



ADAPTATION FUND

AFB/EFC.13/3/Rev.1
30 October 2013

Ethics and Finance Committee
Thirteenth Meeting
Bonn, Germany, 29-30 October 2013

ANNUAL PERFORMANCE REPORT: FY 2013

Introduction

1. The following document presents the Adaptation Fund's second annual performance report and covers the period from 1 July 2012 through 31 July 2013.¹ The report also provides cumulative data on project and programme approvals.

2. As of 31 July 2013, 28 projects/programmes for a total US dollar amount of \$184.3 million have been approved for funding.² In addition, the Board has approved seven project formulation grants for a total of US\$ 209,000. Twenty-two projects are currently under implementation, for a total grant amount of US\$ 143.9million. A total of US\$ 58 million has been transferred to implementing entities (40 per cent of approved amount).

3. Of the 28 projects/programmes approved to date, four are implemented by National Implementing Entities (NIEs) – Centre de Suivi Ecologique, Senegal; Agencia Nacional de Investigación e Innovación, Uruguay; Unidad Para el Cambio Rural, Argentina; and the Planning Institute of Jamaica. The remaining 24 projects/programmes are implemented by Multilateral Implementing Entities (MIEs). The United Nations Development Programme (UNDP) has the largest share of projects with 15 (50.3 percent of approved funding amount), followed by the World Food Programme (WFP with four projects and the United Nations Environment Programme (UNEP) with three projects)

4. During the reporting period, the Board approved three projects for a total value of US\$ 17.9 million. The fact that this figure is lower than the previous two years was because during FY 13 the Fund reached its 50 percent cap on projects/programmes submitted by MIEs.³ Therefore eight projects submitted by MIEs were put in a pipeline for a total value of \$54.2 million. If there were no cap, and the pipeline projects had been approved, the approvals for FY13 would have been more in line with the two previous fiscal years with 11 projects approved for a total value of \$72.1 million. Annex 3 provides a breakdown of the projects currently in the pipeline.⁴

5. While project/programme approvals slowed in FY13, the number of projects/programmes under implementation increased from nine in FY12 to 22 in FY13 (an increase of 59 percent). In addition, eight projects submitted project performance reports (PPR) during the reporting period up from four in FY12.

6. The present report provides an analysis of project/programme approvals through 31 July 2013, an elapsed time analysis, expected results from approved projects/programmes, a summary of progress made for projects/programmes under implementation in FY 2013, and a presentation of the management effectiveness and efficiency indicators for the Fund. Table one below provides a summary of key figures for the reporting period.

¹ The 31 July date was taken instead of the end of FY13 (30 June) to include the final Board meeting of FY13 (originally scheduled for end of June but because of scheduling conflicts was undertaken the first week of July)

² All amounts are in US dollars. The figures above include implementing entity fees but not project formulation grants

³ At its twelfth meeting the Board decided "That the cumulative budget allocation for funding projects submitted by MIEs, should not exceed 50 per cent of the total funds available for funding decisions in the Adaptation Fund Trust Fund at the start of each session. That cumulative allocation would be subject to review by the Board on the recommendation of the Project and Programme Review Committee at subsequent sessions; (Decision B.12/9)

⁴ On 12 September 2013, with additional funding provided by the Government of Sweden and the Brussels Capital Region, the Board approved the funding for Guatemala, the first project placed in the pipeline, for a value of \$5.43 million.

TABLE 1: ADAPTATION FUND AT A GLANCE (AS OF 31 JULY 2013)

Approvals Cumulative			
Projects approved	28		
Grant amount (excluding fees and execution costs)	157.2		
Execution costs	13.64		
Entity fees	13.50		
Grant amount approved	184.3		
Fees as percentage of total grants approved	7.9%		
Approvals by FY			
	FY 11	FY 12	FY 13 ⁵
Projects approved	10	15	3
Grant amount (excluding fees and execution costs)	51.3	90.2	15.7
Execution costs	4.9	7.7	1.04
Entity fees	4.4	7.9	1.2
Grant amount approved	60.6	105.8	17.9
Fees as percentage of total grants approved	7.8%	8.1%	7.2%
Projects Under Implementation			
Total number under implementation	22		
Value of projects under implementation	143.9		
Percentage of total grant amount approved	78%		

Project/Programme Approvals

7. From the Board's first review of proposals in June 2010 through 31 July 2013, a total of 28 projects/programmes have been approved by the Adaptation Fund Board. The table below provides a detailed breakdown of projects/programmes approved by region.

TABLE 2: TOTAL GRANT AMOUNT APPROVED BY REGION (USD MILLIONS)⁶

REGION	FY 11		FY 12		FY 13		Total	
	Projects (no.)	Grant	Projects (no.)	Grant	Projects (no.)	Grant	Projects (no.)	Grant
Africa	2	15.1	6	38.6			8	53.7
Asia	5	26.8	5	33.5	1	7.9	11	68.2
Eastern Europe	0	0	1	5.3			1	5.3
Latin America & Caribbean	3	18.6	3	28.5	2	9.9	8	57
TOTAL	10	60.6	15	105.8	3	17.8	28	184.2

⁵ With projects/programmes in the pipeline the number of technically cleared projects/programmes is 11 with a total value of US\$ 72.1 million

⁶ Numbers may not add up due to rounding

8. The largest amount of grant funding approved thus far has been to the Asia region with eleven projects/programmes totaling US\$ 68.2 million in grants (37 per cent),⁷ followed by Latin America and the Caribbean with eight projects/programmes totaling US\$ 57 million in grants (31 per cent), and Africa US\$ 53.7 million (29 per cent).

9. In terms of sector, the largest grant amount has gone to adaptation projects/programmes in the water management sector with US\$ 33.9 million approved for six projects/programmes, followed closely by those in the agriculture sector with US\$ 33.2 million approved for five projects/programmes.⁸ The figure and table below provide a breakdown of total grant amount approved by sector. A complete list of all approved projects through 31 July 2013 is provided in Annex I.

