support arrangements, need to be identified, estimated and fully costed in the project budget under the relevant output(s). This includes activities that directly support the project, such as communication, human resources, procurement, finance, audit, policy advisory, quality assurance, reporting, management, etc. All services which are directly related to the project need to be disclosed transparently in the project document.

Project Outcome: Strengthened integration of poverty-environment-climate objectives into policies, plans, regulations and investments of Mozambique to accelerate delivery of the 2030 Agenda and the SDGs							
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			Responsible Party	PLANNED BUDGET	
		Y1	Y2	Y3		Funding Source	Amount
Output 1: Policies, strategies, plans and budgets are more coherent and better integrate environmental sustainability and climate objectives for poverty eradication	<p>Deliverable 1.1: Application of mainstreaming tools for environmental sustainability and climate objectives for poverty reduction through the national planning and budget system</p> <p>1.1.1 Support the integration of environmental sustainability and climate adaptation for poverty reduction into the SPO:</p> <p>a) In accordance with the new SPO design/re-design cross-cutting issues matrix; and subsequently train and disseminate it among sectors (focused on environment, climate change and gender issues to facilitate monitoring of SDGs into the system);</p> <p>b) Support the design of the content of the Programmes Portfolio and subsequently train and disseminate it among sectors;</p> <p>c) Develop the MPO (Planning and Budget Manual) to integrate clear guidance on environmental sustainability and climate action for poverty reduction and support subsequent trainings;</p> <p>d) Train SPO staff on Business Process Management to ensure fully understanding and integration of environment, climate and gender linked issues</p>	45,056	44,056	38,056	MEF/UNDP	PEA	127,168

¹⁸ Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

¹⁹ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

²⁰ Component NAP under revision by UNDP regional team – will be included later

Deliverable 1.2: Cross-sectoral coordination mechanism promote mainstreaming and policy coherence of environmental sustainability and climate objectives for poverty reduction at national									
1.2.1. Support to the National SDG Reference Group to include environmental sustainability and climate adaptation into SDG implementation	28,556	28,881	27,681	MEF/UNDP	PEA	International/Local consultants; training and workshops	85,118		
1.2.2. Support the operationalization of the cross-sectoral coordination mechanism lead by the MITADER	30,000	20,000	30,000	MITADER/UNDP	UNDP TRAC	Workshops, meetings, travel, print production costs and	80,000		
1.2.3. Integration of environmental sustainability and climate considerations for poverty reduction into key national legislation (Strategy for the Environment Sector)	0	15,000	1,500	MITADER/UNDP	UNDP TRAC	Workshops and meetings	16,500		
1.2.4. Integration of poverty-environment linked priorities in donor priorities and programmes	20,000	20,000	20,000	MITADER/UNDP	UNDP TRAC	Workshops and meetings	60,000		
1.2.5. Produce and implement a gender analysis and strategy for the project	35,000	17,250	17,250	MITADER/UNDP	UNDP TRAC	International/local consultants, trainings and workshops, audio visual and print production costs; travel	69,500		
1.2.6. Produce a project communication strategy and disseminate	30,000	17,000	17,000	MITADER/UNDP	UNDP TRAC	Workshops and meetings, printing costs	64,000		
Deliverable 1.3: Improved capacity to produce, monitor and use MITADER-SDG indicators									
1.3.1. Support the implementation and monitoring of the environmental SDGs (implementation of the MITADER Action Plan and Monitoring guidance for the implementation of the SDGs)	35,000	35,000	35,000	MITADER/UNDP	UNDP TRAC	International/local consultants, trainings and workshops, audio visual and print production costs; travel	105,000		
1.3.2. Elaboration and/or dissemination of key reports for the environment, such as the Environmental Outlook Report, SDGs progress reports, etc.	50,000	55,500	70,000	MITADER/UNDP	UNDP TRAC	International/local consultants, trainings and workshops, audio visual and print production costs; travel	175,500		
1.3.3. Project learning and documentation (south-south experience exchanges, communication, etc.)	55,000	60,000	80,000	MITADER/UNDP	UNDP TRAC	Trainings, workshops, audio visual and print production costs; travel	195,000		
Project Management Output 1									
	0	5,250	5,250	MITADER/UNDP	UNDP TRAC	International/local consultant	10,500		

