

Scaling-up Locally Led Climate Action Programme (World Bank)

<p>Key results:</p> <ul style="list-style-type: none"> Scaling up locally led climate adaptation actions in 65 districts. Enhanced climate resilience for local communities. Strengthened local government systems to implement national climate strategies. Strengthened national government systems to support local climate action and access global climate finance. <p>Justification for support: The programme addresses an urgent need to redirect global and national financial flows to local levels in countries most vulnerable to climate change. The programme is based on request from the Tanzanian government and is aligned with national climate change strategies and the NDC. The programme accords with the objectives of the Danish strategy for development cooperation 'A Changing World - Partnerships in Development' by directing more finance to climate adaptation. Support to the programme is also aligned with the recent strategy for strengthened Danish engagement in Africa and the ambition of increased support for climate adaptation in African countries.</p> <p>Major risks and challenges: The main risk is a lack of sufficient capacity in local government institutions to support the selection, screening, and implementation of investments at community level. Another significant risk relates to programme delays caused by time demanding processes.</p>	<p>File No.</p>	24/49846																						
	<p>Country</p>	Tanzania																						
	<p>Responsible Unit</p>	KLIMA																						
	<p>Sector</p>	Climate adaptation																						
	<p>Partner</p>	World Bank																						
	<p><i>DKK million</i></p>	2024	2025	2026	2027	2028	Total																	
	<p>Commitment</p>		30	30																				
	<p>Projected disbursement</p>		30	30																				
	<p>Duration</p>	2025-2030																						
	<p>Previous grants</p>	None																						
	<p>Finance Act code</p>	06.34.01.75																						
	<p>Head of unit</p>	Mette Nørgaard Dissing-Spandet																						
	<p>Desk officer</p>	Pauline Søndergaard Kudsk																						
	<p>Reviewed by CFO</p>	Rie Høygard Jensen																						
<p>Relevant SDGs 1,2, 5, 13</p>	<table border="1"> <tr> <td> No Poverty</td> <td> No Hunger</td> <td> Good Health, Wellbeing</td> <td> Quality Education</td> <td> Gender Equality</td> <td> Clean Water, Sanitation</td> </tr> <tr> <td> Affordable Clean Energy</td> <td> Decent Jobs, Econ. Growth</td> <td> Industry, Innovation, Infrastructure</td> <td> Reduced Inequalities</td> <td> Sustainable Cities, Communities</td> <td> Responsible Consumption & Production</td> </tr> <tr> <td> Climate Action</td> <td> Life below Water</td> <td> Life on Land</td> <td> Peace & Justice,</td> <td> Partnerships for Goals</td> <td></td> </tr> </table>						 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation	 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production	 Climate Action	 Life below Water	 Life on Land	 Peace & Justice,	 Partnerships for Goals	
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 Climate Action	 Life below Water	 Life on Land	 Peace & Justice,	 Partnerships for Goals																				
<p>Objectives</p>	Strengthen national and local government systems for increased climate resilience and invest in locally led climate resilience actions in Selected Districts																							
<p>Environment and climate targeting - Principal objective (100%); Significant objective (50%)</p>																								
	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment																				
Indicate 0, 50% or 100%	100%	0	0	0																				
Total green budget (DKK)	DKK 60 million	0	0	0																				
<p>Justification for choice of partner:</p>	World Bank is a well-known partner with long experience with strengthening government systems and decentralisation. The World Bank is implementing FLLoCA in Kenya that builds on the same approach and with positive results.																							
<p>Summary</p>	SCALE will be implemented through a hybrid Programme for Results (PforR) and Investment Project Financing (IPF) instrument. The IPF focuses on national government systems to implement national climate strategies and PforR focuses on strengthening local government systems to implement national climate strategies and deliver Locally led climate resilience actions 65 districts.																							
<p>Budget Total</p>				DKK 60 million																				

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Abbreviations

APA	Annual Performance Assessment
CFU	Climate Finance Unit
CSI	Corporate Scorecard Indicator
CSO	Civil Society Organization
DCAT	District Climate Action Team
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
E&S	Environmental and Social
EHS	Environment, Health, and Safety
ePRoZ	eProcurement Zanzibar
ESHS	Environmental, Social, Health, and Safety
ESRM	Environmental and Social Risk Management
ESSA	Environmental and Social System Assessment
FM	Financial Management
FSA	Fiduciary System Assessment
FVPO	First Vice President's Office
FY	Fiscal Year
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRM	Grievance Redress Mechanism
IAG	Internal Auditor General
IAGZ	Internal Auditor General Zanzibar
IPF	Investment Project Financing
IRR	Internal Rate of Return
JICA	Japan International Cooperation Agency
LCAP	Local Climate Action Plan
LGA	Local Government Authority
LoCAL	Local Climate Adaptive Living
M&E	Monitoring and Evaluation
MAC	Minimum Access Condition
MDA	Ministries, Departments, and Agencies
MDTF	Multi-Donor Trust Fund
MoF	Ministry of Finance, Tanzania
MPC	Minimum Performance Condition
NCCRS	National Climate Change Response Strategy
NeST	National e-Procurement System of Tanzania
NITC	National Inter-agency Technical Committee
NPV	Net Present Value
O&M	Operation and Maintenance
O&OD	Opportunities and Obstacles to Development
OM	Operations Manual
OPRC	Operational Procurement Review Committee
PAP	Program Action Plan
PDO	Program Development Objective

PforR	Program-for-Results
PIT	Program Implementation Team
PM	Performance Measure
PO-FP	President's Office - Finance and Planning
PO-RALG	President's Office - Regional Administration and Local Government
PO-RALG-SD	President's Office - Regional Administration and Local Government and Special Departments
PPRA	Public Procurement Regulatory Authority
PSC	Program Steering Committee
RA	Results Area
SCALE	Scaling-up Locally Led Climate Action Program
SSI4ALL	Social Sustainability Initiative for All
TA	Technical Assistance
TZS	Tanzanian Shilling
UNCDF	United Nations Capital Development Fund
VMG	Vulnerable and Marginalized Group
VPO	Vice President's Office
ZCCS	Zanzibar Climate Change Strategy

1 Introduction

The present project document outlines the background, rationale and justification, objectives, and management arrangements for development cooperation concerning Danish support to the World Bank (WB) programme (2025-2030) “Scaling-up Locally Led Climate Action Programme” (SCALE) in the Republic of Tanzania. The programme objective is to: *“strengthen national and local government systems to implement national climate strategies and deliver Locally led climate resilience actions in selected districts”*.

SCALE will be financed by a USD 100 million credit to the Government of the Republic of Tanzania from the International Development Association (IDA) and a grant of USD 10 million from the Multi-Donor Trust Fund (SSI4All) of which the Danish contribution is DKK 60 million. The Nordic Development Fund and Sweden are also donors to the programme.

The documentation refers to the World Bank Programme Appraisal Document (PAD). A note will indicate when figures or text have been directly copied from the documentation.

1.1 Programme overview

SCALE will be implemented through a hybrid Programme for Results (PforR) and Investment Project Financing (IPF) instrument. The Danish grant of DKK 60 million will be distributed between the two instruments.

The IPF instrument will strengthen national government systems to implement national climate strategies and facilitate effective use of the PforR instrument to strengthen local government systems to implement national climate strategies and deliver locally led climate resilience actions in selected districts.

Figure 1: overview of the two programme instruments.

Component	Investment Project Financing (IPF)	Program-for-Results (PforR)
Objective	Strengthen national government systems to implement national climate strategies	Strengthen local government systems to implement national climate strategies and deliver Locally led climate resilience actions in selected districts
Activities under component	<ul style="list-style-type: none"> • Consultancies and training • Update and implement guidelines for climate adaptation action • Technical assistance (TA) to relevant Ministries, Departments and Agencies to enhance their ability to support Local Governments. • Support mechanisms, consultancies and goods for the establishment and operationalisation of Climate Finance Unit (CFU) in the Ministry of Finance • Develop national dashboard to map donor-funded and government-funded climate interventions to ensure their coordination. 	Results Area 1: <ul style="list-style-type: none"> • Establishment of operational District Climate Action Teams (DCATs). A technical assistance team to guide, facilitate, and implement climate action based on guidelines developed under the IPF component to ensure locally identified priorities. • Participatory climate risk assessments at the ward/community level and ward-level locally led Local Climate Action Plans that address the identified climate vulnerabilities Collection, storage, analysis, and application of climate change data with linkages to national level climate data. • Awareness raising programs for Local Government staff and communities on local climate risks and adaptation options

	<ul style="list-style-type: none"> • Technical assistance to the government for the development of the national climate strategies. • Improve Tanzania's climate expenditure tracking and reporting systems • Develop and implement communication program related to SCALE • Enhancing Environmental, Social, Health and Safety Risk Management capacity on national level to support Local governments • Program coordination, management, oversight, technical support. • M&E and learning activities 	<p>Results Area 2:</p> <ul style="list-style-type: none"> • Implementation of the Local Climate Action Plans. Examples of investments: agroforestry, reforestation, and rehabilitation of degraded rangelands; investments in the water and sanitation sector that improve community access to water or promote climate smart water conservation through nature-based solutions; investments in the environment and natural resource sector, such as landscape and watershed management and community-based forest management; emergency preparedness and response; and investments in ocean-based practices, including growing seagrass/seaweed/mangroves, small to medium-scale infrastructure related to climate change adaptation in the coastal and marine environment, setting up early warning systems, and alternative livelihoods.
Beneficiaries	<ul style="list-style-type: none"> • Staff of relevant Ministries, Departments and Agencies. Indirectly benefitting local governments and communities because the enhanced capacity at national level is to support local levels. 	<ul style="list-style-type: none"> • Climate vulnerable communities in the 65 districts. • According to the Tanzania Population and Housing Census (2022), 19,741,453 people reside in these districts. At least a third (around 6,600,000 people) is expected to benefit directly from the Program
Management	<ul style="list-style-type: none"> • Executed by the Ministry of Finance • Hand-held by World Bank. The World Bank will provide adequate training and support to the units managing the IPF component to enhance their Financial Management capacity. Ministry of Finance will submit annual IPF work plans and budgets to the World Bank for deliberation by March 31 each year. Audited financial statements will be submitted to the World Bank by MoF and PO-FP within six months after the end of the financial year, that is by December 31 each year. 	<ul style="list-style-type: none"> • Implemented by the President's Office - Regional Administration and Local Government • Performance-based Readiness Grants to the 65 local governments • Access to grants require LGAs to meet Minimum Access Conditions • Disbursements based on the achievement Disbursement linked indicators. • The implementing agency will submit evidence of results to the World Bank through Ministry of Finance. • Upon the World Bank's acceptance, funds will be disbursed to the SCALE Program • PO-RALG will transfer funds to the LGAs

2 Context, strategic considerations, rationale and justification

2.1 Brief Contextual overview

Climate Financing is of high priority to the Government of Tanzania (GOT). GOT has therefore decided to take an IDA loan of USD 100 million to advance efforts related to locally led adaptation (LLA) and the Danish grant component should be viewed within this broader context.