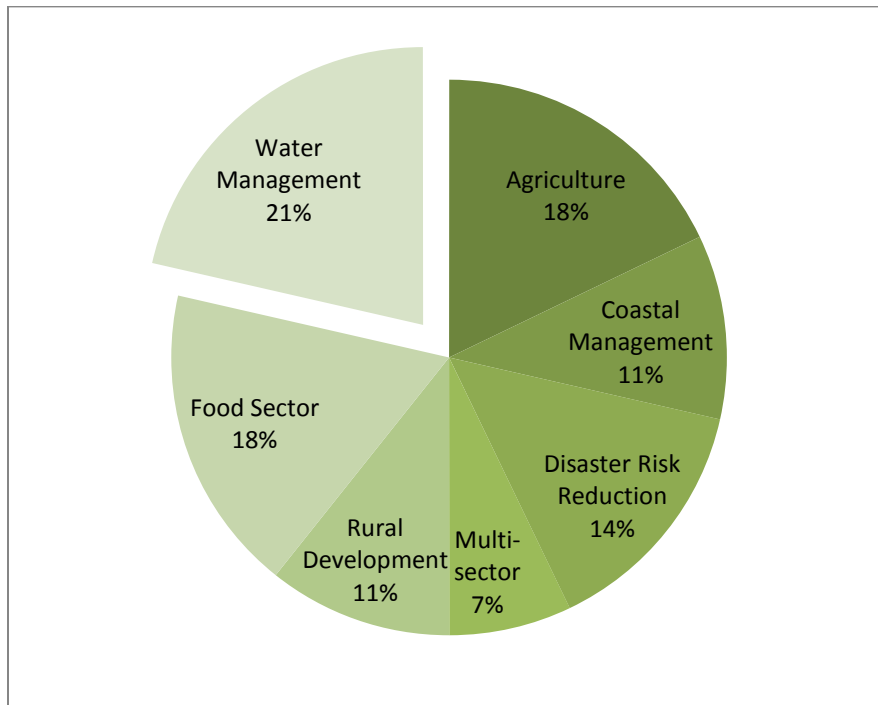
Table 3: Sector by Number of Projects/Programmes and Total Grant Amount (USD Millions)

Sector	Number of Projects	Total Grant Amount
Water Management	6	33.9
Agriculture	5	33.2
Food Security	5	32.6
Disaster Risk Reduction	4	24.3
Coastal Management	3	22.7
Rural Development	3	18.8
Multi Sector	2	18.7
TOTAL	28	184.2

⁷ The Asia region includes projects in the Pacific.

⁸ Other sectors tracked but not yet programmed include: health, infrastructure, and urban management.

FIGURE 1: NUMBER OF PROJECTS APPROVED BY SECTOR (PERCENTAGE)



10. After the Annual Performance Report was first presented in December 2011, fully developed project/programme documents were required to explicitly indicate the alignment of project/programme outcomes and objectives to Fund level outputs and outcomes. This has allowed the secretariat to provide a breakdown of the proposed grant amount by Adaptation Fund outcome (Table 4). The table does not include project/programme execution costs, management fees or any project/programme level outputs that do not align with the Adaptation Fund results framework.

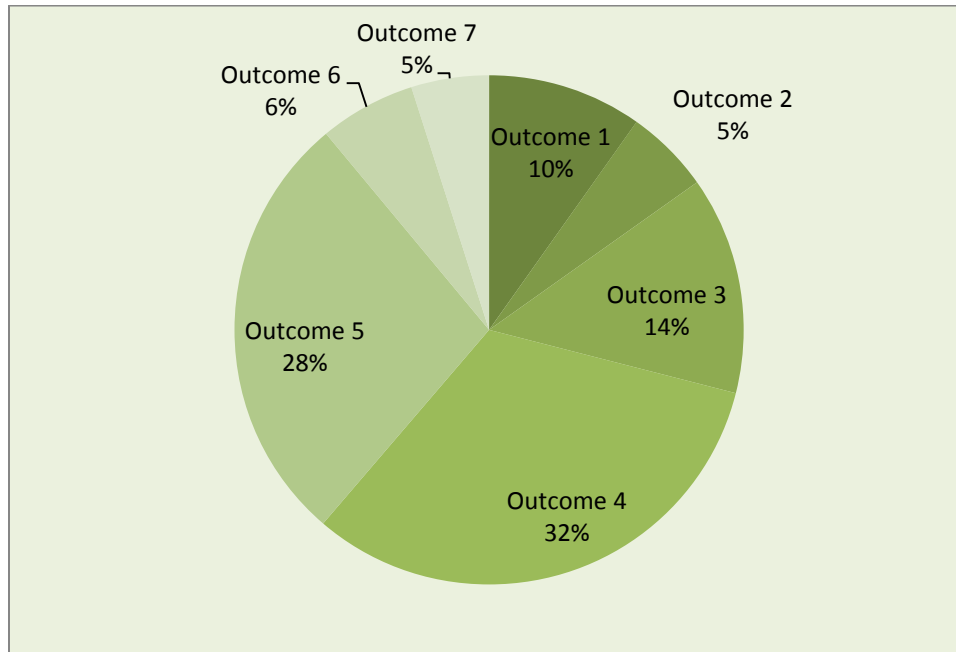
TABLE 4: GRANT AMOUNT PROGRAMMED BY ADAPTATION FUND RESULTS FRAMEWORK OUTCOME (USD MILLIONS)⁹

Fund Outcome	Grant Amount (FY 13)	Grant Amount (FY 12)	Grant Amount (FY 11)	Total
Outcome 1: Reduced exposure at national level to climate-related hazards & threats	2	7	4.5	13.5
Outcome 2: Strengthened capacity to reduce risks associated with climate-induced socioeconomic & environmental losses	0.1	4.3	3	7.4
Outcome 3: Strengthened awareness & ownership of adaptation and climate risk reduction processes at local level	2.4	12.5	4.1	19
Outcome 4: Increased adaptive capacity within relevant development & natural resource sectors	5.1	20.1	19.2	44.4
Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress	0.8	14.8	22.5	38.1
Outcome 6: Diversified and strengthened livelihoods & sources of income for vulnerable people in targeted areas	5.3	3.1	-	8.4
Outcome 7: Improved policies and regulation that promote and enforce resilience measures	–	4.8	2	6.8
			TOTAL	137.6

11. The largest amount of grant funding approved to date has been channeled toward outcome four, *increased adaptive capacity within relevant development and natural resource sectors* (US\$ 44.4 million, 32 per cent), followed closely by outcome five, *increased ecosystem resilience in response to climate change and variability-induced stress* (US\$ 38.1 million, 28 per cent).