Output 2: Public investments in natural resource management support poverty reducing and environmentally sustainable economic growth	MONITORING for output 1 ²¹									
	Evaluation	0	4,275	4,275	4,275	MEF/UNDP	PEA	International/local consultant	8,550	
		0	0	5,000	5,000	UNDP	PEA	National consultant	5,000	
		0	0	5,000	5,000	UNDP	UNDP TRAC	National consultant	5,000	
	Project Management	11,375	11,375	11,375	11,375	UNDP	PEA	Staff	34,125	
		11,375	11,375	11,375	11,375	UNDP	UNDP TRAC	Staff	34,125	
		22,750	22,750	22,750	22,750	UNDP	NAP/GCF	Staff	68,250	
	Technical Advisory	13,125	13,125	13,125	13,125	UNDP	PEA	Staff	39,375	
		30,625	30,625	30,625	30,625	UNDP	UNDP TRAC	Staff	91,875	
	UNDP Direct Project Costs	43,750	43,750	43,750	43,750	UNDP	NAP/GCF	Staff	131,250	
	GMS	7,874	7,874	7,874	7,874	UNDP	PEA	DPC/Admin	23,622	
		7,777	7,777	7,777	7,777	UNDP	PEA	GMS/Admin	23,331	
		477,263	470,863	504,663	504,663				1,452,789	
		Sub-Total Output 1								
		Deliverable 2.1: Management and allocation of NR revenues benefit communities and support environmentally sustainable economic growth, focusing on mining forestry and wildlife								
	2.1.1 Disseminate the use of functional budget codes for environment & climate									
	a) Elaboration of training materials for application of the budget codes									
	b) Training to planners across sectors at central and provincial level	52,556	48,556	45,556	MEF/UNDP	PEA	International/local consultants, trainings and workshops, audio visual and print production costs; travel	146,668		
	c) Monitor and analyze the use of these budget codes and recommend enhancements if necessary									
	d) Knowledge and south-south exchange on climate budget codes									
	2.1.2. Introduction of environmental and climate budget allocation into the "Budget for citizens" (Orçamento Cidadão)	7,556	5,556	2,756	MEF/UNDP	PEA	International/local consultants	15,868		

²¹ (Monitoring activities for output 1 to be determined on an annual basis while finalizing the AWP. Monitoring activities may for example include assessments of how policies and plans have changed following the application of mainstreaming tools; assessments of improved capacity for cross-sector coordination and monitoring of SDG indicators etc.)

<p>2.1.3 Support strategies to increase revenues from Natural Resources and improve return flows to communities:</p> <p>a) Elaborate guidelines for the collection, inscription and return to communities of revenues from NR, including clear roles and responsibilities;</p> <p>b) Training using the above guidelines (central, provinces, communities, etc.)</p> <p>c) Monitor application of the above guidelines at both national and sub-national levels</p> <p>d) Training at the provincial level on revenues codes (linked with activity 2.1.1. under MEO)</p> <p>e) conduct a review on how to revenues can better be used for poverty reduction and environmental sustainability</p> <p>f) Engage with the private sector for an overview of the natural resource revenues/taxes that the state receives and review if the amount that goes to local communities is aligned with national targets</p>	46,556	48,556	46,556	MEF/UNDP	PEA	International/local consultants, trainings and workshops, audio visual and print production costs; travel	141,668
	Deliverable 2.2: Decision making process, and regulatory frameworks is evidence based informed,						
2.2.1. Assess environmental and social impact assessment of the mining sector on livelihoods and communities NR (including artisanal fisheries), and design mitigation plan for policy recommendation	30,000	0	0	MITADER/UNDP	UNDP TRAC	International/local consultants, trainings and workshops, audio visual and print production costs; travel	30,000
2.2.2. Assess women's participation and socio-economic impact in artisanal and small scale mining and NRM for policy recommendations	0	25,000	0	MITADER/UNDP	UNDP TRAC	International/local consultants, trainings and workshops, audio visual and print production costs; travel	25,000
2.2.3. Mapping the potential for using renewable energy at community level in two provinces, to feed project proposals and policy development on green energy sources	0	25,000	0	MITADER/UNDP	UNDP TRAC	International/local consultants, trainings and workshops, audio visual and print production costs; travel	25,000
2.2.4 Strengthen capacity for pro-poor Sustainable Management of NR at the local level	50,000	40,000	44,000	MITADER/UNDP	UNDP TRAC	International/local consultants, trainings and workshops, audio visual and print production costs; travel	134,000
2.2.5 Support revision and/or strengthen implementation of the environmental legal framework that promotes poverty-environment and social inclusion.	45,000	40,000	40,000	MITADER/UNDP	UNDP TRAC	International/local consultants, trainings and workshops, audio visual and print production costs; travel	125,000
Project Management Output 2							
	50,00	5,400	5,400	MEF/UNDP	PEA	International/local consultant	15,800

