

# Economic Challenges of Climate Change Planning

## *Tanzania Perspective*



Presented by

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# Presentation outline

- Introduction
- Effects: LCDs and Tanzania in particular
- Mitigation and Adaptation initiatives in Tanzania
- Challenges
- Way forward



# Introduction

Climate change is real

- Global mean temperature has risen by  $0.7^{\circ}\text{C}$  in the past century
- It is likely to increase to around  $3^{\circ}\text{C}$  this century
- Drought, floods and rising sea levels are some of visible effects
- Snow on the Kilimanjaro is melting away, an island close to Tanga has submerged
- Hunger and diseases like malaria are indirect consequences



## Introduction (continued)

- The most vulnerable are the populations of the LCDS
- These have also low adaptation capabilities

However,

- The LCDs and Tanzania in particular recognizes and appreciates the efforts by EU through GCCA in addressing the situation
- More needs to be done



# Effects of Climate Change in Tanzania

- It is estimated that over 60% of the land area in Tanzania is prone to desertification
- Water resources are becoming scarcer as frequent droughts are seriously impacting on water catchments areas and other ecosystems
- We have witnessed sea level rise inundating infrastructure such as roads, agricultural land and shallow water wells along the coast as well as in Zanzibar



## Effects of CC in Tanzania (Cont'd)

- This has far reaching implications not only to the livelihood but also to the economic and social development as it also impacts seriously on the energy sector.
- It will also lead to potentially large economic costs estimated to be equivalent to a loss of almost 2% of GDP each year by 2030



# Mitigation and Adaptation measures

- Notably two major actions: policy and institutional set-up; and operational set-up
  - Policy and institutional set-up
    - Formulation of a National Adaptation Strategy and Action Plan
    - The National Adaptation Program of Action (NAPA) as well as putting in place
    - The National Climate change Steering Committee (NCCSC) and National Climate Change Technical Committee (NCCTC), among others



# Mitigation and Adaptation (cont'd)

- The National Climate Change Strategy and Action Plan (NCCSAP) is being finalized
- Looking forward to a wider participation to ensure that this NCCSAP reflects the true challenges the country is and will be facing to address climate change and the feasible strategies to address such challenges while contributing to a greener economic growth.



# Mitigation and Adaptation (cont'd)

## – Operational set-up

- Tanzania conducted a Comprehensive Mitigation Assessment (CMA), which evaluated mitigation options in terms of associated costs and greenhouse gas sequestration potential. As a result, some action initiatives and other measures necessary to mitigate effects of climate change were put in place including:
  - Introducing by-laws in controlling the cutting of wood, overgrazing, wildfire, and misuse of land;
  - Controlling the export of rare tree species;
  - Declaring all catchment areas to be forest reserve;



# Mitigation and Adaptation (cont'd)

- Operation set-up (cont'd)
  - Following CMA (cont'd)
    - Introducing forest property rights;
    - Diversifying energy sources including rural electrification;
    - Encouraging the use of appropriate technologies; etc.



# Challenges

- Mitigation and adaptation can reduce the economic costs of climate change, but the cost is enormous
  - Some decisions to mitigate climate change are too hard to make
  - We cannot, for example, simply stop people from using wood or charcoal. It is their life
  - Providing affordable, readily available renewable alternative sources of energy, though vital, requires more than the country can afford

# Challenges (cont'd)



- It is clear that the current climate variability already has significant economic costs in Tanzania than the country's capacity to mitigate and adapt



# Way forward

- Much needs to be done post Cancun
  - Countries must seriously commit to emission reduction levels that are consistent with science
    - (otherwise poor countries like Tanzania will not cope with the envisaged challenges of climate change if, for example, global temperatures rises by beyond 1.5°C)
  - there is strong justification for financial and technical support from the developed world to compliment and supplement efforts made poor countries
    - (After all, it is the poorest who are least responsible for causes of climate change but unfortunately bear the burden of the impacts and outcomes)



## Way forward (cont'd)

- Financial support and technology may help in protecting catchments and water bodies, control charcoal burning and deforestation, and reduce pollution in urban areas
- Cleaner and greener cities will promote development, provide sustainable environments and reduce the impacts of climate change
- Much of our progress toward a low carbon economy rests with cleaner and affordable energy availability, efficiency in transport and manufacturing as well as in other sectors of the economy that is increasingly becoming urban.



# EC Intervention in Tanzania

The Global Climate Change Alliance Project

**Local Call for Proposals**

**Contracting Authority**

Ministry of Finance

National Authorising Officer for the European  
Development Fund



# Overall Objective

To increase the most vulnerable Tanzanian communities' capacity to adapt to the adverse effects of climate change through the implementation of sustainable, innovative and community-driven initiatives



# Specific Objective

To support the set up of climate change adaptation *eco-villages* in rural areas of the country



## *Eco-village?*

An existing Tanzanian rural community / settlement / village aiming to increase its resilience and capacity to adapt to climate change through the implementation of an integrated and multidisciplinary range of climate change adaptation and mitigation activities resulting in its transformation into a low carbon rural economy and high carbon density landscape



# Priorities

To facilitate the transformation of target rural communities into *eco-villages* where **innovative** climate change adaptation **and** mitigation measures will be tested

These measures must be **integrated** and **holistic**



# The vulnerability assessment

All project proposals were to be based on a detailed vulnerability assessment.

Although there are some tools that are recognised internationally (CRISTAL, CVCA, SLF) applicants were free to use any methodology to prepare the vulnerability study.

The vulnerability assessment was to be reflected in the Concept Note / Full Application.



Different ecosystems mean different adaptation and mitigation strategies. The Call for Proposals were therefore divided into three lots.

- 1. Coastal lowlands, islands and riverine alluvial plains***
- 2. Arid, semi-arid and plateau***
- 3. Highlands***

**Each application must clearly refer to one lot (and one lot only)**



# Potential activities

There was no clear list of activities and applicants were free to propose any kind of adaptation/mitigation measures, provided that it is:

- based on a detailed vulnerability assessment
- community-driven and owned locally
- gender oriented / sensitive
- simple, cost-effective and locally acceptable
- replicable
- sustainable
- innovative, integrated and holistic



# Practical provisions of the Guidelines

All instructions of the Guidelines must be strictly adhered to

Minor omissions or non respect of the instructions can result to the rejection of the Concept Note / Full Application

**IT SHOULD BE RIGOUROUS**



# Restricted Call for Proposals

This was a two stages process

In the first instance, only Concept Notes had to be submitted for evaluation

Deadline for submission was  
**30.11.2010 at 16:00 PM local time**



# Total Financial Allocation

EUR 1,955,000

EUR 650,000 for each lot



# Thresholds

- Minimum amount of the grant = EUR 400,000
- Maximum amount of the grant = EUR 650,000
- Minimum contribution = 50% of total cost
- Maximum contribution = 90% of total cost

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The balance must be financed from the applicant's or partners' own resources, or from sources other than the EU (budget or EDF)

Exceptionally, co-financing in kind could be accepted



# Project duration

From 24 months to 30 months

According to the financial regulation, all activities must be ended by **28.12.2013**

# Proposals received



- **99 proposals were received**

This indicates the level of awareness, participation and competition

- **5 proposals qualified and awarded the grants**

Evaluation process was rigorous and transparent and there has been no appeals from bidders

- Official launch of the ***Eco-Village*** Projects was yesterday 26<sup>th</sup> October 2011



THANK YOU