⁹ Figures may not add up due to rounding

FIGURE 2: GRANT AMOUNT BY ADAPTATION FUND RESULTS FRAMEWORK OUTCOMES (PER CENT)



12. In addition to project/programme approvals the Board has endorsed a total of four project/programme concepts in FY 2013. None of these were approved within FY13 as fully developed proposals. While there is no guarantee that the fully developed proposals from these concepts will be funded, it is useful to keep track of the Board's early signals. Annex 4 provides a list of the concepts endorsed in FY 2013 as well as concepts endorsed in previous fiscal years and their current status.)

Elapsed Time Analysis

13. The Board has set a target of six months for projects/programmes to start after the first cash transfer has been received. Projects/programmes that start six months after the first cash transfer are therefore considered to have a delayed start. For all projects/programmes that have started implementation prior to July 2013, the average time from the first cash transfer to project/programme start is 5.8 months. Table 5 provides the elapsed time from first cash transfer to start for all projects/programmes approved through 31 July 2013.

14. Out of the 22 projects/programmes under implementation, 10 started within six months (45 percent), eight projects started within six to eight months (37 percent), and only four took longer than eight months to start (18 percent).

Table 5: Elapsed Time from First Cash Transfer to Project/Programme Start (Months)

Country	Sector	NIE/ MIE	Project Approval (Date)	First cash transfer (date)	Project Start (Date)	Elapsed Time
Senegal	Coastal Management	CSE	17/9/2010	19/11/2010	21/1/2011	2.1
Nicaragua	Water Management	UNDP	15/12/2010	14/3/2011	23/6/2011	3.3
Honduras	Water Management	UNDP	17/9/2010	8/3/2011	27/6/2011	3.6
Solomon Islands	Food Security	UNDP	18/3/2011	26/4/2011	28/6/2011	2.1
Pakistan	DRR	UNDP	15/12/2010	24/3/2011	15/11/2011	7.7
Ecuador	Food Security	WFP	18/3/2011	12/5/2011	29/11/2011	6.6
Turkmenistan	Water Management	UNDP	22/6/2011	22/11/2011	22/5/2012	6.0
Mongolia	Water Management	UNDP	22/6/2011	22/11/2011	15/6/2012	6.8
Maldives	Water Management	UNDP	22/6/2011	22/11/2011	20/6/2012	6.9
Cook Islands	DRR	UNDP	14/12/2011	2/4/2012	4/7/2012	3.1
Georgia	Water Management	UNDP	14/12/2011	2/4/2012	4/7/2012	3.1
PNG	DRR	UNDP	16/3/2012	2/4/2012	26/7/2012	3.8
Mauritius	Coastal Management	UNDP	16/9/2011	23/12/2011	30/8/2012	8.2
Uruguay	Agriculture	ANII	14/12/2011	25/1/2012	22/10/2012	8.9
Madagascar	Agriculture	UNEP	14/12/2011	4/6/2012	25/10/2012	4.7
Tanzania	Coastal Management	UNEP	14/12/2011	4/6/2012	30/10/2012	4.9
Jamaica	Multi-sector	PIOJ	28/6/2012	10/8/2012	2/11/2012	2.7
Samoa	Coastal Management	UNDP	14/12/2011	2/4/2012	28/1/2013	9.9
Eritrea	Agriculture	UNDP	18/3/2011	26/4/2011	6/11/2012	18.3
Djibouti	Rural Development	UNDP	28/6/2012	7/8/2012	12/3/2013	7.2
Colombia	DRR	UNDP	28/6/2012	7/8/2012	21/3/2013	7.5
Cambodia	Rural Development	UNEP	28/6/2012	24/10/2012	21/5/2013	6.9
Egypt	Food Security	WFP	28/5/2012	26/11/2012	31/3/2013	4.0
Lebanon	Agriculture	IFAD	28/6/2012	24/1/2013	Not started*	8.2
Mauritania	Food Security	WFP	28/6/2012	26/11/2012	Not started*	10.1
Sri Lanka	Rural Development	WFP	14/12/2012	30/1/2013	Not Started*	8.0
Argentina	Rural Development	WB	14/12/2012	16/5/2013	Not started*	4.5
Argentina	Agriculture	UCAR	5/4/2013	30/5/2013	Not Started	4.0

*For all projects that have not yet started calculations are made as of 30/9/13

15. For the current reporting period there are three projects/programmes that are beyond the six month target for project/programme start. Two of these projects/programmes are implemented by WFP and one by IFAD. As outlined, in the Fund's Policy for Project/Programme Delays (adopted July 2013), implementing entities can work to mitigate delays by working with the government, during project/programme design, to ensure a mutual understanding and commitment on how to proceed once a project/programme is approved.

There are, however, many factors that are situation-specific and may be outside the control of the implementing entity. The six month target is therefore an average target for the Fund's portfolio.

16. The policy requires an implementing entity to send a notification to the secretariat with an explanation of the delay and an estimated start date if a project/programme is not expected to start within six months.

17. IFAD and WFP have provided the following explanations for their respective project start delays:

IFAD for Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL):

“After the project was approved, IFAD prepared the Financing Agreement to be signed by the Council of Ministers and initiate the project. Shortly thereafter, the Prime Minister resigned and the agreement could not be signed due to the continuous absence of the Government in Lebanon.