MONITORING for output 2 ²²	0	5,000	5,000	5,000	MITADER/UNDP	UNDP TRAC	International/local consultant	10,000
Evaluation	0	0	0	10,000	UNDP	PEA	National consultant	10,000
Project Management	0	0	0	10,000	UNDP	UNDP TRAC	National consultant	10,000
	21,125	21,125	21,125	21,125	UNDP	PEA	Staff	63,375
Technical Advisory	21,125	21,125	21,125	21,125	UNDP	TRAC	Staff	63,375
	42,250	42,250	42,250	42,250	UNDP	NAP/GCF	Staff	126,750
	24,375	24,375	24,375	24,375	UNDP	PEA	Staff	73,125
	56,875	56,875	56,875	56,875	UNDP	TRAC	Staff	170,625
UNDP Direct Project Costs	81,250	81,250	81,250	81,250	UNDP	NAP/GCF	Staff	243,750
GMS	14,624	14,624	14,624	14,624	UNDP	PEA	DPC/Admin	43,872
	14,445	14,445	14,445	14,445	UNDP	PEA	GMS/Admin	43,335
Sub-Total Output 2	512,737	519,137	519,137	485,337				1,517,211
GRAND TOTAL	990,000	990,000	990,000	990,000				2,970,000
Total PEA Funds	300,000	300,000	300,000	300,000				900,000
Total GHID Funds	500,000	500,000	500,000	500,000				1,500,000
Total NAP/GCF Funds	190,000	190,000	190,000	190,000				570,000

Totals

²² (The detailed monitoring activities will be determined on an annual basis in the AWP. For output 2 it will include establishing the baseline for indicator 3.4 and may in addition include monitoring activities such as reviews on how much of natural resource revenues that goes to local communities and how much of natural resource revenues that is used for environmental sustainability)

VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

a) Overall Management

71. The GHD will follow national implementation modality (NIM) with Country Office (CO) support per UNDP rules and regulations.
72. The Poverty Environment Action programme component will follow NIM with 100% country office support implementation modality per UNDP rules and regulations
73. In the case of the NAP component, due to the nature of the GCF-grant, it will be DIM (Direct Implementation Modality), implemented by UNDP.
74. In the case of the Poverty-Environment Action programme Component, the implementation will respect the global nature of the set-up of the project and applicable ATLAS procedures.
75. The existing GHD holding account with MITADER and PEI holding account with MEF will continue to work as the funds disbursement channel for the Green Human Development Component and Poverty-Environment Action programme component respectively.
76. The project implementation will be governed by the provisions of the project document, its annexes and UNDP Operations Manual. Implementation will be supported through annual work planning as well as reporting and monitoring the delivery of results and impact, based on the results frameworks. The annual work plans as well as progress reporting will be the responsibility of the respective implementing partners together with the Project Support Team.
77. The workplans and reports will be approved by the Project Board and UNDP. In the case of the Poverty-Environment Action programme component the workplan and budget also needs approval by the global/regional Poverty-Environment Action team.
78. The Project implementation shall ensure the Government ownership and active participation in activities, leaving the Project Support Team with the function of rendering expertise and technical support, but not substitution of the national structures/mechanisms.
79. The annual work plans will be implemented upon their endorsement by the Project Board, UNDP and in the case of the Poverty-Environment Action programme component the workplan and budget by the global Poverty-Environment Action team. The endorsed work plans will serve as an authorization to the UNDP to disburse funds and project implementation to be facilitated by the respective ministry. Implementation responsibility will be put on the respective ministry in terms of ownership and UNDP – in terms of advisory support. This will create an enabling environment for participatory decision making in the process of preparing the work plans to be implemented effectively and efficiently. Further, it will form an essential element of the sustainability of the project outputs beyond the project lifetime.

The roles and responsibilities of the Government and the UN are as follows:

MITADER and MEF (in consultation with other ministries/offices) will be responsible for:

- a) Developing annual work plans (AWPs) of respective components, together with implementing directorates and project support team;
- b) Ensuring overall coordination of the project and the delivery of the respective Components following the agreed AWPs;

- c) Appropriate use of funds which will be advanced to the relevant ministry in line with the approved budget and annual work plan;
- d) Accurate accounting and timely reporting of the use of the project funds;
- e) Monitoring the achievement of results and providing timely progress reports as indicated in the project document;
- f) Mobilizing additional funds to further promote/secure the achievement of project, including development of proposals to bilateral and other opportunities;
- g) Provide office space for the project support team.