The programme supports the implementation of the government national climate programme composed by the National Climate Change Response Strategy (NCCRS, 2021-2026) for Tanzania mainland and the Zanzibar Climate Change Strategy (ZCCS, 2014-2030) for Zanzibar and is aligned with the National Determined Contributions. In the updated NDC of 2021, Tanzania commits to a 30-35 percent emission reduction by 2030 compared to the business-as-usual scenario and strives to enhance national resilience to climate change impacts. SCALE activities to strengthen government systems for citizen engagement and locally led activities will focus on low-carbon and resilient actions.

The need for climate action on local level is clear due to the varied yet pronounced impacts on local communities. Tanzania is ranked as the 47th most vulnerable country to climate change; yet, in 2022, the country ranked 150th out of 191 countries on readiness to cope with climate change. Floods and droughts affect a large share of the country's population, and most climate models predict future increases in temperature, with wide-ranging impacts across Tanzania's varied topography and economy, including droughts, floods, landslides, and wildfires.

Projections indicate that climate change will have a negative impact on the economy due to reduction of crop yields, reduced labour productivity, and inland flooding. The impact can be significant as the country relies on agriculture for about 28 percent of its Gross Domestic Product (GDP) and 70 percent of rural employment. Further, climate impacts will affect vulnerable groups including poor, rural, and marginalized communities and women disproportionately.

The country's governance and institutional settings are conducive to addressing climate change risks at the sub-national level. Tanzania is a democratic unitary republic with both a national government and a devolved government of Zanzibar, which has autonomy for non-union matters. Tanzania mainland's 26 regions are administratively divided into 184 Local Government Authorities (LGAs), 570 divisions, and 3,956 wards (rural and urban) while Zanzibar is divided into five regions, 11 LGAs, and 110 wards that are managed by administrative structures and elected councils.

By targeting 65 Local Government Authorities (LGAs) – 54 in Tanzania mainland and 11 in Zanzibar - representing 30 percent of the LGAs in Tanzania mainland and 100 percent of the LGAs in Zanzibar. Ideally the programme will work as a 'proof of concept' that can be further scaled up by the government of Tanzania to the rest of the country in this way acting catalytically.

The sub-national governance system is under central purview of the President's Office - Regional Administration and Local Government (PO-RALG) in Tanzania mainland and the President's Office - Regional Administration, Local Government and Special Departments (PO-RALG-SD) in Zanzibar. Due to their importance in relation to the local governance system, PO-RALG and PO-RALG SD will be the implementing partners to the programme.

Despite this enabling environment, there are institutional, capacity, and financing gaps that prevent the country from meeting its climate priorities. At the national level, there is insufficient capacity in key ministries, departments, and agencies (MDAs) to cascade reforms and expertise to the local level, ineffective coordination and clarity over roles and responsibilities and communication to the public on the climate agenda, and inconsistent and incomplete documentation of climate finance and action to allow coordination and national-level aggregation and reporting.

At the local level, LGAs have been unable to systematically translate national climate targets into local integrated and multi-sectoral actions in their development plans because of a lack of implementation and integration of nationally determined guidelines to ensure that local governments and communities are involved and participates in taking climate action. There is also a lack of technical skills related to climate change and action locally as well an institutional architecture that can address the multi-sectoral and multi-layered impacts of climate change. There is a nascent Integrated Financial Management Information System (IFMIS) in place to monitor expenditures on local climate action, but this system require improvement.

All estimates point to an acute financing gap¹ as the financial requirements for climate action in Tanzania reveal a significant gap between the government’s allocated budget and the actual financing needs. According to Tanzania’s Climate Adaptation Compact (2023), approximately USD 9.9 billion is required over the next five years to support climate action, while the government has allocated an average of only USD 214.7 million per year over the past eight years. The programme is therefore a contribution to bridge the gap.

Closing this financing gap will also require substantial private climate finance. For this purpose, the programme will provide support to strengthen the recently established Climate Finance Unit in the Ministry of Finance and Planning (MoFP) to access global climate finance such as from the Adaptation Fund, Green Climate Fund and explore opportunities within the bond market such as CRDB Bank’s USD 300 million medium-term bonds and NMB Bank’s USD 400 million five-year bond^{2, 3}.

2.2 Strategic Framework

The programme’s objective is aligned with the Paris agreement and the SDGs by directing climate finance to support climate resilience and adaptation. Further, programme activities and approaches are aligned with the international framework for Locally led climate adaptation and the eight LLA principles endorsed by both the Danish MFA and the World Bank⁴. See Figure 2 for an overview of the LLA principles and how they are applied in the SCALE programme.

On a global scale, as of 2023, less than 17 percent of climate finance was allocated to local resilience⁵ and SCALE contributes to filling this gap. A large part of the global climate finance has

¹ There are various calculations of the country’s climate funding needs for different time horizons and sectors. Tanzania’s Climate Adaptation Compact report (2023) estimates adaptation financing at USD 9.9 billion for the next five years (USD 1.98 billion annually). Estimates from several studies note that about USD 500 million is required annually to reduce current vulnerability to climate change, and a further USD100-150 million per year would be required to build capacity and enhance resilience to future climate change (World Bank, 2023). Yet, the government’s budget allocation for climate adaptation activities in 2014-2022 was USD 215.2 million on average (Pauline et al., 2023. Climate Change Adaptation Relevance of Tanzania’s National Budget And Its Level Of Devolution. www.diiis.dk, ISBN 978-87-7236-106-2).

² Denmark holds shares in CRDB Bank

³ Based on the documentation from the World Bank

⁴ WRI: Available at: <https://www.wri.org/initiatives/locally-led-adaptation/principles-locally-led-adaptation>

⁵ United Nations Environment Programme. 2023. Adaptation Gap Report 2023: Underfinanced. Underprepared. Inadequate investment and planning on climate adaptation leaves world exposed. Nairobi. <https://doi.org/10.59117/20.500.11822/43796>.

further been allocated as non-concessional loans, which has been heavily criticised by developing countries’ representatives and others⁶. The loan from IDA to the government is highly concessional and the Danish grant will further the amount that can be used to strengthen the benefits and results from the programme without adding to the burden of debt.

The Danish support to SCALE accords with the objectives of the new Danish strategy for development cooperation ‘A Changing World - Partnerships in Development’. In accordance with the strategy SCALE will increase support to climate adaptation including energy, sustainable drinking and wastewater management, nature-based solutions, flood protection, and drought-resistant crops – and work to ensure that a significantly larger share of climate financing from wealthy countries is directed towards climate adaptation.

Support to the programme is also aligned with the **recent strategy for strengthened Danish engagement in Africa** and the ambition of increased support for climate adaptation in African countries in close collaboration with local populations. Locally-led approaches have proven effective in Africa and elsewhere in generating significant adaptation benefits for households and communities, while also strengthening local government institutions and improving responsiveness to Local needs⁷.

The Danish grant will support activities to strengthen national and local government systems to implement national climate strategies and deliver locally led climate resilience actions in selected districts. Ideally, the programme will work as a ‘proof of concept’ that can be further scaled up by the government of Tanzania to the rest of the country.

Strategic perspectives:

- A large part of the current Danish ODA that is tagged as climate finance is directed through global climate funds, some of which have been ineffective in delivering climate finance to the most vulnerable countries⁸.
- SCALE is an opportunity for the Danish MFA to gain more knowledge and learning from locally led approaches, which can inform future interventions and cross-learning. This includes FLLoCA⁹, SCALE and LoCAL in Uganda.
- Part of the Danish grant will be allocated to finance a climate finance advisor to the World Bank in Tanzania, who can be a useful entry point for the Danish Embassy.
- For the Danish Representation in Tanzania, SCALE is an opportunity to flag Danish priorities and engagement to the government both nationally and locally.

Figure 2: list of the Locally-Led Adaptation (LLA) principles with a description of how the SCALE in practice aligns with these principles¹⁰.

LLA Principle:	SCALE operationalisation:
Devolving decision making to the lowest appropriate level	SCALE promotes a system of devolved climate finance that channels funds and decision-making power to Local Government Authorities, while

⁶ European Union (2023). BRIEFING Towards climate neutrality - International Climate Finance. Status quo, challenges and policy perspectives. European Parliament Research Services.

⁷ Bedelian, C. et al. 2024. Locally-led Climate Adaptation works: Here are eight ways to support it. DIIS Policy Brief. 9.april 2024.

⁸ European Union (2023). BRIEFING Towards climate neutrality - International Climate Finance. Status quo, challenges and policy perspectives. European Parliament Research Services.

⁹ SCALE builds on the approach and methodology of FLLoCA in Kenya part of the Kenyan Bilateral Programme 2021-2025 and likewise implemented by the World Bank.

¹⁰ The operationalisation of SCALE against the LLA principles is prepared in collaboration with the World Bank.

	at the same time strengthening LGAs' capacity to work in partnership with their citizens to understand, plan for, and address climate risk.
Addressing structural inequalities faced by women, youth, children, people with disabilities, people who are displaced, Indigenous Peoples and marginalized ethnic groups	SCALE recognizes that climate vulnerability is socially constructed and integrates a focus on social inclusion. The assessment and planning is done in a participatory manner, and the performance-based grants incentivize inclusion and accountability., with indicators related to inclusion of women and marginalized groups in decision making processes.
Investing in local capabilities to leave an institutional legacy	Using the Performance for Results (PforR) instrument, the SCALE Programme works to strengthen existing country systems rather than have a projectized approach. SCALE strengthen local entities' capacities for participatory climate risk assessment, planning and implementation, while at the same time strengthening national level entities and mechanisms for supporting a devolved climate finance approach that adheres to the principle of subsidiarity. The goal is to build a sustainable, national scale system that can reach communities at the local level.
Providing patient and predictable funding that can be accessed more easily	As mentioned above, SCALE focuses on strengthening existing local and national governance processes, capacities and institutions for locally led climate action. While the Programme supports an initial phase covering 1/3 of the country with three rounds of climate investments, this is part of a larger Government programme and the aim is to scale up to the remainder of the country through consequent phases. The climate risk assessment, planning and investments are integrated into the local development planning process (enhanced O&OD) to ensure sustainable and predictable funding. Based on lessons from Kenya, it is also likely that the capacity for Tanzania to attract other sources of climate finance will increase as the national system for devolved climate finance is strengthened.
Building a robust understanding of climate risk and uncertainty	Local governments, including at the ward level, will be trained to work with communities on climate risk and uncertainty, and the participatory planning process will ensure that local, traditional and indigenous knowledge is reflected in the planning priorities. In addition, national level agencies will be supported through the IPF component to connect with LGAs to provide effective climate-related services and guidance to them.
Flexible programming and learning	SCALE includes an action learning approach so that emerging lessons can be incorporated throughout the consecutive rounds of planning and investment. SCALE will also benefit from the partnerships with other development partners through the World Bank SSI4ALL Trust Fund, which includes support for learning and cross country sharing on locally led climate action and devolved climate finance. The Programme design already benefitted from a visit of the Governments of Tanzania Mainland and Zanzibar to Kenya to learn from the FLLoCA Programme.
Ensuring transparency and accountability	SCALE promotes transparency and accountability by engaging communities in the decision-making processes and using performance-based grants that incentivize this. The Disbursement Linked Indicators (DLIs) will be measured by an independent verification agent through Annual Performance Assessments (APAs) and the results of the verification process determines the PforR disbursement. The World Bank will carry out performance assessments of the APAs.
Collaborative action and investment	The participatory climate risk assessment and planning process in SCALE will be integrated into the local level development process to address community priorities across sectors and initiatives. The Program facilitates

	<p>trust building and relationships between local governments and communities, and vertically between local and national entities. In addition, the creation of a country system for locally led climate action promotes coordination and collaboration among development partners and civil society.</p> <p>At the local level District Climate Action Teams will be established under the Natural Resources Management and Environmental Unit with 5 to 9 members depending on the size of the LGA. The WB estimates that this team will affect directly about 15 % of the human resources in the LGA. LGAs can in the day-to-day work can draw on technical expertise from national and regional level in the design of, e.g. dams and setting up procurement processes. Approval process of climate action investments will go from ward level to the district council for signing off to PO-RALG and finally by a Programme Steering Committee (PSC)¹¹.</p>
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2.3 Key stakeholders in the programme

The key stakeholders according to the World Bank Documentation are listed as below.