All Grants in Lebanon need to be approved by the Council of Ministers, and no project can be initiated without this approval. In an effort to try to find a solution, IFAD undertook a mission to Lebanon to try to discuss a possible solution, and the Ministry of Agriculture has approached the Ministry of Justice in August 2013 for consultation regarding a special approval for AgriCal. The process is on the right track and apparently there would be a special approval for the project without having to pass through the Council of Ministers, and it might be possible to have it signed by the Acting Minister of Agriculture.¹⁰”

WFP for Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania :

“Following the approval of the project by the board in June 2012 and the finalisation of the agreement on 22 October 2012, the original date for the inception workshop was scheduled for January 2013. However, the project was delayed for a number of reasons including a management review of WFP operations in Mauritania and several key personnel changes in the WFP office, notably a change in Management, and our focal point for the project, the Rural Development Programme Officer. In June 2013, WFP established a project trust fund to enable the project to start. Since that time, WFP and the government of Mauritania have organised a project launch event to be held in November, 2013. This event will be attended by all partners including the Minister of Environment and Sustainable Environment. An inception workshop will follow shortly after the launch event.

The WFP Country Office is recruiting a project coordinator from an identified shortlist. The project focal point at the Ministry of the Environment and Sustainable Development has been appointed and the project steering committees are being set up.

Given the delay in implementation and staffing changes in our Country Office, WFP Headquarters is providing additional technical assistance to ensure that the project moves forward quickly and effectively.”

WFP for Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka:

¹⁰ The secretariat has received the communication from the Ministry of Justice (in Arabic)

“Following the approval of the Sri Lanka project by the Adaptation Fund Board and the finalisation of the agreement on 21.12.2012 and official communication to the WFP Country Office on 16.01.2013, with the official starting date of the project being set on 28.02.2013.

Several meetings have been held with the Ministry of Environment and Renewable Energy (MERE), for the coordination of project implementation, for the design of the work plan and the inception workshop.

To enable WFP and MERE to proceed with an agreement, an official follow-up approval had to be received from the Department of National Planning. A first letter was received but was in name of UNDP not WFP and the process had to be re-launched. On 10.06.2013, WFP received the official approval to implement the project from Department of National Planning through MERE

So far, the agreement between the government of Sri Lanka and WFP has been drafted and is in its final stages for final submission and approval by WFP’s External Resource Department.

Parallel to the drafting of the agreement between the government and WFP, a first steering committee meeting was held on 28.05.2013 to discuss the work plan and some of the key project start-up activities including the decision on who within the government had to sign the agreement and which mechanism would be used to transfer the funds once the agreement was signed.

As a result of these meetings, a first workshop took held in June 2013 with the participation of 67 stakeholders from different levels (national, divisional and village level). Further workshops at divisional level have also been held in August and September 2013 with the involvement of 670 representatives from a diverse range of organizations such as the divisional administrative and line ministry staff and farmer organizations. The workshops aimed to raise awareness of the goals of the project and to develop of the draft action plan for the projects components including the identification of resources required (financial, NFIs and technical), means of verification, set time-lines of the components and to identify responsible entities and individual for all the activities and sub-activities required.

As regards next steps, two more meetings are scheduled in October 2013 to finalize the action plan and to ensure the overall components are respected. The inception workshop is planned first week of November. This final inception workshop will focus on the validation of the prepared action plans with the inputs from the field level participants to ensure realistic targets. This inception workshop will be held with the steering committee, representatives of relevant line ministries at national and divisional level and other key stake holders in the project.”

Expected Results

18. The secretariat has observed that although most of the projects/programmes approved to date align well with the seven key Fund-level outcomes, it is difficult to aggregate these indicators at the portfolio level. The diverse nature of the Fund’s projects and programmes covering six different sectors and a myriad of activities on the ground makes it particularly challenging to provide aggregated quantitative results for the portfolio. This challenge has become more acute given the flexible nature of the Fund’s results framework whereby project and programme proposals are only required to report on one Fund level outcome indicator. The indicators selected by projects/programmes and how they are measured are not always comparable across projects/programmes. Thus even if two projects/programmes are targeting similar outcomes, it becomes difficult to aggregate indicators across projects/programmes

19. At the Board’s twenty-first meeting, the secretariat put forth a proposal for steps to be taken to improve the system currently in place and to add impact-level indicators. The revised

tracking system is presented to the current Board meeting in document (AFB/EFC/4). The paper proposes a revision to the results tracker and the addition of several impact indicators to facilitate the aggregation of Fund level results, to provide accurate information on performance, to demonstrate progress toward the Fund's stated goals, and to coordinate and streamline performance information. All of this will help the Fund in its drive for transparency and will aid in demonstrating value for money.

20. For the current report, the secretariat extracted expected results from all 28 approved project proposals (see Table 6). The information is therefore based on initial targets proposed at approval for a small sub-set of outcomes.¹¹

TABLE 6: PRELIMINARY AGGREGATION OF FUND INDICATORS

Impact 1: Reduction in vulnerability of communities and increased adaptive capacity of communities to respond to the impacts of climate change		
PRELIMINARY INDICATORS	TARGET IN DOCUMENTS	PROJECT COMMENTS
<i>No. of Direct Beneficiaries</i>	2,126,381	Not all projects have reported on direct beneficiaries and some report as no. of households ¹² .

¹¹ The underlying figures provided depended on interpretation of project level results frameworks by the secretariat. As the new results tracking system is established, the data will be adjusted to reflect specific calculations from the implementing entities.

¹² For those projects reporting on no of households, the secretariat has taken the average household figure of the country to multiply by no of households targeted.

