



ADAPTATION FUND

AFB/PPRC.15/22
8 October 2014

Adaptation Fund Board

Project and Programme Review Committee

Fifteenth meeting

Bonn, Germany, 7-8 October 2014

Agenda item 7

**REPORT OF THE FIFTEENTH MEETING OF THE PROJECT
AND PROGRAMME REVIEW COMMITTEE**

Agenda Item 1: Opening of the Meeting

1. The meeting was opened at 9.10 a.m. on Tuesday, 7 October 2014, by the Chair, Mr. Ezzat Lewis Hannalla Agaiby (Egypt, Africa), who welcomed the members of the Project and Programme Review Committee (PPRC). The members present at the meeting are listed in Annex I to the present report.

2. The Chair noted the election of the following new members to the PPRC:

(a) Mr. Emilio Luis Sempris Ceballos (Panama, Latin American and Caribbean Countries); and

(b) Mr. Michael Jan Hendrik Kracht (Germany, Annex I Parties).

3. The Chair also noted that Mr Kracht was not able to join the present meeting and would be introduced during the Adaptation Fund Board (the Board) meeting. He then welcomed Mr. Dirk Lamberts, an environmental and social expert, who was supporting the secretariat in the preparation of a guidance document on how to implement the Environmental and Social Policy of the Fund, and was providing additional review on aspects related to environmental and social safeguards in the proposals reviewed by the secretariat. He had also helped in reviewing two of the proposals submitted to the present meeting.

Agenda Item 2: Organizational matters

(a) Adoption of the agenda

4. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.15/1) and the annotated provisional agenda (AFB/PPRC.15/2).

1. Opening of the meeting.
2. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
3. Update on the funding status and the situation of the pipeline.
4. Report of the Secretariat on the intersessional review cycle.
5. Report by the secretariat on initial screening/technical review of the submitted project and programme proposals.
6. Review of project and programme proposals:

Concepts:

Proposals from NIEs:

 - a) Chile;
 - b) Mexico;

Proposal from RIE:

 - c) Burkina Faso;

Fully-developed proposals:

Proposals from NIEs:

- d) India (1);
- e) India (2);
- f) Costa Rica;
- g) India(3);
- h) India (4);
- i) Jordan;
- j) Kenya;
- k) Morocco;
- l) South Africa (1);
- m) South Africa (2);

Proposals for accreditation support:

- n) Burundi;
- o) Cabo Verde;
- p) Chad;
- q) Niger.

- 7. Other matters.
- 8. Adoption of the recommendations and report.
- 9. Closure of the meeting.

5. The PPRC also agreed to consider one other issue under agenda item 7 'Other matters': Improvement of project review process for PPRC members.

(b) Organization of Work

6. One member noted that the report of the portfolio monitoring mission to Jamaica (AFB/EFC.15/4), which would be discussed by the Ethics and Finance Committee, also contained material of general relevance to the work of the PPRC. He asked whether it would be possible to also discuss that document under the agenda item for other matters.

7. The Chair informed the member that it was proposed that the two committees would meet jointly to discuss the document.

8. The Committee adopted the organization of work proposed by the Chair.

9. The Chair then called upon the members to orally declare any conflict of interest that they might have with any item on the agenda for the meeting. The following members declared a conflict of interest:

- (a) Ms. Margaret Caso (Mexico, Non-Annex I Parties) and

(b) Mr. Mamadou Honadia (Burkina Faso, Least Developed Countries).

Agenda Item 3: Update on funding status and the situation of the pipeline

10. At the request of the Chair, the representative of the secretariat introduced document AFB/EFC/15/Inf.1 on the status of the pipeline and the availability of funds.

11. At its twenty-third meeting the Board placed an additional project in the pipeline bringing the total number of projects in the pipeline to five, for a total value of US\$ 38,350,146. New revenue to the Fund during the intersessional period allowed funding of the first project in the pipeline, which was the project for Belize with a total value of US\$ 6,000,000. The remaining four projects/programmes in the pipeline have a total value of US\$ 32,350,146. The projects for the following countries remained in the pipeline: Ghana (UNDP); Mali (UNDP); Nepal (WFP); and Indonesia (WFP).