Figure 3: Key stakeholders in the SCALE Programme¹²

Name of Partner	Nature of Involvement /Description
Nordic Development Fund	Provision of financial support as part of the SSI4ALL MDTF
Government of Denmark	Provision of financial support as part of the SSI4ALL MDTF
Government of Sweden	Provision of financial support as part of the SSI4ALL MDTF
JICA	Continued support to the Improved O&OD process; collaboration on the development of the climate-infused O&OD
UNCDF	LoCAL Scale-Up in selected coastal zones of Tanzania
Global Center on Adaptation	Knowledge management support and promotion of the locally led climate action principles

From a Danish perspective it is relevant to add SSI4ALL through which Danish funds will be channelled to SCALE, the World Bank, as the organisation responsible for the programme, and the EU Delegation in Tanzania that Denmark supports through another programme SASA.

SSI4ALL

The Danish funds will go to the World Bank’s Multi-Donor Umbrella Trust Fund (MDTF) Social Sustainability Initiative for All (SSI4ALL). The development objective of SSI4ALL is to foster inclusive, climate resilient, and empowered societies. The Danish support to FLLoCA is also through SSI4ALL. The SSI4ALL is currently supported by Denmark, Sweden, the Netherlands, Canada, NDF and the United Kingdom.

¹¹ Based on the Danish MFA Appraisal report made by LEARNING, September 2025.

¹² Source: World Bank Documentation

World Bank (WB) Office Tanzania

At country level, the WB's Tanzania country office provides coordination and management support, while WB Headquarters supports the programme centrally. The programme lead at the WB country office has previously been involved in the design and implementation of FLLoCA in Kenya which has facilitated the integration of lessons learned from FLLoCA to SCALE¹³.

Nordic Development Fund

The Nordic Development Fund (NDF) is an anchor donor to SSI4ALL and has committed EUR 10 million to Scaling Up Locally-led Climate Action programmes to be distributed between Tanzania, Rwanda, Nepal, Bangladesh and 3-5 additional countries¹⁴. For SCALE USD 1.3 million of NDF's contribution will be deployed to the programme¹⁵.

Sweden

Sweden has committed USD 2.5 million to SCALE and may add more in the future. The details of how the support will be allocated are not yet clear as the decision is very recent and talks between the Swedish embassy and the World Bank are ongoing. Sweden has previously been supporting a locally climate finance programme LoCAL, implemented by UNCDF in Tanzania.

Japan International Cooperation (JICA)

Part of SCALE will finance an enhancement of the 'Improved Opportunities and Obstacles to Development' (O&OD) guidelines with climate aspects that will guide the Local Government Authorities' climate action. The O&OD methodology has benefited from support of the Japan International Cooperation Agency (JICA) and the International Institute for Environment and Development (IIED). Studies of the Improved O&OD methodology¹⁶ point to its potential to effectively mobilize communities around participatory local development processes and foster ownership of interventions.

UNCDF/LoCAL

Denmark is providing funding to the global programme LoCAL under the UNCDF for the period 2022-2026. In addition, Denmark will support a LoCAL programme in Uganda implemented by UNCDF for the period 2025-2028. There is also a LoCAL programme (2021-2026) in Tanzania supported by the EU and Norway. SCALE is considered, both by the government and by some donors, as an upscaling of the experience piloted by LoCAL.

Global Center on Adaptation

The World Bank is working out the details concerning the partnership, but most likely Global Center on Adaptation will play a role in training development and/or knowledge sharing for local governments¹⁷.

¹³ See also annex 1 of this document: Partner Assessment

¹⁴ Nordic Development Fund (2024). C157 - Multiple Regions Scaling up Locally Led Climate Action Final Project Proposal.

¹⁵ Interview with Margaret Arnold, World Bank, DC Washington April 23, 2025.

¹⁶ Kapwani, J. C and Lesso, T. O. 2021. The Efficacy of Improved Opportunities and Obstacles to Development (Improved O&OD) on the Sustainability Community Project: A Case of Mseyu Village. *Tengeru Community Development Journal* ISSN 1821-9853(Print) ISSN 2665-0584 (online) Vol. 8, No.2, 2021; Chongela, J., Sawala, M. & Shemkambi, H. 2021. The role of improved opportunities and obstacles to development actors in sustainability of community-based development initiatives: A case of Morogoro District Council, Tanzania. *Journal of Research Innovation and Implications in Education*, 5(3), 225 – 234.

¹⁷ Email from World Bank dated 10th of September 2025

EU Delegation

The World Bank has coordinated with many entities and programmes including the EU funded Green and Smart Cities programme (SASA) 2025-2028 where Denmark supports with DKK 150 million. The EU Delegation further supports UNCDF LoCAL in Tanzania and coordination with the EU on the locally led adaptation agenda is therefore foreseen e.g. by EU joining a technical committee for development partners under SCALE.

2.4 Coherence and Synergies

External coherence

During the formulation phase, meetings between the World Bank and UNCDF, KLIMA and the Danish embassy in Tanzania were held to discuss opportunities for coordination. In addition, meetings were held jointly with Government, the World Bank, UNCDF and development partners during the preparation of SCALE to ensure coordination. As a result, and at the request of Government, the World Bank changed three of the target districts/Local Governments where SCALE was planned to operate but where LoCAL is operating to avoid overlap.

Forward looking, it has been agreed that the World Bank will ensure that one or more technical meetings will be held with UNCDF and the Government to align efforts and share learning as much as possible to avoid duplication and burdening government entities with different formats.

As the contributions of Denmark and other development partners flow through the World Bank's multi-donor trust fund (SSI4ALL), Denmark will also benefit from participation in the SSI4ALL Technical Coordination Committee meetings (at the country level) and Partnership Council meetings (at the cross-regional and global levels) to provide inputs into programming and coordination, and share learning on scaling up locally led climate action.

Likewise, during the formulation phase the World Bank has ensured coordination with their other climate related programmes in Tanzania including the beforementioned EU funded Green and Smart Cities programme (SASA) 2025-2028. The embassy will pay attention to relevant coordination between SCALE and SASA.

Internal coherence

The Department of KLIMA in the Danish MFA can through SCALE in Tanzania, FLLoCA in Kenya and LoCAL in Uganda accumulate more knowledge and learning on locally led approaches, which can be useful for future programmes of this kind. Both FLLoCA and LoCAL have informed the design of SCALE (see Lessons learned in section 2.4 of this document). KLIMA together with the embassy in Dar es Salaam have held a meeting with the embassy in Nairobi to benefit from their knowledge and experiences with FLLoCA. This kind of informal knowledge sharing will continue with KLIMA as an important initiator to ensure that knowledge is harvested. Likewise, the Danish embassies in Nairobi and Dar will coordinate related to participation in the SSI4ALL Partnership Council.

2.5 Lessons learned

The lessons learned derive from the Decentralised Climate Finance pilot programme (2016-2018) financed by UK Aid, a LoCAL pilot programme (2021-2023)¹⁸ in Tanzania together with an impact

¹⁸ See Greene S. 2019. Lessons from Piloting the Decentralised Climate Finance Programme, Tanzania. Decentralising Climate Finance Project (DCFP).

evaluation of locally led climate finance activities in Kenya including FLLoCA¹⁹, as well as a growing body of good practices from the Locally-led adaptation community of practice²⁰.

Kenya's FLLoCA experience demonstrates that large-scale investments in devolved finance for locally led adaptation and resilience are a powerful vehicle for reaching vulnerable people on the ground at the scale necessary to address the climate crisis. While the individual FLLoCA sub-projects may be relatively small compared to larger scale infrastructure, when aggregated they achieve scale with the added benefit of reaching remote areas that would typically not be prioritized for larger single projects. With the first round of investment grants under FLLoCA, there are 477 water projects in 37 wards projected to reach 443,905 people – this number will grow as all 2295 year one identified projects move into implementation and will grow even more with year two and three funding cycles. Isiolo County leadership stated that they have managed to successfully drill boreholes in wards that are over 300 kms from the county headquarters where no such project existed. Lessons learned from Kenya show the success of local climate finance activities to bring significant adaptation benefits for households and communities, while also strengthening local government institutions and improving the responsiveness to local needs, including of vulnerable and marginalized groups. This positive assessment echoes findings from Danish Institute of International Studies (DIIS 2024)²¹.

Horizontal and vertical institutional coordination is key to maximizing the impact of climate finance. FLLoCA has proven itself as a successful mechanism for reform and institutional strengthening to build on existing country systems at the national and local levels to deliver climate action. While the Program is informed by and responds to priorities identified at the local level, it also is informed by technical inputs at higher levels and feeds into reporting on climate investments at the national level. By early 2025, 32 out of 47 counties are reporting against national climate targets. This approach of scaling out horizontally while also strengthening vertical linkages is a key aspect of SCALE in Tanzania.

From the lessons learned, it is also clear that the locally led approaches are not a panacea. There are challenges of delays in activities, financing flows and results. Building government institutions' capacity to respond effectively to climate risk requires consistent investment. Likewise, recent lessons from LoCAL 2021-2023 show that the programme has faced delays in implementation. Although agreements were signed in 2023, funds have yet to be channelled to the local level by PO-RALG.

Lengthy processes call for consistency and a longer time span, which is reflected in the SCALE three-cycle timeframe of the providing grants over the five-year programme period. Further, there is in general low technical capacity in local governments to support the design and implementation of high-quality climate adaptation investments. This lesson has led to an emphasis on training and technical capacity support to local governments in SCALE. The first programme cycle of performance-based grants consists therefore of 'performance readiness grants' to be used for capacity building and training. In addition, Disbursement Linked Indicators have been built into the programme meaning that local governments can only get access to funds when they have implemented certain requirements defined by the programme.

¹⁹ See Crick, F., Hesse, C., Orindi, V., Bonaya, M. and Kiiru, J. 2019. Delivering climate finance at local level to support adaptation: experiences of County Climate Change Funds in Kenya. Ada Consortium, Nairobi.