<i>No. Early Warning Systems</i>	85	Includes projects targeting several small scale EWS at the village level as well as those targeting one large regional system
Impact 2: Strengthened policies that integrate climate resilience strategies into local and national plans		
PRELIMINARY INDICATORS	TARGET IN DOCUMENTS	PROJECT COMMENTS
<i>No. of policies introduced or adjusted to address climate change risks</i>	39	Includes any policy whether at the local level, regional or national level
Impact 3: Increased ecosystem resilience in response to climate change induced stress		
PRELIMINARY INDICATORS	TARGET IN DOCUMENTS	PROJECT COMMENTS
<i>ha of natural habitats created, protected or restored natural habitats</i>	80,000 ha	
<i>m of coastline protected</i>	82,000 m	

Progress on Projects/Programmes Under Implementation

21. At its sixteenth meeting the Board decided that “the Adaptation Fund, will consider the start date of a project/programme to be the date the inception workshop for the project/programme takes place. The Implementing Entity must therefore submit both the date of the inception workshop and the entity’s inception report to the Fund secretariat no later than one month after the workshop has taken place.” Based on this definition, there are twenty-two projects/programmes that were under implementation for at least part of FY 2013. The table below provides the details of these twenty-two projects/programmes.

TABLE 7: PROJECTS UNDER IMPLEMENTATION IN FY 2013

Country	Sector	NIE/MIE	Title	Amount Approved (USD)	Amount transferred (USD)*
Cambodia	Food Security	UNEP	Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia	4,954,273	1,107,231
Colombia	Food Security	UNDP	Reducing Risk and Vulnerability to Climate Change in the Region of La Depression Momposina in Colombia	8,518,307	1,842,089

Cook Islands	Disaster Risk Reduction	UNDP	Strengthening the Resilience of our Islands and our Communities to Climate Change	5,381,600	772,020
Djibouti	Agriculture	UNDP	Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities	4,658,556	1,046,122
Ecuador	Food Security	WFP	Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin	7,449,468	2,645,674
Eritrea	Rural Development	UNDP	Climate Change Adaptation Programme In Water and Agriculture In Anseba Region, Eritrea	6,520,850	889,329
Georgia	Water Management	UNDP	Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia	5,316,500	1,044,125
Honduras	Water Management	UNDP	Addressing Climate Change Risks on Water Resources in Honduras	5,698,000	2,957,066
Jamaica	Multi-sector	PIOJ	Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security	9,965,000	3,451,897
Madagascar	Agriculture	UNEP	Promoting Climate Resilience in the Rice Sector	5,104,925	1,314,206
Maldives	Water Management	UNDP	Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island	8,989,225	5,370,464
Mauritius	Coastal Management	UNDP	Climate Change Adaptation Programme in the Coastal Zone of Mauritius	9,119,240	876,773
Mongolia	Water Management	UNDP	Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia	5,500,000	1,037,849
Nicaragua	Water Management	UNDP	Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed	5,500,950	3,777,310
Pakistan	Disaster Risk Reduction	UNDP	Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan	3,960,000	2,643,224

Papa New Guinea	Disaster Risk Reduction	UNDP	Enhancing adaptive capacity of communities to climate change-related floods in the North Coast and Islands Region of Papua New Guinea	6,530,373	1,736,070
Samoa	Multi-sector	UNDP	Enhancing Resilience of Samoa's Coastal Communities to Climate Change	8,732,351	1,483,563
Senegal	Coastal Management	CSE	Adaptation to Coastal Erosion in Vulnerable Areas	8,619,000	8,619,000
Solomon Islands	Food Security	UNDP	Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	5,533,500	3,096,377
Tanzania	Coastal Management	UNEP	Implementation Of Concrete Adaptation Measures To Reduce Vulnerability Of Livelihood and Economy Of Coastal Communities In Tanzania	5,008,564	729,541
Turkmenistan	Water Management	UNDP	Addressing climate change risks to farming systems in Turkmenistan at national and community level	2,929,500	407,100
Uruguay	Agriculture	ANII	Helping Small Farmers Adapt to Climate Change	9,967,678	330,000

*This is the amount of money transferred from the Adaptation Fund to the project as of 31 July 2013

22. Projects/programmes are required to submit a PPR one year after the start date and every year thereafter for the duration of the project/programme.¹³ As of September 30, 2013, a total of twelve projects/programmes have submitted project performance reports (PPR). Two projects submitted their second submission and six new PPRs were received during the reporting period. Project performance reports (PPR) are available on the Adaptation Fund website.¹⁴ The table below provides more detailed information on the six projects/programmes that have submitted PPRs.

TABLE 8: PROJECTS SUBMITTING PPRs AND IMPLEMENTATION PROGRESS (IP) RATINGS

Country	NIE/M IE	Duration (months)*	Cumulative Disbursements (USD)**	FY12 IP rating ¹⁵	FY13 IP Rating
Cook Islands	UNDP	13	335,367		S
Ecuador	WFP	20	298,808		MU
Georgia	UNDP	13	239,700		S
Honduras	UNDP	25	1,792,838	S	S

¹³ This is the minimum requirement for all projects, the Board may request more frequent reporting.

¹⁴ Due to the sensitive information contained in the PPR's procurement section, including bid amounts and winning bids, information, such as names of bidders in the procurement process will be kept confidential in line with the Open Information Policy.

¹⁵ Rating scale: Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU).

Maldives	UNDP	14	523,635		MU
Mauritius	UNDP	11	142,994		S
Mongolia	UNDP	14	525,874		S
Nicaragua	UNDP	25	403,654		S
Pakistan	UNDP	21	708,760		S
Senegal	CSE	30	5,760,624	S	S
Solomon Islands	UNDP	25	743,901	MS	MS
Turkmenistan	UNDP	14	141,766		MU

*The number of months a project/programme has been under implementation through 30 September 2013

** Amount of money disbursed from implementing entity for the project, to or on behalf of the executing entity. All figures are as of 31 July 2013 with the exception of the Mauritius project which is as of 1 August 2013.

23. In reviewing the PPRs, the secretariat has noticed the following two issues:
- i. Implementing entities are not providing data on expenditures at the output level.
 - ii. The results tracker is either not being completed or is being completed incorrectly.