12. According to the report of the trustee, the cumulative funding decisions for projects submitted by Multilateral Implementing Entities (MIEs) as of 30 June 2014 amounted to US\$ 181.40 million, and the cumulative funding decisions for all projects amounted to US\$ 226.22 million. The Funds available to support funding decision of the Adaptation Fund Board amounted US\$ 150.70 million, which was sufficient to fund the proposals of National Implementing Entities (NIEs) and Regional Implementing Entities (RIEs), as well as the administrative work of the Board and the secretariat. It did not, however, allow for further funding of the projects in the pipeline.

13. In response to questions about whether there was any possibility of funding some of the projects in the pipeline before the end of the year 2015, the representative of the secretariat explained that the options for funding the pipeline would be discussed at the twenty-fourth meeting of the Board and that to facilitate those discussions the secretariat had already prepared a document on the options for funding the pipeline (AFB/B.24/5).

14. The Project and Programme Review Committee took note of the presentation by the secretariat.

Agenda Item 4: Report of the secretariat on the intersessional review cycle

15. The representative of the secretariat introduced the Report of the secretariat on the intersessional review cycle (AFB/PPRC.15/3). The intersessional cycle followed, in principle, a thirteen-week timeline. Promptly after the twenty-third meeting of the Board the secretariat informed the implementing entities of the submission deadline of 14 April 2014 as decided upon in Decision B.23/28. The secretariat received three proposals by the deadline: two fully-developed project/programme documents and one project concept. The two fully-developed proposals were resubmissions of proposals previously submitted as fully-developed proposals and were thus eligible for intersessional review. The project concept was not, as it had not previously been submitted to the Board, and the proponent was notified of that ineligibility for intersessional review.

16. The secretariat conducted an initial review of the fully-developed proposals following which the proponents were given an opportunity to submit revised versions of the proposals. Following the final technical review of the revised proposals the secretariat circulated its report (AFB/PPRC.14-15.1 and AFB/PPRC.14-15.1/Add.1), as well as the proposals (AFB/PPRC.14-15.2 and AFB/PPRC.14-15.3), to the PPRC for intersessional comment. One comment was received and that was incorporated into the draft recommendations (AFB/PPRC.14-15/L.1) which

were submitted to the PPRC for endorsement on a non-objection basis. After the draft recommendations were endorsed by the PPRC they were submitted to the Board for intersessional approval as document AFB/PPRC.14-15.4 and approved as decisions B.23-24/12 and B.23-24/13, respectively. Both decisions were to not approve the proposals.

17. As requested in paragraph (h) of Decision B23/15, the secretariat also conducted an analysis of the intersessional review cycle; which relied on the secretariat's observations and the feedback from the implementing entities, the Board members and other stakeholders. The analysis addressed the added value, effectiveness and transparency of the process and did not touch on the content or technical merit of the individual proposals.

18. The main benefit of arranging an intersessional review cycle was that it allowed the proponents of eligible projects to submit their proposals during the nearly six-month period between the twenty-third and twenty-fourth meetings. The number of eligible proposals submitted was somewhat lower than expected, which might have been due to the effect of the 50 per cent cap on the MIEs, combined with delays in the proponents individual proposal development processes and the fact that few of NIEs and Regional Implementing Entities (RIEs) had eligible proposals that had been previously been submitted to the Board. For both the proponents and the secretariat, the interactive part of the review process remained the same as that in the regular review cycle. The differences between the two cycles occurred after the secretariat had completed its final technical review, when there was no further interaction with the proponent in either the regular or the intersessional cycles.

19. For the members of the PPRC, however, conducting intersessional reviews might have posed significant challenges so that it might have been difficult to find time for the review work. One member expressed his concern that the review and commenting period took place at the same time as the meetings of the Subsidiary Bodies of the United Nations Framework Convention on Climate Change (UNFCCC). Some members had also, in the past, expressed their concern at the lack of an opportunity for a real-time exchange views among the committee members, or with the secretariat, which might also have affected the effectiveness of the review of proposals by the PPRC.

20. The public had the opportunity to comment on the proposals which had been posted on the Adaptation Fund website. However, although the PPRC meetings are not open to observers during the regular cycle, observers from civil society are present when the PPRC presents its recommendations to the Board. That allowed civil society a degree of oversight that was not present during the intersessional review cycle, where decisions were taken online by the members of the Board.