²⁰ Including the ongoing Kenya Financing Locally-Led Climate Action Programme (FLLoCA, P173065) and the Burundi Colline Climate Resilience Project (P180864).

²¹ Bedelian, C. et al. 2024. Locally-led Climate Adaptation works: Here are eight ways to support it. DIIS Policy Brief. 9.april 2024.

The need for flexibility and adaptation in the programme is an important learning from FLLOCA and SCALE will therefore include a flexible Action Learning approach into the Program to improve and adapt to changing social, political and risk contexts.

Concerning sustainability, more knowledge is required to build strong lessons learned. FLLOCA in Kenya has only recently started implementation and it is too early to assess sustainability. Yet FLLOCA has revealed much learning and things to improve. The lessons learned regarding LLA is a continuous process and the SSI4ALL council is a potential forum to ensure that lessons learned are shared between FLLOCA and SCALE in the future.

Lessons learned on sustainability can also be drawn from the Final Evaluation of the Local Climate Adaptive Living Facility (LoCAL)²² from December 2022. The evaluation concludes, that insitutionalisation is necessary for sustainability and that “strong policy directives from national governments and intensive investment in capacity building” is required. The design of SCALE seeks to foster sustainability through for example the improved O&OD guidelines with climate aspects that will guide the LGAs, and training will be provided as needed by the MDAs with continuous monitoring by the World Bank. The risk of over stretching the absorptive capacity of LGAs as identified by the World Bank can also pose a limit to sustainability.

2.6 Gender, HRBA and cross cutting issues

The Program’s beneficiaries are climate vulnerable communities in the 65 districts, including women, men, youth, and vulnerable groups, who will benefit from investments that will enhance their resilience to climate change risks and improved local government systems to manage climate risks. At least a third (around 6,600,000 people) is expected to benefit directly from the programme through participation in the preparation of the Local Climate Action Plans and/or through the benefits of their implementation, and about a third of the Local Climate Action Plans actions is expected to affect the resilience of local communities’ livelihoods and jobs – around 2,200,000 people.

The O&OD guidelines²³ that will be further developed and implemented during the programme will adopt measures to enhance social inclusion through the involvement of women, youth, persons with disabilities, and marginalized and vulnerable groups, targeting their representation in consultations and their appropriate representation in structures of engagement.

Women experience increased vulnerability to the impacts of climate change due to their concentration in sectors and jobs that are highly affected, such as water, agriculture, and energy. Women are also impacted because of men’s migration to urban areas in search of new jobs and income generating opportunities. To ensure women’s voices are heard, the programme will provide intensive outreach and communication on adaptation options through women’s groups, provision of childcare during meetings and stakeholder engagement, as well as workshops with local governments.

Further, indicators that measures change in communities’ resilience included in the results framework, is disaggregated to female and youth. One performance indicator for Local Governments to receive grants

²² UNCDF Evaluation Final Evaluation of the Local Climate Adaptive Living Facility (LoCAL) Evaluation Report December 2022 | Final Evaluation of the Local Climate Adaptive Living Facility (LoCAL).

²³ The climate-infused O&OD guidelines will be an enhanced version of the Improved O&OD guidelines and include guidelines and procedures to be used by ward and community facilitators to support the carrying out of Participatory Climate Risk Assessments, the development of Local Climate action Plans, and other relevant climate-related actions at the local level.

is that they have prepared a Local Climate Action Plan within the allocated budget envelope that reflects community priorities, including females.

2.7 Assessment against DAC criteria

Figure 4: Assessment against DAC criteria

OECD-DAC Criteria	Application
Relevance	The programme is addressing an urgent need to redirect global financial flows to local levels in countries most vulnerable to climate change. The programme is designed based on the request from the Tanzanian government and is aligned with Tanzanian national climate change strategies and needs as the country is highly vulnerable to climate change. The programme accords with the objectives of the Danish strategy for development cooperation ‘A changing world partnerships in development’ in terms of redirecting climate finance to the local level and inclusion of local communities most affected by climate change. Support to the programme is also aligned with the recent strategy for strengthened Danish engagement in Africa and the ambition of increased support for climate adaptation in African countries.
Coherence	External coherence: World Bank will coordinate implementation of SCALE with UNCDF who is implementing a similar locally led programme titled ‘LoCAL’ in Tanzania. The embassy in Dar es Salaam and KLIMA will engage in Internal coherence to ensure that lessons learned can benefit other locally led programmes supported by Denmark.
Effectiveness	World Bank is a partner with important experience from FLLoCA to manage SCALE effectively. Effectiveness will be facilitated through performance-based grants to Local Government Authorities that live up to minimum conditions set by the programme.
Efficiency	In terms of operational efficiency, the World Bank has well established procedures and resources to support the government in the implementation of the programme. The programme set-up with national and local governments and the objective of the programme is expectedly complex and time-consuming but within this framework, the structuring of the programme by the World Bank based on experience from FLLoCA can increase efficiency.
Impact	The programme will contribute to improving Tanzanian communities’ resilience to climate change impacts, reduce greenhouse gas (GHG) emissions, and contribute to the country’s sustainable development.
Sustainability	The Danish grant is combined with a concessional loan to the government of Tanzania. The programme is aligned with Tanzanian national climate strategies, and the government plays an active role implementing the programme. The Program also assumes strong community participation in governance, ensuring that investments are directed towards subprojects that reflect local needs and priorities. Sustainability of investments can be reinforced by the programme demanding solid sustainability strategies for investments as part of the performance-based grant conditions. Financial sustainability of the locally led model and bridging the finance gap over the long-term will require mobilisation of additional resources such as access to

	global climate finance and e.g. bonds. The programme will therefore build the capacity of the newly established Climate Finance Unit in Tanzania.
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2.8 Assessment against the SDGs²⁴

Figure 5: Assessment against the SDGs

SDG	Target	Actions
1 End poverty	1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters 1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	The Performance based grant investments ²⁵ are targeted vulnerable communities with the objective of strengthening their resilience through e.g. investing in adoption of climate-resilient agricultural practices, with productivity gains of 5-10 percent annually.
2 No hunger	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	Expected investments in climate-smart agronomic practices, including the use of drought-resistant crops and improved pest management, increase the resilience of farming systems to climate change, ensuring better food security and stable livelihoods for local communities.
5 Gender Equality	5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws 5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels	SCALE will contribute to these goals by supporting women's representation on local decision-making bodies and ensuring that their inputs to the LCAPs are prioritized. Two indicators that measure these changes are included in the results framework, namely (i) share of women on Local climate action decision-making bodies and (ii) share of LCAPs that address the climate vulnerabilities of women. The size of the grants given to Local Government will depend on performance measures including degree of inclusiveness of women, youth, Indigenous Peoples, people with disabilities, and marginalised groups as well as transparency in the Local Climate Adaptation Planning preparation process.

²⁴ The assessment is based on provided information from the 'documentation'.

²⁵ See Annex 3 for examples of expected investments from the programme.

13 Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies and planning	The objective of the programme is to <i>“Strengthen national and local government systems for increased climate resilience and invest in locally led climate resilience actions in Selected Districts”</i>
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3 Project Objective

The programme has the overall objective to *“Strengthen national and local government systems for increased climate resilience and invest in locally led climate resilience actions in Selected Districts”*

It will be implemented as a hybrid Program-for-Results Financing (PforR) and Investment Project Financing (IPF). The PforR component will implement activities in support of “strengthening local government systems to implement national climate strategies and deliver locally led climate resilience actions in selected districts”. The IPF component will support the project objective in terms of strengthening national government systems to implement national climate strategies and devolving climate finance to the local level by building national capacity in both Tanzania mainland and Zanzibar.

4 Theory of change and key assumptions

The programme’s theory of change is structured around three outcomes that together are expected to improve Tanzanian communities’ resilience to climate change impacts and contribute to the country’s sustainable development²⁶.

The first outcome (Strengthen national government systems for increased climate resilience) will be achieved by financing activities that improve the mainstreaming of climate risk management and coordination in strategies, plans, and investments; strengthen the capacity of relevant MDAs for supporting LGAs in the planning, implementation, monitoring, and reporting on local climate actions and climate finance; enhance government capacity to track climate finance and action; and enhance stakeholder awareness of climate risks.

The second outcome (Strengthening local government systems for increased climate resilience) will be attained by incentivizing, through a performance-based Readiness Grant, the improvement of the selected LGA’s institutional settings for climate action, locally led and science-informed climate action planning and budgeting processes, improved monitoring of climate expenditures and action, and enhancement of local awareness of climate risks and adaptation options.

The third outcome (Invest in locally led climate resilience actions) will be achieved by incentivizing, through a performance-based Investment Grant, an increase in financial resources transmitted by the government to the selected LGAs for adaptation investments that were selected by the communities, and their monitoring.

²⁶ A visual illustration of the Theory of Change for the programme is inserted in Annex 2 in this document based on the World Bank Documentation.

The underlying assumptions are:

- Political enabling environment for multi-sectorial climate action is maintained.
- Strong community participation and communities receptive to climate science information.
- Participatory approaches, based on the O&OD guidelines will ensure that investments are directed towards subprojects that reflect local needs and priorities thereby enhancing the effectiveness and sustainability of climate adaptation efforts.
- Complementary government and third-party technical support is available and of sufficient quality.
- Local Government Authorities systematically apply procedures to climate investments including screening, operations and maintenance.
- Implicitly, the underlying assumption is that the performance-based grants mechanism will be effective and lead to the desired change. Further, that capacity building and training and systems development at local and national levels will ‘correct’ current institutional voids in terms of delivering the needed finance for local levels to cope with climate change effects.

5 Summary of the results framework

Figure 6: Summary of the results framework

Project Title	SCALING-UP LOCALLY LED CLIMATE ACTION PROGRAM
Project Objective	Strengthen national and local government systems for increased climate resilience and invest in locally led climate resilience actions in Selected Districts

Outcomes indicators

Outcome 1		➤ Strengthen national government systems for increased climate resilience	
Outcome indicator		➤ National government systems strengthened to track, monitor, and report on climate finance and climate resilience actions (Yes/No)	
Baseline	Year	2025	No
Target	Year	2030	Yes
Outcome 2		➤ Strengthen local government systems for increased climate resilience	
Outcome indicator		➤ DLI 1: LGAs' capacity for climate resilience action strengthened (number) DLI 27	
Baseline	Year	2025	0
Target	Year	2030	65
Outcome 3		➤ Invest in locally led climate resilience actions in Selected Districts	
Outcome indicator		➤ People benefitting from climate resilient planning, preparation, surveillance, and/or response (number of people) CRI ²⁸	
Baseline	Year	2025	0
Target	Year	2030	6,600,000
Outcome indicator		➤ People benefitting from climate resilient planning, preparation, surveillance, and/or response - Female (number of people) CRI	
Baseline	Year	2025	0
Target	Year	2030	3,405,600
Outcome indicator		➤ People benefitting from climate resilient planning, preparation, surveillance, and/or response - Youth (number of people) CRI	
Baseline	Year	2025	0
Target	Year	2030	1,346,400
Outcome indicator		➤ People benefitting from increased resilience of livelihoods, jobs or firms (number of people) CRI	
Baseline	Year	2025	0
Target	Year	2030	2,200,000

²⁷ DLI refers to Disbursement linked indicators. The DLIs, which are included in the results framework as PDO-level and intermediate result indicators, will be measured by an independent verification agent. Disbursements under the PforR RAs will be made based on the achievement of verified results, measured by the DLIs. The list of DLIs is presented in Annex 3 in this document together with detailed Outcome indicators. Both figures in Annex 3 is from the World Bank documentation.