24. Many implementing entities have been providing data at a component level which have several outputs aggregated under them and it is therefore difficult to track which aspects of the project/programme are being funded at a particular stage. By providing output level expenditure data, the Fund is able to track where funds are ultimately being directed, thereby increasing transparency and accountability. The secretariat will continue to request output data and to discuss with entities why this is important data to receive on a yearly basis.

25. For the second issue, the results tracker must be completed three times during the life of a project/programme: at baseline, at mid-term, and at project completion. Since the Fund's projects/programmes have through the first year of implementation to establish an accurate baseline, the collection of that information must come through the first PPR. As such, the secretariat has added a review of the results tracker as part of its check-list to clear PPRs. Implementing entities may not have been aware of this requirement. Since the secretariat is proposing a revision to the results tracker, the new information will be disseminated to all implementing entities to ensure that they are kept fully abreast of the PPR requirements.

Progress from Project/Programme Implementation

26. Two areas the secretariat is working to track more closely are (i) how gender considerations are taken into account during project/programme implementation and (ii) whether and how projects/programmes are structured to allow for replication and up-scaling of interventions. The Honduras project, which began implementation in November 2011, provides an interesting example of gender issues being integrated into project implementation while the project in Georgia which began implementation in July 2012, provides an interesting example of how replication and scaling-up is considered in the early of implementation. These examples are highlighted in the paragraphs below. The specifics of implementation progress for each project/programme are provided in detail within individual PPRs available on the Adaptation Fund website.

Scaling-up and Replication Embedded in Project Design

Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia Implementing entity: UNDP

27. **Project Objective:** The project aims to improve the resilience of highly exposed regions of Georgia to hydro-meteorological threats that are increasing in frequency and intensity as a result of climate change. The project will help the government and the population of the target region of the Rioni river basin to develop adaptive capacity and embark on climate resilient economic development. The project is comprised of three main components: 1. Floodplain development policy introduced to incentivize long term resilience to flood and flash flood risks; 2. Climate resilient practices of flood management developed and implemented to reduce vulnerability of highly exposed communities; 3. Early warning system in place to improve preparedness and adaptive capacity of population.

28. **Scaling-up/Replication:** There is substantial potential for the resilience measures undertaken by the project to be replicated and scaled up outside the project area as many of the components either have a national impact or are providing tools and increasing capacity which will enable scaling up and implementation elsewhere. For example: 1) Enhancing legislation by introducing flood zoning can be used elsewhere as the flood zone designations and permitted land uses, developed for Rioni basin will be relevant to other river basins (this component is being developed to be applicable for all basins in Georgia and will become legislation); 2) The development of a Flood Forecasting and Early Warning System (FFEWS) for the Rioni basin will provide the flood forecasting and early warning system (software, procedures, protocols etc.) that can be extended to include other basins as the FFEWS component would already be in place; 3) The delivery of capacity development of national staff will have benefits to implementation of similar projects in other basins in the future; The project will produce guidance documents on all aspects which will serve to enable application of the methods elsewhere

Gender Consideration in Project Implementation

Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor, Implementing Entity: UNDP

29. **Project Objective:** The project aims to increase resilience to climate change water-related risks in the most vulnerable population in Honduras through pilot activities and an overarching intervention to mainstream climate change considerations into the water sector. Given the cross-cutting scope of this sector, the project will contribute to incorporate climate change issues into the planning processes and investment decisions of key line ministries. Targeted work in Tegucigalpa and the watersheds that provide for the capital city will validate concrete response measures – ranging from economic incentives to low-cost technology investments that will assist in orienting work at policy levels.

30. **Gender Considerations:** Women have played a determining role in defining priority adaptation measures during project implementation workshops held with water boards, basin councils, consultative forest councils and with barrios grassroots organizations. By being on the boards of these organizations women are occupying decision-making positions. In addition to these organizations, the Climate Change Continuing Education Course with UNAH, there is an equal number of spaces for men and women and the participation of women in research is encouraged. The inclusion of women from barrios to provide input to determine the type of rainwater harvesting work and the use of the resource has been significant to define the designs with the UNAH Faculty of Engineering.

Effectiveness and Efficiency Indicators

31. As approved by the Board through the *RBM Approach Paper (AFB/EFC.1/3/Rev. 2)*, Indicators for Fund level processes are tracked and reported annually. These indicators cover: (i) secure financing, financing mechanisms, and efficiency of use; (ii) project cycle efficiency; (iii) results driven performance; and (iv) accreditation processes. Table 7, provides the data on the Fund level indicators for FY 2011 and FY 2012 and FY 2013.

TABLE 9: ADAPTATION FUND LEVEL EFFECTIVENESS AND EFFICIENCY RESULTS FRAMEWORK

1. Secure Financing and Financing Mechanisms				
1.1 Increased and Diversified Resources				
Item	As of 30 Sept 2011	As of 30 June 2012	As of 30 June 2013	
Total value of CERs (US\$ millions)	167.9	180.1	188.2	
Number of donors	9	10	11	
Actual donor contributions (US\$ millions)	85.8	119.5	134.5	
Total cash transfers vs. funds committed	37%	25%	32%	
1.2 Efficient Cost Structure				
Item	FY 2011	FY 2012	FY 2013	Target
Board, Secretariat, and Trustee operational expenses against total Adaptation Fund resources committed - %	5.8%	3.6%	16.2% ¹⁶	5%
Implementing Entities fees against total Fund resources allocated	7.8%	8.1%	7.2%	8.5%
Execution Cost against total grant (minus fees) - %	8.7%	7.9%	6.2% ¹⁷	9.5%
2. Improve Efficiencies in Project Cycle				
2.1 Project Cycle Efficiency				
Item	FY 2011	FY 2012	FY 2013	Target
Average response time of secretariat to review submissions of projects/programs (months)	1.8	2	2	2
Average time from first submission to approval for one-step projects (months)	3.2	9.1	NA	9
Average time from first submission to approval for two-step projects (months)	8.3	12.8	12.6	12
Average time from first cash transfer to project start (NIEs) (months)	2	NA	7.2	6
Average time from first cash transfer to project start (MIEs) (months)	4.6	7	7	6

¹⁶ If the projects in the pipeline had been approved (\$59 million in addition to the \$17.9 million approved) the % of expenses against resources committed would have been at 3.8%.