UNDP Mozambique will be responsible for:

- a) Facilitating the development and approval AWP's;
- b) Making timely disbursements of quarterly advances to the implementing partners (and other agencies that will be involved in the implementation with direct funding);
- c) Timely recording of financial reports in ATLAS;
- d) Checking accuracy of financial reports and reviewing requests for advances;
- e) Support Government in mobilizing more resources;
- f) Following up on reporting requirements;
- g) Organizing project audits and the final evaluation as required.

UNDP-UN Environment Poverty-Environment Action Programme Team in Nairobi will be responsible for supporting the implementation by:

- a) Approval of Poverty-Environment Action programme annual workplan and budget;
- b) Providing overall technical advice in terms of the application of poverty-environment and climate mainstreaming and budgeting tools and approaches in the context of the Poverty-Environment Action programme;
- c) Provide quality control of project technical reports, terms of references and related documents for the Poverty-Environment Action programme component;
- d) Providing overall management support including:
 - a. Coordinating Poverty-Environment Action programme Mozambique and GoM engagement in regional and global South-South knowledge and technical exchanges related to poverty-environment and climate mainstreaming;
 - b. Liaising with UN Environment Africa Office/Divisions and UNDP RBA/BPPS towards effective and efficient coordination of technical support in areas related to inclusive green growth and mainstreaming (e.g. Green economy, poverty reduction, sustainable consumption and production, etc.);
 - c. on implementation arrangements and ATLAS related issues;
- e) Monitoring progress;
- f) Jointly with UNDP Mozambique - checking accuracy of financial reports;
- g) Facilitating timely fund transfer to UNDP Mozambique;
- h) Ensuring quality control in project implementation including meeting technical and financial reporting requirements of all implementing partners in the project;
- i) Support Government and UNDP CO in mobilizing further resources for project implementation.

b) Project Board

80. The Project Board (PB) will provide overall and strategic guidance during the project implementation, including guidance on synergising with other similar interventions.

81. The PB may provide guidance on incorporation of other programmes / projects contributing to UNDAF Outcome #9 into the current project framework and board.

82. The PB will consist of Permanent Secretaries or their representatives from the key implementing partners, MITADER, MEF as well as MINEC, MMAIP and INAM. The PB will be chaired by MITADER. Additionally, the PB will include representatives from UNDP Mozambique, and UN

Environment (Poverty-Environment Action programme Africa). Other key ministries, Civil Society Organizations, UN and donor agencies will be called upon to attend the PB meetings as required.

83. The PB is responsible for making policy and management decisions for the project and its components, including approval of the AWP and reports. The PB will meet at least twice a year (tentatively on May and December), on the initiation of the chairing Ministry (MITADER) in consultation with other members.
84. Day to day management will be delegated to the relevant implementing ministries and the Project Support Team. To ensure continuous technical level guidance between the PB meetings, specific Technical Committees will be established (see below).
85. Project Assurance is the responsibility of the PB, but the role can be delegated to UNDP. The Project Assurance role supports the PB by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The Project Manager holds the Project Assurance role for the UNDP, and a similar Government representative will undertake this role on the part of the Government.