²⁸ Using the Tanzania Commitment to Reducing Inequality Index (CRI)

Outcome indicator		➤ People benefiting from increased resilience of livelihoods, jobs or firms - Female (number of people) CRI	
Baseline	Year	2025	0
Target	Year	2030	1,135,200
Outcome indicator		➤ People benefiting from increased resilience of livelihoods, jobs or firms - Youth (number of people) CRI	
Baseline	Year	2025	0
Target	Year	2030	448,800

5.1 Result Areas

The PforR and the IPF components constituting SCALE have different intervention focus, working in tandem to contribute to the establishment of a national scale system for devolved climate finance and action. The IPF component focuses on enabling government systems at the national level to provide the needed support to local governments including to enhance climate finance and reporting systems at the national level. Tools developed under the IPF component will be utilized by the central government and the LGAs to implement the PforR, for example guidelines for engaging communities (the O&OD guidelines) in climate action planning and implementation and climate finance and action monitoring systems. The Programme will work around three interlinked result areas.

Result area 1 ‘Strengthening local government systems’ and Result area 2 ‘Invest in locally led climate resilience actions’ are linked to the PforR component whereas the Result area 3 ‘Strengthen national government systems’ focus on the IPF component. The intermediate indicators for the three result areas in the programme are illustrated in figure 6 below.

Figure 7: Intermediate indicators by Results Area²⁹

T Baseline	Period 1	Period 2	Period 3	Period 4	Closing Period
Results Area 1: Strengthening local government systems					
LGAs with LCAPs developed through participatory methodologies and approved by the District Council (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	32	58	65	65	65
LGAs maintaining an up-to-date database of climate action and climate finance data (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	32	65	65	65
LGAs with DCATs formally designated by the District Council (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	65	65	65	65	65
Share of district-level LCAPs under implementation that achieve at least one specific action aimed at reducing climate vulnerabilities of women (Percentage)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	30	50	80	85
Community satisfaction with the Program's participatory process (Percentage)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	0	80	0	80
Results Area 2: Invest in locally led climate resilience actions					
DLI 2.1: LGAs meeting the Minimum Performance Conditions (Number) ^{DLI}					

²⁹ From the World Bank documentation

Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	58	64	65	65
DLI 2.2: Performance Measures implemented by LGAs that have met the Minimum Performance Conditions the same Year (Number) ^{DU}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	210	256	325	325
LGAs for which at least 66% of district-level LCAP actions address adaptation to climate change impacts on crop yields, labor productivity, flooding, and/or drought (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	32	58	58	58	58
IPF Component: Strengthen national government systems					
Climate-infused O&OD guidelines developed and endorsed by PO-RALG and PO-RALG SD (Yes/No)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
No	Yes	Yes	Yes	Yes	Yes
National climate action dashboard in place (Yes/No)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
No	No	No	Yes	Yes	Yes
CFSs formally designated, staffed, and operational (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	1	2	2	2	2

6 Budget

The budget for the Danish grant is DKK 60 million.

Figure 8: Budget for the Danish grant, IDA credit and other donors

Result area	2025 (DKK M)	2026 (DKK M)	Total	IDA Credit (USD M)	Other donor contributions (USD M)
Recipient Executed (RETF):					
Outcome 1 – Invest in locally led climate resilience actions in Selected Districts (PforR component)		11.2	11.2	93.3	0
Outcome 2 – Strengthen local government systems for increased climate resilience (PforR component)		11.1	11.1	5.7	0
Outcome 3 – Strengthen national government systems for increased climate resilience (IPF component)	22.27		22.27	1	10 ³⁰
<i>Subtotal outcome 1-3 – to be government executed</i>	22.27	22.3	44.57	100	10
RETF administration fee (5%)	1.11	1.12	2.23		
World Bank Executed (BETF):					

³⁰ The USD 10 million to the IPF component through the MDTF SSI4ALL is not finally settled as it depends on the final decisions of Denmark and Sweden of where to allocate their grants as well as whether other donors decide to contribute to the programme during at a later stage. The total of grant money for the IPF component will be comprised of part of the Danish grant of DKK 60 million, the Swedish grant of 2.5 USD M, and 1.3 USD M from NDF.

Program Implementation Support	2.32	2.32	4.64		0,7 ³¹
WB admin fee (12%)	0.28	0.28	0.56		
Climate Finance Advisor to the World Bank (3 years) (through a separate WB Program)	8		8		
Total	33.98	26.02	60	100	10

The Danish grant is projected to be disbursed in 2025 and 2026. The funds will be disbursed by SSI4ALL to SCALE during the entire programme period 2025-2030.

Denmark has, based on dialogue with the World Bank in Tanzania and Washington, argued that the Danish support should be distributed between both instruments IPF and PforR. This has an important signalling value as the Danish funds were initially thought as part of the donor contribution to the IPF component only. However, Denmark wishes to signal that both levels of intervention are important priorities. At the same time, it is not burdening the administration of the Danish grant as separate reporting to Denmark only is not possible.

7 Institutional and Management arrangement

7.1 Programme implementation arrangement

PO-RALG and PO-RALG-SD will be the Implementing Agency in respectively Tanzania mainland and Zanzibar, in line with the government programme's implementation strategy and their legal mandate. Each will form a Programme Implementation Team (PIT).

In addition, a joint Programme Steering Committee (PSC) will be formed to provide oversight to the programme, including approval of annual work plans, budgets, Annual Performance Assessment findings, and programme progress reports. The PSC will thus ensure horizontal coordination among the two governments.

At the regional level, coordination of Local Government Authorities' work will be carried out by the existing Regional Secretariats. At the district level, the existing District Implementation Committees will each mobilise a dedicated District Climate Action Team to manage Program district-level activities.

At the national level, a joint National Inter-agency Technical Committee (NITC) will be formed with focal points of Ministries, Departments, as well as Tanzania Meteorological Authority, a representative of national CSOs, and a representative of the Tanzania Development Partner Group. The EU Delegation supporting UNCDF LoCAL and the Development Partner Group on Environment in Tanzania are also foreseen as members of the NITC³². It will be co-chaired by Vice President's Office and Ministry of Finance and meet quarterly during the first two years and semi-annually thereafter.

³¹ Besides the USD 0,7 million, the World Bank plans with allocating part of the Swedish grant for WB programme support but the talk with the Swedish embassy is still ongoing.

³² Source: Danish MFA Appraisal Report

This technical advisory body will give recommendations to the Programme Steering Committee (PSC). The key task for FY 2025/26 is to carry out the first Annual Performance Assessment (APA). The NITC will also receive the semi-annual progress reports elaborated by the Programme Implementation Teams (PIT).

NITC is where the Danish representation will have the possibility to come with suggestions to the Government for specific agenda items/issues and it is a central point for the RDE to gain influence.

During implementation, the World Bank will conduct several Implementation Support Missions (ISM), where donors can participate. This is a second entry point for influence that Denmark can use to gain knowledge on programme implementation and working closely with the WB on integrating findings and lessons from these missions.

Thirdly, Denmark will finance a Climate Finance Specialist that will be placed in the Environment and Natural Resources Division in the WB in Dar es Salaam. From a Danish perspective, it is expected that through his/her knowledge of global climate finance and overview of other relevant WB financed programmes with relevant synergies, he/she will be an asset to the implementation of SCALE. The Climate Finance Advisor is also an asset for Denmark and liaison is expected to be important for the RDE Tanzania.

Lastly, the Danish contribution to SCALE is through the WB SSI4ALL Multi-Donor Trust Fund. An important entry point for Denmark is via engagement in the governance of the SSI4ALL through the Partnership Council, chaired by the WB. The council meets annually but ad hoc meeting can be organised by the WB at the request of one donor. The WB shares Implementation Supervision Reports with the participants in the Partnership Council. The work plan, budgets and progress reports for the SSI4ALL will be presented annually to the Partnership Council for discussion. In addition, donors to SSI4ALL can access the online platform 'Development Partner Center' where financial reports are made available to Donors alongside result frameworks and progress and evaluation reports.

7.2 Financial management

The Danish funds will initially be deposited on a SSI4ALL Multi-Donor Trust Fund. Funds transferred to the MDTF are co-mingled. However, under the Administrative Agreement between the WB and Denmark, currently under finalisation, the funds will be transferred for Tanzania and only spent on the SCALE Program. The flow of funds for the IPF and PforR instruments is illustrated in annex 7 with a more detailed information regarding the different steps and systems used.

Under the IPF component, designated program bank accounts within the Ministry of Finance will be maintained at the Bank of Tanzania. For the IPF component, Ministry of Finance will transfer funds to Ministries, Departments and Agencies for their respective work plans. Disbursement requests will be based on an approved six-month work plan and cash flow projections. Funds will be disbursed quarterly upon submission of Interim Financial Reports. The Operational Manual for SCALE will specify the frequency of fund transfers to other implementing agencies as well as the reporting requirements. Additional disbursement methods will be outlined in the Disbursement and Financial Information Letter.

Financial management for the PforR component follows procedures of the Government of Tanzania and is implemented by PO-RALG. Each implementing unit (LGAs and MDAs) will prepare its annual workplan and budget adhering to the normal deadlines in the GoT planning and budgeting cycle. The SCALE funds will thereby be "on-budget", which is a condition for the funds to be channelled through the GoT system to the LGAs during the financial year (FY).

7.3 Procurement

Procurement under the IPF Component will be carried out in accordance with World Bank procedures (by PO-RALG, PO-RALG-SD, MoF, PO-FP, VPO and FVPO). World Bank Standard Procurement Documents will be used for all contracts subject to international competitive procurement while when using National Procurement Procedures, national standard bidding documents may be used with appropriate modifications acceptable to the World Bank.

Procurement for the PforR component will follow government procedures and be governed by the Legal and Regulatory Framework, including the Public Procurement Act (2023) and the Public Procurement Regulations (2024) for Mainland Tanzania, and the Public Procurement Act No. 2 (2025) for Zanzibar. It will also follow the World Bank Guidelines on Preventing and Combating Fraud and Corruption. The national procurement procedures have been assessed by the World Bank and were found to be satisfactory. Related to implementation there is need for training in procurement on the new regulations³³.

Government procurement is done electronically using the National e-Procurement System of Tanzania NeST and eProcurement Zanzibar (ePRoZ) respectively. In SCALE, NeST will be used in Mainland Tanzania while for Zanzibar, it will be done outside the ePRoZ, until it is assessed and accepted by the WB.