21. Based on the experience of the first intersessional review cycle, the review of proposals between the regular meetings of the PPRC complemented the regular review cycles. Its main drawback was the limit on the interaction among the members of the PPRC and the Board, which might affect the opportunity of the members of those bodies to form their views on the proposals under consideration. It was therefore important that, pursuant to Decision B.23/15, all first submissions of concepts and fully-developed project/programmes be considered in regular meetings as that ensured the opportunity for face-to-face discussions among both the members of the PPRC and the Board. However, restricting the cycle to resubmissions within each stage of the proposal development process also limits the opportunity for implementing entities to submit proposals, such as previously endorsed concepts, that might have already been developed into fully-developed proposals, and contributes to delays in having projects approved by the Board.

22. It was pointed out that it would be helpful if the members were informed in advance of the period during which they were expected to comment on the proposals and it was asked if that period could be extended to two weeks. It would be helpful if members received copies of all the comments made by the members of the PPRC as that would help encourage interaction among them. It was also questioned whether the intersessional process offered any advantages over the regular review cycle as it lacked the interactive face-to-face component of the regular meetings of the PPRC and seemed not to enable as efficient participation of the civil society.

23. The representative of the secretariat explained that the value of the intersessional process for the implementing entities was that it allowed them to make submission more frequently than would be the case if there were no intersessional process. He also said that the mandate of the secretariat had not been to make any specific recommendations but to prepare an analysis of the intersessional review cycle. One limitation of the cycle was that it limited the eligibility of proposals to those that had already been considered by the regular review cycle. He responded to a question on what would happen to a proposal if the intersessional decision on it would not get the two-thirds of affirmative responses required for approval, by saying that it would be deferred to the next regular meeting of the Board. It would be possible to notify the members of the start of the intersessional review cycle which would give them six-week notice of the week during which they would be expected to review the proposals. While it would be possible to extend that review period for the members to two weeks, it would also extend the intersessional review cycle from 13 to 14 weeks. The lack of comments by civil society on the proposals was a general issue for both the regular review cycle and the intersessional review cycle and it might be useful to make a recommendation to the Board on how to encourage that participation by civil society.

24. The Project and Programme Review Committee took note of the presentation by the secretariat.

25. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board request the secretariat to make its best efforts to publicize the possibility to comment on the project/programme proposals submitted to the Adaptation Fund.

(Recommendation PPRC.15/1)

Agenda Item 5: Report of the secretariat on initial screening/technical review of the submitted projects and programme proposals

26. The representative of the secretariat introduced the report on the initial screening/technical review of the projects and programme proposals contained in documents AFB/PPRC.15/4 and AFB/PPRC.15/4/Add.1, and presented an overview of the work undertaken by the secretariat in screening and reviewing the projects and programmes that had been submitted. In performing the review task the dedicated team of officials of the secretariat had been assisted by several members of the technical staff of the Global Environment Facility (GEF).

Projects/Programme proposals submitted by Implementing Entities

27. Accredited implementing entities had submitted thirteen proposals, with total requested funding amounting to US\$ 70,694,621 for four project concepts (US\$ 25,617,203) and nine fully-developed proposals submitted by NIEs (US\$ 45,077,418). During the initial technical review one proposal for a project concept was withdrawn and the budget requests for some of the other proposals were altered. In addition the meeting would also consider the proposal for Kenya

submitted by the National Environment Management Authority (NEMA) and which had been submitted to the twenty-third meeting and had been specifically deferred to the present meeting. The final total requested funding of the thirteen proposals amounted to US\$ 79,611,212: US\$ 24,537,503 for the three concepts, and US \$55,073,709 for the ten fully-developed proposals. That included US\$ 5,807,509 or 7.9%¹ in Implementing Entities management fees and US\$ 6,195,918 or 8.4%² in execution costs. Eleven of the thirteen proposal submissions were for regular projects and programmes as they requested funding exceeding US\$ 1,000,000, while two were small-size project proposals; that is proposals that had requested funding of up to US\$ 1,000,000.

28. The average funding requested for the eight regular fully-developed proposals amounted to US\$ 6,675,425 while the funding for the two small-size project proposals amounted to US\$ 835,158, including the management fees charged by the Implementing Entities (IEs). The average funding for the three concept proposals amounted to US\$ 8,179,168, also including the management fees charged by the IEs. The management fees charged by the IEs were not in excess of 8.5 per cent and thus were in compliance with Decision B.11/16. In accordance with the same decision all proponents of the fully-developed project and programme documents provided a budget on fee use and, in compliance with Decision B.12/7, also provided an explanation and a breakdown of their execution costs.