c) Project Support Team

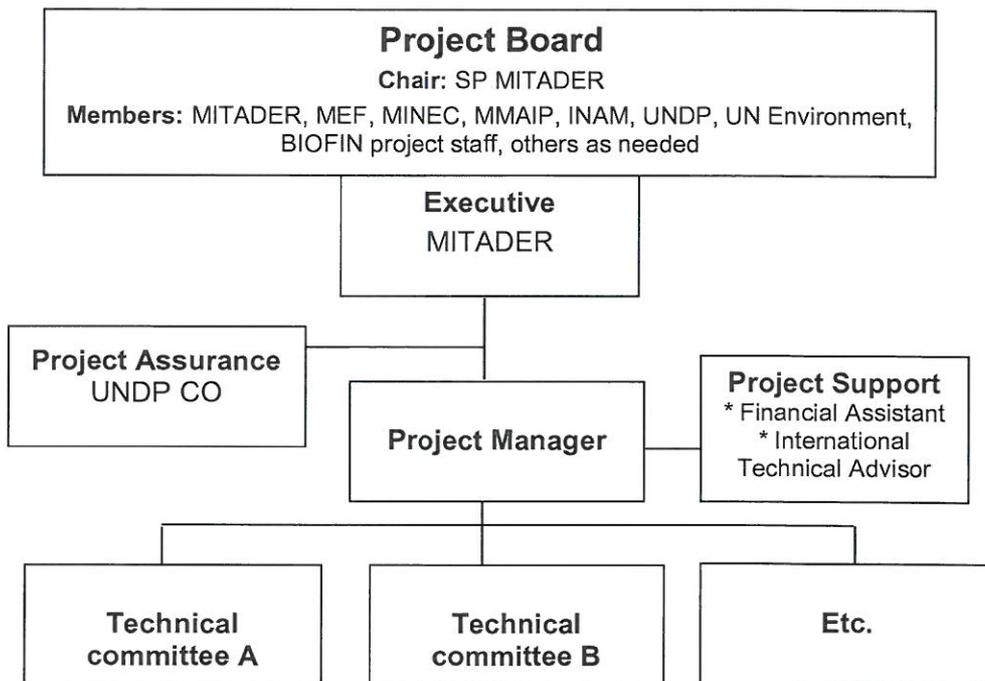
86. To ensure smooth implementation of the project, a Project Support Team will be established, comprising of a Project Manager, a Financial Assistant and an International Technical Adviser. The project support team will provide support to all the three components of the SUNRED framework and its related partners.
87. The International Technical Adviser will be based at MITADER and MEF, but will be working with all the partner ministries and will be responsible for ensuring the technical quality of technical reports, outputs and terms of references. The Adviser will provide technical guidance for the development and implementation of workplans.
88. The Project Manager, along with the IPs, will be responsible for planning and operational management of the project components, as well as reporting and accounting, monitoring and evaluation of the project activities.
89. The Financial Assistant will be responsible in ensuring that the project is implemented based in donor's agreements and UNDP finance and administrative procedures. This aims to ensure a proper project accountability for both beneficiaries and donors.
90. The Project Support Team will coordinate with the UN Country Team and development partners on an ongoing basis including through relevant donor-coordination mechanisms.

d) Technical Committee(s)

91. Technical Committees will be established to provide technical guidance to the implementation of the project in addition to the high level political direction provided through the PB. The Technical Committees will be composed by focal points nominated by the implementing Ministries as well as relevant representatives from other institutions, sectors and organisations as required for the specific task at hand.
92. The main function of such Technical Committees will be to oversee the implementation of specific technical project outcomes, outputs and/or activities to ensure that their implementation is technically sound and monitor the progress of their implementation. This may include:
 - a) Providing overall technical guidance to the Project Support Team, assist in identifying potential new risks and issues that may delay the project implementation and identify and

inform the project about developments within the respective ministries / institutions that are relevant to the project implementation;

- b) Identify strategic opportunities for continued pro-poor NR management and CC adaptation and inform the project partners on such opportunities
- c) Lead / participate in developing and/or review draft TORs for studies, training events and other capacity building activities to ensure their relevance and technical soundness;
- d) Review and comment studies and other products produced by consultants, by the Project Support Team or by the implementing ministries;
- e) Keep informed the relevant directorates / units on the relevant developments of the project, identify possible synergies with work being carried out within other directorates
- f) Contribute to the development of lessons learned during the implementation of specific project activities and the project as such



IX. LEGAL CONTEXT AND RISK MANAGEMENT

Select the relevant one from each drop down below for the relevant standard legal text:

1. Legal Context:

- € Country has signed the Standard Basic Assistance Agreement (SBAA)
- € Country has not signed the Standard Basic Assistance Agreement (SBAA)
- € Regional or Global project

2. Implementing Partner:

- € Government Entity (NIM)
- € UNDP (DIM)
- € CSO/NGO/IGO
- € UN Agency (other than UNDP)
- € Global and regional projects

Or [click here for the MS Word version of the standard legal and risk management clauses.](#)

X. ANNEXES

1. **Project Quality Assurance Report**

2. **Social and Environmental Screening Template** [English][French][Spanish], including additional Social and Environmental Assessments or Management Plans as relevant.
(NOTE: The SES Screening is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences, preparation of communication materials, strengthening capacities of partners to participate in international negotiations and conferences, partnership coordination and management of networks, or global/regional projects with no country level activities).

3. **Risk Analysis.** Use the standard [Risk Log template](#). Please refer to the [Deliverable Description of the Risk Log](#) for instructions

4. **Capacity Assessment:** Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

5. **Project Board Terms of Reference and TORs of key management positions**