Procurement in Mainland Tanzania will be carried out by the respective LGAs under the monitoring and supervision of PO-RALG, while in Zanzibar, procurement will be carried out by PO-RALG-SD, on behalf of the LGAs. In Zanzibar, an annual Procurement Plan is compulsory and also one of the conditions for receiving SCALE funding. This plan is submitted to the Zanzibar Public Procurement and Regulatory Authority (ZPPRA) and the Paymaster General (PMG) for review and formal approval, after which the procurement can start³⁴.

7.4 Audit

Annual external audit of the PforR and IPF components will be carried out by the Controller and Auditor General (CAG in Mainland and OCAGZ in Zanzibar). CAG and OCAGZ are the Supreme Audit Institutions in Tanzania. The audited annual accounts should be submitted to the WB not later than 31 December (6 months after the end of the GoT FY). Limited internal audit capacity is mentioned as significant risk, as this may contribute to delays in flow of funds.

For the IPF component, the World Bank will receive unaudited Interim Financial Reports within 45 days after the end of each quarter. Audited financial statements will be submitted to the World Bank by the Ministry of Finance for Tanzania mainland and Zanzibar within six months after the end of the financial year (December 31 each year).

The Disbursement Linked Indicators (DLIs) and intermediate result indicators of SCALE (see Annex 3), will be measured by an independent verification agent, namely the Internal Auditor General (IAG) in Mainland Tanzania and the Internal Auditor General Zanzibar (IAGZ) in Zanzibar through APAs using a verification protocol and the results of the verification process will determine the PforR disbursement.

³³ Source: Danish MFA Appraisal Report

³⁴ Ibid.

The implementing unit have Internal Auditors in place and in most cases Audit Committees. Their performance is evaluated by the CAG/OCAGZ during the annual audit process. A capacity assessment by the WB concluded that there is insufficient internal audit staffing and systems, inefficiencies in audit committee performance at the LGAs and slow implementation of audit recommendations. To address these weaknesses, a number of mitigating activities are included in the SCALE Program Action Plan.

7.5 Monitoring and learning

The Programme's M&E system will be anchored in the detailed results framework (see Annex 3), which will determine the level of programme objective achievement and implementation progress under the two PforR Result Areas and the IPF component and inform corrective actions to enhance implementation.

Programme result indicators will be monitored by the government and the World Bank to identify risks and take remedial action. Focal points in the Regional Secretariats will use agreed reporting templates to report on progress in their respective Local Government Authorities as it relates to outputs and outcomes monitored by the results framework. This information, as well as information on the IPF component progress from Ministry of Finance, will be compiled by the two Programme Implementation Teams (PITs) and then aggregated into a semi-annual Program progress reports to be shared with the World Bank, the Programme Steering Committee and the National Interagency Technical Committee where the Danish embassy is represented.

The WB aligns with the GoT monitoring systems. PO-RALQ is doing quarterly progress monitoring. This is based partly on an online system Integrated Monitoring and Evaluation System (iMES), where the LGAs upload their progress reports as well as information on design of infrastructure projects and procurement documents. Based on analysis of the online information PO-RALQ decides in which LGAs to do field missions. The technical staff responsible for monitoring and supervision has responsibility of about three regions each. The Regional Secretariats (RS) are already involved in semi-annual reporting on progress using pre-defined reporting templates and also have an Inspection and Financial Tracking Section.

A corner stone in the monitoring process will be the Annual Performance Assessment (APA) done by the NITC in the first FY 2025/25. Thereafter, an independent verification agent will carry out the APA, namely the Internal Auditor General (IAG) in Mainland Tanzania and the Internal Auditor General Zanzibar (IAGZ) in Zanzibar, using a pre-defined verification protocol.

The World Bank will undertake Implementation Support Missions (ISM) twice a year during the programme where donors to the programme can participate. It is likewise an option to organise a briefing of the Head of Mission after an Implementation Support Mission. In addition, Technical Coordination Committee (TCC) meetings of SCALE partners in the SSI4ALL are organized periodically and/or on an ad hoc basis as needed. For example, in the case of Kenya's FLLoCA Program, the partners have quarterly TCC meetings (typically 2 during Implementation Support Missions and 2 virtually). The SSI4ALL Partnership Council where Denmark is a member, organises annual meetings where learnings can also be shared among donors to the Multi-donor Trust Fund.

An in-depth mid-term evaluation exercise will be carried out by the World Bank, recommending any adjustments to the Program's design, while a completion review will assess the level of objective achievement among other factors. Budgets for M&E activities are allocated under the IPF component.

The Danish MFA shall have the right to carry out any technical or financial supervision mission that is considered necessary to monitor the implementation of the project. After the termination of the project support, the Danish MFA reserves the right to carry out evaluations.

8 Risk Management

Annex 4 presents an elaborated risk matrix, while this section presents three major risks to the programme that by the World Bank are categorised as ‘Substantial’.

One main risk is a lack of sufficient capacity in local government institutions to support the selection, screening, and implementation of investments at community level. To mitigate the risk, the SCALE programme relies on the link between the national level and the local level, so that capacity building at the national level will cascade down to strengthen entities at the local level. Further, District Climate Action Teams will include staff from relevant sectors with technical expertise, and the engagement of national experts is included in the menu of eligible activities under Result area 2 (Deliver locally led climate resilience actions).

Another significant risk relates to programme delays caused by time demanding processes in terms of validation and flow of finance from national to local level as well as limited internal audit capacity, affecting the timeliness and quality of the financial management monitoring. As a mitigation measure, a mainstreamed flow of funds scheme has been agreed where resources will flow directly from Treasury to the Local Governments, and the World Bank will engage with the Ministry of Finance’s budget process to ensure that the funds are captured in the budget. A distinction can be made between the IPF component that adheres to WB procedures, where the risk should be lower, while the PforR component applies GoT procedures and the risk might be significant.

A third risk relates to the absorptive capacity of the Local Government Authorities for the two grants, particularly the performance-based Investment Grant. The WB has undertaken a simulation exercise of the average grant amounts in each cycle, which has informed the decision on the number LGAs involved in the programme. The intention has been to find the right balance between local absorption capacity and still aiming for grants large enough to affect change. Despite this preparatory exercise, the potential overstretch of LGA absorption capacity is still considered a risk.

Annexes:

Annex 1: Partner Assessment

Annex 2: Theory of Change

Annex 3: Result Framework

Annex 4: Risk Matrix

Annex 5: Process Action Plan (PAP)

Annex 6: TOR Climate Finance Specialist

Annex 7: Communication Plan

Annex 8: Flow of funds

Annex 1: Partner Assessment

The World Bank Group (WBG) is a trusted and well-known partner to Denmark. The Danish Organisation Strategy for the World Bank 2025-2030 pledges USD 762,69 billion in support to IDA and USD 1,375,58 billion to the World Bank Group as a whole³⁵.

Through its policy-based lending, the WBG supports wide-ranging transformation of developing economies and their institutions and maximizes the impact of aid received from development partners such as Denmark bilaterally and multilaterally. Furthermore, it produces key knowledge and provides technical assistance to enable developing countries make informed choices.

Denmark exercises influence in the World Bank through participation on the World Bank's Board, in the Bank's Annual Meetings and Spring Meetings, and in the IDA replenishment process, where priorities for IDA's work are set.

World Bank has a long experience in supporting decentralisation efforts and governance programmes. The Bank has designed and implemented FLLoCA in Kenya through SSI4ALL and holds thereby unique insights and knowledge regarding the approach of locally led climate finance³⁶.

The World Bank has been operating in Tanzania for a long time and with strong relations to the government and likewise deep insights into the institutions at local level as well.

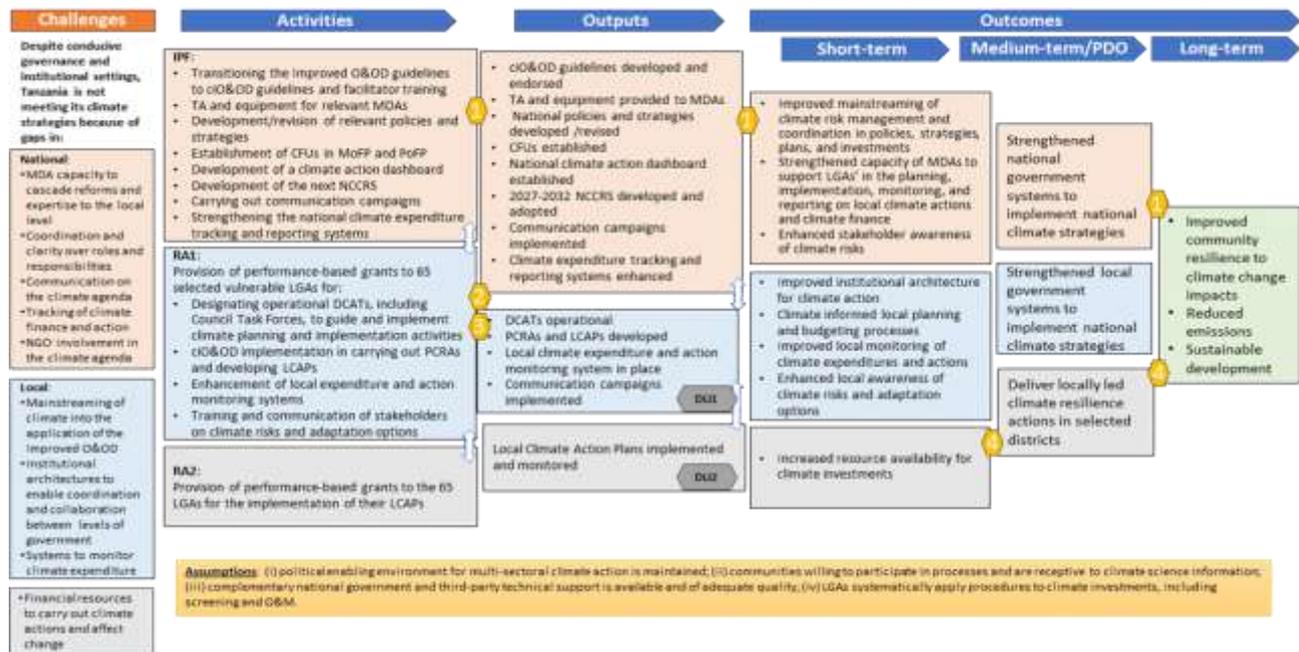
Name of Partner	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
	What is the main business, interest and goal of the partner	How important is the project/programme for the partner's activity-level (Low, medium high)	How much influence does the partner have over the programme (low, medium, high)	What will be the partner's main contribution	What are the main issues emerging from the assessment of the partner's capacity	What is the strategy for exiting the partnership?
World Bank	Support to the Government of Tanzania during implementation of SCALE 2025-2030. Gathering of learning to strengthen the approach of locally-led climate finance, donor coordination with UNCDF in particular	High	High – the quality of the WB engagement in the implementation and support to the implementing partners as well as the bank's ability to coordinate effectively with UNCDF is of high importance to the effective execution of the programme as well as the ability to gain learning	Support in the implementation, fund raising from additional donors as well as private sector to co-finance the programme to ensure sustainability. Training of government entities and learning as well as coordinating efforts effectively with UNCDF	The MOPAN assessment of the World Bank from 2023 evidences that the World Bank's operations generally meet important conditions for sustainability but there remains limited	No special requirements after end of contract

³⁵ Danish Organisation Strategy for the World Bank 2025-2030. Danish MFA.