¹⁷ The project implemented by the NIE UCAR (Argentina) does not have any associated execution costs. The average (based on the three approved projects) is therefore skewed to the lower average.

3. Results Driven Implementation			
Item	FY 2011	FY 2012	FY 2013
Percent of project performance reports (PPRs) submitted in complete form and meeting deadline	NA	75%	67%
Percent of projects programmes that have received implementation ratings of MS or above	NA	100%	80%
Number of project/programme concepts endorsed	19	11	2
Number of project/programme concepts submitted but not endorsed	5	3	2
Number of project/programme concepts endorsed after initial non-endorsement then revision	1	5	0
Number of fully developed proposals approved	10	15	3 ¹⁸
Number of fully developed proposals not approved	5	4	1
Number of project/programme concepts rejected	1	0	0
Number of fully developed proposals rejected	0	0	0
Percent of projects/programmes that received MS rating or above at midterm review	NA	NA	NA
Percent of projects/programmes that received MS rating or above at terminal evaluation	NA	NA	NA
Number of suspended/canceled projects/programmes	NA	NA	NA

4. Accreditation Applications				
4.1 Increased and Diversified Access Modalities				
Item	FY 2011	FY 2012	FY 2013	
MIEs	Number of Applications Accredited	8	2	0
	Number of Applications <i>Not Accredited</i>	0	0	0
NIEs	Number of Applications <i>Accredited</i>	5	7	3
	Number of Applications <i>Not Accredited</i>	2	3	2
	Number of Applications <i>Under Consideration</i>	11	9	9

¹⁸ Eight additional projects technically cleared and placed in pipeline

RIEs	Number of Applications <i>Accredited</i>	1	0	1
	Number of Applications <i>Not Accredited</i>	0	0	1
	Number of Applications <i>Under Consideration</i>	1	4	4
Total number of field visits		5	2	3
Field visits (percentage over total number of applications received)		18%	8%	20%
Average months between first submission of accredited application and Board's decision (NIEs and RIEs)		5.5	7.5	10.6
Average months between first submission of accredited application and Board's decision (MIEs)		5	10	NA
Average number of months between first submission of non-accredited applications and Board decision (NIEs and RIEs)		8	7.5	11.3
Average number of meetings of the Accreditation Panel to consider an application (both accredited and non-accredited NIEs)		3	2	2

Recommendation

32. The EFC may want to consider document AFB/EFC.10/4 and recommend to the Board for approval of the Adaptation Fund's Annual Performance Report FY 2013.

Annex 1: List of Approved Projects through 31 July 2013

	Country	Title	Implementing Entity	Approved Amount (USD)	Amount Transferred (USD)	Approval Date
1	Senegal	Adaptation to Coastal Erosion in Vulnerable Areas	CSE	\$8,619,000	\$8,619,000	17/9/2010
2	Honduras	Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor	UNDP	\$5,620,300	\$2,957,066	17/9/2010
3	Nicaragua	Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed	UNDP	\$5,500,950	\$3,777,310	15/12/2010
4	Pakistan	Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan -	UNDP	\$3,906,000	\$2,643,224	15/12/2010
5	Ecuador	Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin -	WFP	\$7,449,468	\$2,645,674	18/3/2011
6	Eritrea	Climate Change Adaptation Programme In Water and Agriculture In Anseba Region, Eritrea -	UNDP	\$6,520,850	\$889,329	18/3/2011
7	Solomon Islands	Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	UNDP	\$5,533,500	\$3,096,377	18/3/2011
8	Mongolia	Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia	UNDP	\$5,500,000	\$1,037,849	22/6/2011
9	Maldives	Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island	UNDP	\$8,989,225	\$5,370,464	22/6/2011
10	Turkmenistan	Addressing climate change risks to farming systems in Turkmenistan at national and community level -	UNDP	\$2,929,500	\$407,100	22/6/2011
11	Mauritius	Climate Change Adaptation Programme in the Coastal Zone of Mauritius -	UNDP	\$9,119,240	\$876,773	16/9/2011
12	Georgia	Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia -	UNDP	\$5,316,500	\$1,044,125	14/12/2011
13	Tanzania	Implementation Of Concrete Adaptation Measures To Reduce Vulnerability Of Livelihood and Economy Of Coastal Communities In Tanzania -	UNEP	\$5,008,564	\$ 729,541	14/12/2011
14	Cook Islands	Strengthening the Resilience of our Islands and our Communities to Climate Change	UNDP	\$5,381,600	\$772,020	14/12/2011

15	Uruguay	Uruguay: Helping Small Farmers Adapt to Climate Change - Project Document, Project Cost Summary, Disbursement Schedule	ANII	\$9,967,678	\$330,000	14/12/2011
16	Samoa	Enhancing Resilience of Samoa's Coastal Communities to Climate Change	UNDP	\$8,732,351	\$1,483,563	14/12/2011
17	Madagascar	Madagascar: Promoting Climate Resilience in the Rice Sector -	UNEP	\$5,104,925	\$1,314,206	14/12/2011
18	Papua New Guinea	Enhancing adaptive capacity of communities to climate change-related floods in the North Coast and Islands Region of Papua New Guinea	UNDP	\$6,530,373	\$1,736,070	16/3/2012
19	Cambodia	Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia	UNEP	\$4,954,273	\$1,107,231	28/6/2012
20	Colombia	Reducing Risk and Vulnerability to Climate Change in the Region of La Depression Momposina in Colombia	UNDP	\$8,518,307	\$1,842,089	28/6/2012
21	Djibouti	Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities in Djibouti	UNDP	\$4,658,556	\$1,046,122	28/6/2012
22	Egypt	Building Resilient Food Security Systems to Benefit the Southern Egypt Region	WFP	\$6,904,318	\$1,617,003	28/6/2012
23	Jamaica	Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security -	Planning Institute of Jamaica (PIOJ)	\$9,965,000	\$3,451,897	28/6/2012
24	Lebanon	Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)	IFAD	\$7,860,825	\$1,589,200	28/6/2012
25	Mauritania	Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania	WFP	\$7,803,605	\$2,015,156	28/6/2012
26	Sri Lanka	Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka	WFP	\$7,989,727	\$2,801,000	14/12/2012
27	Argentina	Increasing Climate Resilience and Enhancing Sustainable Land Management in the Southwest of the Buenos Aires Province	WB	\$4,296,817	\$584,154	14/12/2012
28	Argentina	Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina	UCAR	\$5,640,000	\$2,322,273	4/4/2013
TOTAL				\$184,321,452	\$58,105,816	