³⁶ Kenya Strategic Framework 2021-2025: Development Engagement Document: Strengthening Environmental Governance through the Financing Locally-Led Climate Action Program

			from it. Both for the WB as well as for the Danish MFA.		analysis and reporting to confirm that these conditions have supported the sustainability of outcomes across operations	
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Annex 2: Theory of Change



Annex 3: Result Framework

Program Development Objective(s)³⁷

Strengthen national and local government systems to implement national climate strategies and deliver locally led climate resilience actions in selected districts

PDO Indicators by Outcomes

Baseline	Period 1	Period 2	Period 3	Period 4	Closing Period
Strengthen national government systems for increased climate resilience					
National government systems strengthened to track, monitor, and report on climate finance and climate resilience actions (Yes/No)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
No	No	No	Yes	Yes	Yes
Strengthen local government systems for increased climate resilience					
DLI 1: LGAs' capacity for climate resilience action strengthened (Number)^{DLI}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	62	63	65	65	65
Invest in locally led climate resilience actions in Selected Districts					
People benefitting from climate resilient planning, preparation, surveillance, and/or response (Number of people)^{CRI}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	300,000	600,000	2,500,000	4,000,000	6,600,000
➤ People benefitting from climate resilient planning, preparation, surveillance, and/or response - Female (Number of people)^{CRI}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	154,800	309,600	1,290,000	2,064,000	3,405,600
➤ People benefitting from climate resilient planning, preparation, surveillance, and/or response - Youth (Number of people)^{CRI}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	61,200	122,400	510,000	816,000	1,346,400
People benefitting from increased resilience of livelihoods, jobs or firms (Number of people)^{CRI}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	300,000	600,000	1,500,000	2,200,000

³⁷ The World Bank uses the term 'Program Development Objective' in the World Bank Documentation whereas in this document the term 'project objective' has been used to align with Danish MFA terminology for the Danish Contribution.

➤ People benefiting from increased resilience of livelihoods, jobs or firms - Female (Number of people) ^{CR1}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	154,800	309,600	774,000	1,135,200
➤ People benefiting from increased resilience of livelihoods, jobs or firms - Youth (Number of people) ^{CR1}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	61,200	122,400	306,000	448,800

Disbursement Linked Indicators (DLI)

Period	Period Definition
Period 1	FY 25/26
Period 2	FY 26/27
Period 3	FY 27/28
Period 4	FY 28/29
Period 5	FY 29/30

Baseline	Period 1	Period 2	Period 3	Period 4	Period 5
1:DLI 1: LGAs' capacity for climate resilience action strengthened (Number)					
0	62	63	65	0	0
0.00	1,860,000.00	1,890,000.00	1,950,000.00	0.00	0.00
DLI allocation		5,700,000.00	As a % of Total DLI Allocation		5.76%
2:DLI 2.1: LGAs meeting the Minimum Performance Conditions (Number)					
0	0	58	64	65	0
0.00	0.00	7,250,000.00	16,000,000.00	26,000,000.00	0.00
DLI allocation		49,250,000.00	As a % of Total DLI Allocation		49.75%
3:DLI 2.2: Performance Measures implemented by LGAs that have met the Minimum Performance Conditions the same Year (Number)					
0	0	210	256	325	0
0.00	0.00	5,250,000.00	12,800,000.00	26,000,000.00	0.00
DLI allocation		44,050,000.00	As a % of Total DLI Allocation		44.49%

Intermediate Indicators by Results Areas

Baseline	Period 1	Period 2	Period 3	Period 4	Closing Period
Results Area 1: Strengthening local government systems					
LGAs with LCAPs developed through participatory methodologies and approved by the District Council (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	32	58	65	65	65
LGAs maintaining an up-to-date database of climate action and climate finance data (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	32	65	65	65
LGAs with DCATs formally designated by the District Council (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	65	65	65	65	65
Share of district-level LCAPs under implementation that achieve at least one specific action aimed at reducing climate vulnerabilities of women (Percentage)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	30	50	80	85
Community satisfaction with the Program's participatory process (Percentage)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	0	80	0	80

Results Area 2: Invest in locally led climate resilience actions					
DLI 2.1: LGAs meeting the Minimum Performance Conditions (Number) ^{DLI}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	58	64	65	65
DLI 2.2: Performance Measures implemented by LGAs that have met the Minimum Performance Conditions the same Year (Number) ^{DLI}					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	0	210	256	325	325
LGAs for which at least 66% of district-level LCAP actions address adaptation to climate change impacts on crop yields, labor productivity, flooding, and/or drought (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	32	58	58	58	58
IPF Component: Strengthen national government systems					
Climate-infused O&OD guidelines developed and endorsed by PO-RALG and PO-RALG SD (Yes/No)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
No	Yes	Yes	Yes	Yes	Yes
National climate action dashboard in place (Yes/No)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
No	No	No	Yes	Yes	Yes
CFSs formally designated, staffed, and operational (Number)					
Mar/2025	Jul/2026	Jul/2027	Jul/2028	Jul/2029	Jul/2030
0	1	2	2	2	2

Disbursement Linked Indicators (DLI)

Period	Period Definition
Period 1	FY 25/26
Period 2	FY 26/27
Period 3	FY 27/28
Period 4	FY 28/29
Period 5	FY 29/30

Baseline	Period 1	Period 2	Period 3	Period 4	Period 5
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1:DLI 1: LGAs with stronger participatory planning, budgeting, and implementation systems for climate action (Number)					
0	58	62	65	0	0
0.00	1,860,000.00	1,890,000.00	1,950,000.00	0.00	0.00
DLI allocation		5,700,000.00	As a % of Total DLI Allocation		2.96%
2:DLI2: LGAs with enhanced resilience through locally led climate action investments (Number) (Number)					
0	0	58	64	65	0
0.00	0.00	12,500,000.00	28,800,000.00	52,000,000.00	0.00
DLI allocation		93,300,000.00	As a % of Total DLI Allocation		48.52%
3:DLI 2.1: LGAs meeting the MPCs (Number)					
0	0	58	64	65	
0.00	0.00	7,250,000.00	16,000,000.00	26,000,000.00	0.00
DLI allocation		49,250,000.00	As a % of Total DLI Allocation		25.61%
4:DLI 2.2: LGAs meeting specific PMs (Number)					
0	0	58	64	65	0
0.00	0.00	5,250,000.00	12,800,000.00	26,000,000.00	0.00
DLI allocation		44,050,000.00	As a % of Total DLI Allocation		22.91%

Annex 4: Risk Management

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Contextual Risk					
Political priorities change to focus less on investments in climate change adaptation measures, and the SCALE programme is given less attention.	Likely	Significant	The ongoing negotiations regarding the credit terms will specify elements of use of the credit. None the less, if the government does not prioritise the programme, it will create delays.	The global political atmosphere is currently very focused on security and trade issues. This risk can also be influenced by changes in government after the presidential elections in Tanzania to be held in October 25 in case a new government pays less attention to the programme.	Current global political situation
CSOs at the local level face increased resource constraints making it more difficult to involve them at local level as planned.	Unlikely	Minor	Identify local and international NGOs that are still operating and with sufficient resources to support the programme. CSOs may also be used for TA or other activities and possibly receive payment for such services.	The closure of USAID may influence on availability and resources of local NGOs in the districts.	WB assessment
Programmatic Risk					
Delays in payment of Performance-based grants from Treasury to LGAs and implementation delays	Likely	Significant	A mainstreamed flow of funds scheme has been agreed where resources will flow directly from Treasury to the local government and the World Bank will engage with Ministry of Finance to ensure that the funds are captured in the budget.	Due to the institutional lengthy internal processes and liquidity constraints the risk of delays is still present.	The Documentation (World Bank Programme Appraisal Document – PAD)
Lack of sufficient technical capacity in LGAs to design and implement investments considering the eligible	Likely	Significant	As mitigation, the District Climate Action Teams will include staff from relevant sectors and local	Despite technical support the lack of technical capacity in LGAs is not likely to	Ibid.

menu's wide range of interventions.			CSOs with technical expertise.	change in the short term.	
Another risk is the absorptive capacity of the LGAs for the two grants, particularly the Investment Grant.	Likely	Significant	Grant size has been tailored to the absorptive capacity of local governments + Continued donor coordination especially with UNCDF and LoCAL programme in Tanzania	Absorptive capacity of local governments remains limited	Ibid.
At the national level, a lack of overarching guidelines for climate action planning might result in delays and inconsistent approaches to community participation	Likely	Significant	The IPF component will finance the enhancement of the Improved O&OD guidelines with climate aspects that will guide the Local governments in participatory approaches. + training will be provided to the LGAs as needed by relevant Ministries and departments, also financed by the IPF component.	High variation among local governments in terms of resources and skills	Ibid.
Fiduciary risk related to financial management and procurement risks related to the IPF component	Likely	Significant	Continuously mitigated with the support of the World Bank, including through training and hands-on support to the executing agencies during and in-between implementation support missions.	Existing fiduciary system weaknesses. A distinction can be made between the IPF component that adheres to WB procedures, where the risk should be lower, while the PforR component applies GoT procedures and the risk might be significant.	Ibid.
Environmental, Social, Health and Safety risks of local community investments, and the generally low capacity to manage these risks at local level.	Likely	Significant	This will be mitigated through the investment exclusion list including high risk projects. While building local capacity to assess and identify environmental, social, health and safety risks in investment projects.	Existing low capacity	Ibid.
Institutional risks					
Criticism of the programme for lack of donor coordination	Unlikely	Minor	Use the institutional set-up in the programme to keep monitoring the	Climate finance is an area where many donors are active,	

			efforts of the World Bank to ensure effective coordination with UNCDF and the LoCAL programme	and it can be difficult to stay informed about all initiatives working in this space	
Criticism for the programme adding to the debt burden of Tanzania	Unlikely	Minor	Emphasising that it is a highly concessional loan + that the Danish contribution is a grant.	SCALE is about locally led adaptation and climate financing is a bridge to sustainability. A branding about LLA might reduce criticism and increase visibility among many other actors.	
Any 'misuse of funds' scandal			WB mitigating measures related to Financial management risk.		