Annex 2: Endorsed projects FY10-13: Project status as of 31 July 2013

Country	Title	Implementing Entity	FY Endorsed	Approval Date/Status
Senegal	Adaptation to Coastal Erosion in Vulnerable Areas	CSE	FY10	17/9/2010
Pakistan	Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan	UNDP	FY10	15/12/2010
Nicaragua	Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed	UNDP	FY10	15/12/2010
Solomon Islands	Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	UNDP	FY10	18/3/2011
Mongolia	Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia	UNDP	FY10	22/6/2011
Maldives	Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island	UNDP	FY10	22/6/2011
Ecuador	Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin	WFP	FY11	18/3/2011
Madagascar	Promoting Climate Resilience in the Rice Sector	UNEP	FY11	14/12/2011
Uruguay	Building Resilience to Climate Change in Vulnerable Smallholders	ANII	FY11	14/12/2011
Cook Islands	Strengthening the Resilience of our Islands and our Communities to Climate Change (SRIC - CC)	UNDP	FY11	14/12/2011
Georgia	Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia	UNDP	FY11	16/12/2011
Papua New Guinea	Enhancing adaptive capacity of communities in Papua New Guinea to climate change and disaster risks in the Coastal and Highland regions	UNDP	FY11	16/3/2012
Djibouti	DEVELOPING AGRO-PASTORAL SHADE GARDENS AS AN ADAPTATION STRATEGY FOR POOR RURAL COMMUNITIES	UNDP	FY11	29/6/2012
Jamaica	ENHANCING THE RESILIENCE OF THE AGRICULTURE SECTOR AND COASTAL AREAS TO PROTECT LIVELIHOODS AND IMPROVE FOOD SECURITY	PIOJ	FY11	29/6/2012
Seychelles	Ecosystem Based Adaptation to Climate Change in Seychelles	UNDP	FY11	Pipeline
El Salvador	Promoting climate change resilient infrastructure development in San Salvador Metropolitan Area	UNDP	FY11	Not approved
Guatemala	Climate change resilient productive landscapes and socio-economic networks advanced in Guatemala	UNDP	FY11	12/9/2013[1]
Argentina	INCREASING CLIMATE RESILIENCE AND ENHANCING SUSTAINABLE LAND MANAGEMENT IN THE SOUTHWEST OF THE BUENOS AIRES PROVINCE	WB	FY11	14/12/2012
Fiji	Enhancing Resilience of Rural Communities to Flood and Drought-Related Climate Change and Disaster Risks in the Ba Catchment Area of Fiji (PIMS 4572)	UNDP	FY11	Not approved
Lebanon	Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)	IFAD	FY12	29/6/2012

[1] Guatemala project/programme approved during intersessional decision in September 2013

Argentina	Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina	UCAR	FY12	29/6/2012
Mauritania	Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania	WFP	FY12	29/6/2012
Cambodia	Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia	UNEP	FY12	29/6/2012
Egypt	PREPARING THE LAKE NASSER REGION IN SOUTHERN EGYPT AS A CLIMATE ADAPTATION HUB	WFP	FY12	29/6/2012
Paraguay	Ecosystem based approaches for reducing the vulnerability of food production to the impacts of climate change in the Eastern and Chaco Regions of Paraguay	UNEP	FY12	29/6/2012
Benin	Adaptation of the Cotonou Lagoon ecosystems and human systems to the sea level rise and extremer weather phenomena impacts	FNE	FY12	Not approved
Myanmar	Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar	UNDP	FY12	Pipeline
Belize	BELIZE MARINE CONSERVATION AND CLIMATE ADAPTATION INITIATIVE	UNEP	FY12	Pipeline
Peru	Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries	IDB	FY12	Not approved
Niger	Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger, through Modern Irrigation Techniques	BOAD	FY13	Not approved
Rwanda	Reducing Vulnerability to Climate Change in North West Rwanda through Community based adaptation.	RNRA	FY13	Not approved
South Africa1	Building Resilience in the greater uMngeni Catchment, South Africa	SANBI	FY13	4/7/2013
South Africa 2	Taking Advantage to the ground: A small Grants Facility for enabling local-level responses to climate change	SANBI	FY13	4/7/2013

Annex 3: Project/Programme in the Pipeline

Table 10: Adaptation Fund at a Glance (as of 31 July 2013)

Adaptation Pipeline (USD Millions)		
REGION	Projects (no.)	Grant
Africa	3	23.3
Asia	1	6.07
Eastern Europe		
Latin America & Caribbean	3	16.9
East Pacific	1	7.9
TOTAL	8	54.17

Table 11: Sector by Number of Projects and Total Grant Amount (USD Millions)

Sector	Pipeline Projects	Total Pipeline Grants
Water Management	2	14.8
Food Security	1	8.5
Agriculture	1	6.07
Disaster Risk Reduction		
Coastal Management	2	11.5
Multi-sector		
Rural Development	2	13.3
TOTAL	8	54.17

Figure 3: Grant Amount for Pipeline Projects by Sector (percentage)