Annex 5: Process Action Plan

Activity	Responsible	Dates
Submission of internal draft MFA Pro-Doc to the Programme Committee	KLIMA	21 st of May
Dialog with World Bank related to the World Bank updated Programme Appraisal Document (received 16 th of May)	KLIMA	May
World Bank negotiations with the government related to the terms of the IDA credit and SCALE programme	World Bank	May
Presentation at Programme Committee Meeting	KLIMA	3 rd of June
World Bank presentation to WB board for approval	World Bank	11 th of June 2025
Submission to Appraisal	KLIMA	27 th July 2025
Appraisal	LÆRING	16 th to 22 nd of August 2025
Revision of docs based on Appraisal recommendations	KLIMA and Consultant	3 rd to 9 th of September
Submission of final docs to Council for Development Policy	KLIMA	15 th of september 2025
Council for Development Policy meeting	KLIMA	2 nd October 2025
Programme start	World Bank	Q3 or Q4 2025 (according to WB programme start will be very end of September or first week of October)

ANNEX 6: TOR Climate Finance Specialist



WORLD BANK GROUP

Donor Funded Staffing Program

TOR No:	2025-058
Title:	Climate Finance Specialist (Mid-Career Professional)
Grade:	GG
Division/VPU:	AFR_ENR_PM_2 Environment and Natural Resources (SAEE2); East and Southern Africa Regional Vice-Presidency (AFEVP)
Duty Location:	Dar es Salaam, Tanzania
Appointment Type and Duration:	Two-year Term Appointment

BACKGROUND

Eastern and Southern Africa (AFE) Region

Home to about 700 million of Africa's people, Eastern and Southern Africa is a geographically, culturally and economically diverse region of 26 countries stretching from the Red Sea in the North to the Cape of Good Hope in the South. The World Bank's Eastern and Southern Africa (AFE) Region, comprised of approximately 1,200 staff, mostly based in 26 country offices, has been helping countries realize their considerable development potential: <https://www.worldbank.org/en/region/afr/eastern-and-southern-africa>

Environment Department & Regional Unit

The Environment Department for Africa East has about 40 staff. Half of these staff work on environmental safeguards/environmental risk management. The other half work primarily on lending and knowledge products in client countries. More than half are based in country offices. The rest are based in Washington DC and travel to the region frequently. The skills of these staff include, economics, pollution management, forestry, fisheries management, landscapes management, watershed management, and natural areas protection. For more information:

<https://www.worldbank.org/en/topic/environment>

Country Context

The position will be based in Tanzania and will principally focus on the countries covered by the AECE1 Country Management Unit (CMU – covering Tanzania, Zambia, Malawi and Zimbabwe), but may also cover other countries in East Africa. Strengthening resilience to climate change and increasing leverage of climate finance are critical priorities for these countries. Increasing the volume and effectiveness of climate finance from a variety of public, private, national and international sources, including carbon markets, is paramount for addressing climate and development needs.

The World Bank has a significant portfolio of climate-related operational lending and analytical work in these countries. These include large projects focused on renewable energy expansion, productive and climate-resilient agriculture, sustainable forestry, greening the financial sector, social protection, and tourism, among others, which are at the forefront of efforts to address climate change and generate additional climate finance.

The World Bank has also been undertaking a range of analytical work on climate change and climate finance for these countries. This includes the preparation of Country Climate & Development Reports (CCDRs) and climate finance strategies. The World Bank's overall focus on climate change and climate finance is further highlighted in relevant Country Partnership Frameworks (CPFs).

DUTIES AND RESPONSIBILITIES

This position will be for two years with potential for extension. The selected Climate Finance Specialist will report to the Environment Department Practice Manager and work closely with the AECE1 CMU and other Country/Regional Team and Environment Department members to:

- **Provide technical advice to government counterparts on climate finance related policies and strategies.** Support the implementation of climate-related CPF and CCDR recommendations through timely technical assistance and advisory to relevant operations and analytical work addressing key climate and development challenges, with a particular focus on climate finance and carbon markets.
- **Identify and assess potential climate finance opportunities and mechanisms in close collaboration with IMF and other partners.** Support ongoing donor coordination around the climate agenda, including exploring options for co-financing or parallel financing to Bank-financed activities.
- **Develop and recommend innovative financing solutions for an ambitious World Bank Group climate portfolio across the wider AFE region** in support of government and World Bank strategic priorities, including by identifying appropriate climate actions through pipeline projects, mobilizing climate finance, and maximizing climate co-benefits both on adaptation and mitigation.
- **Develop and implement capacity-building programs for clients and partners on climate finance issues.** Support climate capacity-building, analytical activities, and knowledge management, including the design, supervision and quality control of studies and training. Maintain regular communication with counterparts and stakeholders, including relevant staff of federal and member state ministries, and other key actors in academia, think-tanks and private sector, on pertinent issues and policies related to climate change and climate finance.
- **Liaise with the World Bank's central Climate Change Group** to make sure the AECE1 CMU and wider AFE regional team is well-informed of relevant new initiatives, resources, and funding opportunities.

Note: The selected candidate will not be assigned to programs involving their own government such as donor coordination and trust fund management.

SELECTION CRITERIA

- Advanced (Masters) degree in Climate Science or Economics, Environmental Science, or a related technical field relevant to climate mitigation, adaptation and resilience.
- At least 8 years relevant work experience.
- A proven track record in supporting climate mitigation, adaptation and resilience programs in a developing country setting, preferably in Africa; experience in climate finance and carbon markets in developing countries; experience in sustainable land use, forestry, and climate-smart agriculture projects preferred.
- Specialized knowledge and technical skills: solid understanding of climate change policies, technologies, strategies, and institutions needed to support development and for the success of project and analytic work. Translates technical analyses into policies, operations and/or research. Solid technical skills for supporting high quality climate change reports, lending operations, corporate initiatives, policy reforms or equivalent assignments. Familiarity with global rules and regulations related to climate change and climate finance, including the Paris Agreement and other agreements or initiatives, and related policy issues.
- A proven track record as a dynamic and hard-working individual with excellent interpersonal and communication skills.
- A proven record of working effectively across multiple teams, and with government counterparts and other development partners in complex, cross-sectoral and multicultural settings. Familiarity with working with development partners.
- Willing to travel to remote areas in the AFE Region.
- Fluency in English is required (writing, speaking, listening and reading).

WBG COMPETENCIES:

- Lead and Innovate - Develops innovative solutions.
- Deliver Results for Clients - Proactively addresses clients' stated and unstated needs.
- Collaborate Within Teams and Across Boundaries - Collaborates across boundaries, gives own perspective and willingly receives diverse perspectives.
- Create, Apply and Share Knowledge - Applies knowledge across WBG to strengthen solutions for internal and/or external clients.
- Make Smart Decisions - Interprets a wide range of information and pushes to move forward.

For information about WBG Core Competencies, please visit: <https://bit.ly/2kbIA7O>.

[World Bank Group Core Competencies](#)

ANNEX 7: Plan for communication

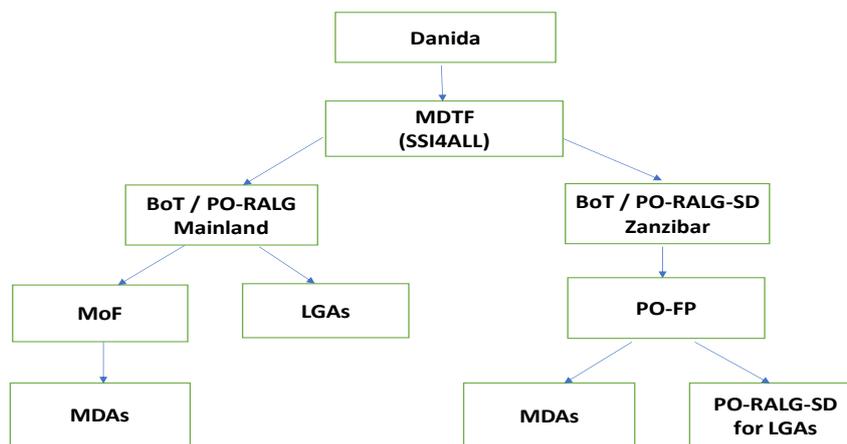
The World Bank in collaboration with the Danish Embassy in Tanzania will ensure that active communication and Danish visibility is given high priority during the implementation of the project for example through use of the Danish MFA logo on all types of communication material. Likewise, to invite representatives from the Embassy to participate including speaking at events related to the programme.

The World Bank will keep the embassy informed about upcoming supervision missions. For these missions, communication of field stories and results can emerge. Such communication efforts can either be organised by the embassy if the target audience is Danish. Otherwise, it can be suggested to the World Bank as well as to other development partners involved in SCALE to coordinate the efforts and share the material.

In addition, Denmark may benefit from communication material through SSI4ALL.

ANNEX 8: Flow of Funds

Figure 1 Flow of SCALE funds



PO-RALG, the implementing unit at Mainland Tanzania will, for both components (PforR and IPF), register their funds in PlanRep (government system for planning and budgeting), which is one of the systems in the Integrated Financial Management Information System (IFMIS). For PO-RALG-SD in Zanzibar, the PlanRep is not fully implemented, therefore budgets totals are only registered in the BAMAS system (Budget System and Government Expenditure).

In Mainland Tanzania, SCALE funds will be disbursed in USD to a Program Account in the Bank of Tanzania (BoT). The Direct-to-Project Fund (D-fund) system will be used for receiving and transferring funds to LGAs. The D-fund system is a management information system managed by the MoF. Funds from the USD account at BoT will be transferred to LGAs in local currency based on cash forecast requests submitted to PO-RALG. In Zanzibar, funds will be transferred to PO-RALG-SD account in BoT, thereafter to PO-FP, which will transfer funds to PO-RALG-SD, FVPO and ZEMA. Further, PO-RALG-SD will incur all related LGA expenses as there are no qualified personnel to manage funds at LGA level.

The financial flow of Performance based grants under the PforR is based on Disbursement Linked indicators. These indicators are grouped in relation to the outcome objectives of the programme as reflected in the results framework section (Annex 3). When Disbursement linked indicators have been achieved, the implementing partners PO-RALG and PO-RALG-SD will submit evidence of results to the World Bank through Ministry of Finance. Upon the World Bank's acceptance, PO-RALG and PO-RALG-SD may request disbursement. Funds will be disbursed to the SCALE Program Accounts at the Bank of Tanzania in US dollars. Based on the performance of Local Government Authorities (LGAs), PO-RALG will transfer funds to the LGAs following the entitlement calculated on the basis of an established allocation formula, whereby transfers may be annual, half yearly, or quarterly depending on

government's preference. For Zanzibar, Program activities will be paid for directly by PO-RALG-SD. PO-RALG and PO-RALG-SD will demonstrate through annual financial statements that Program expenditures equal or do not exceed the World Bank's financing by the end of the Program.

All the SCALE funds will be managed by government units. In Mainland Tanzania, accounting transactions will be recorded in the MUSE system (Government Payment System). During a field visit to Kongwa District, it was explained that LGAs will make electronic payments in MUSE and will therefore not need bank accounts in commercial banks. Financial reports will also be generated in MUSE.

In Zanzibar, the implementing units (PO-FP, PO-RALG-SD, FVPO and ZEMA) will have bank accounts in commercial banks and PO-RALG-SD will, for the time being, make payments on behalf of the LGAs. All transactions will be recorded in a separate accounting software, Microsoft Dynamics Navision, and will therefore not be aligned to government procedures.

Based on financial information extracted from MUSE (Mainland) and Navision (Zanzibar), financial reporting to the WB will be done using a template in Excel, with 8 different sheets.