29. One RIE, the Sahara and Sahel Observatory (OSS) submitted one concept for Burkina Faso, while the NIEs for Chile (*Agencia de Cooperación Internacional de Chile*, AGCI) and Mexico (Mexican Institute of Water Technology, IMTA) submitted one concept each. Four fully-developed proposals were submitted by the NIE for India (National Bank for Agriculture and Rural Development, NABARD), while the NIE for South Africa (South African National Biodiversity Institute, SANBI) submitted two fully-developed proposals. The NIEs for Costa Rica (*Fundecooperación para el Desarrollo Sostenible*), Jordan (the Ministry of Planning and International Cooperation, MOPIC) and Morocco (Agence de Développement Agricole, ADA) each submitted one fully-developed proposal. For the first time since the Board had started receiving proposals, no proposal was submitted by an MIE.

30. All the proposals were also in compliance with Decision B.13/23 and requested funding below the cap of US\$ 10 million, decided on a temporary basis, for each country.

31. The funding requests of the fully-developed NIE project and programme documents submitted to the present meeting amounted to US\$ 55,063,719, including 8.4 per cent in management fees. The project formulation grant (PFG) requests from the NIEs for Chile and Mexico submitted as documents AFB/PPRC.15/5/Add.1, and AFB/PPRC.15/6/Add.1, amounted to US\$ 60,000 and were in accordance with Decision B.12/28. The current cumulative budget allocation for project/programmes and PFGs submitted by NIEs is US\$ 44,549,797 which represented 19.7 per cent of the sum of the cumulative project/programme funding decisions and the funds available, as at 30 June 2014, to support funding decision. If the Board were to approve the fully-developed project NIE proposals and the PFG requests submitted at its twenty-fourth meeting, the cumulative funding allocated to NIEs would increase to US\$ 99,623,506, which would represent only 35.4 per cent of the sum of the cumulative total project funds.

¹ The implementing entity management fee percentage is calculated compared to the project budget including the project activities and the execution costs, before the management fee.

² The execution costs percentage is calculated as a percentage of the project budget, including the project activities and the execution costs, before the implementing entity management fee.

Proposals for accreditation support

32. As part of the Readiness Programme for Climate Finance, eligible countries were given the opportunity to submit applications to receive support for accreditation through a selected number of NIEs. The types of eligible support included, but were not limited to: identifying potential NIE candidates; preparing an application for NIE candidates to be submitted to the Accreditation Panel; and continuous support during the application process. It was expected that that peer support would effectively help build national capacity and sustainability.

33. Eligible NIEs were those entities that had tangible achievements with the Fund. The selection was based on the entity's experience with the Adaptation Fund, including experience in project preparation and implementation, and in supporting other countries at different stages of their application processes. Eligible NIEs were those fulfilling all of the following criteria, as at the time of the twenty-third Board meeting: accreditation by the Board; having an Adaptation Fund project or programme under implementation and so demonstrating effective compliance with the fiduciary standards of the Adaptation Fund; and having experience advising, participating with, or organizing support for other NIE candidates.

34. Only five NIEs were eligible: the *Centre de Suivi Ecologique* (CSE, Senegal), the Planning Institute of Jamaica (PIOJ, Jamaica), the *Agencia Nacional de Investigacion e Innovacion* (ANII, Uruguay), the *Unidad para el Cambio Rural* (UCAR, Argentina) and the Ministry of Natural Resources of Rwanda (MINIRENA, Rwanda). Following a call for the submission of proposals, undertaken intersessionally, the secretariat received four proposals from two NIEs to support four countries: Burundi (MINIRENA), Cabo Verde, Chad and Niger (CSE). The four proposals requested a total funding of US\$ 194,490, with funding requests ranging from US\$ 47,449 to US\$ 50,000.

35. The secretariat was asked why so few proposals had been put forward at the present meeting and what the milestones of the accreditation support were and whether there was a cap on the funding available.

36. The representative of the secretariat explained that the readiness programme was a pilot project and that its total budget was less than US\$ 1 million. Accreditation support represented a small part of the readiness programme and the proposals for accreditation support were capped at US\$ 50,000. While the NIEs were to identify potential NIEs in the country being supported the expectation was that the outcome would be an application for accreditation. However, it was important to be realistic and remember that the accreditation itself could not be ensured and so could not be a milestone.

37. In response to a question as to whether applicants were restricted to applying for accreditation through the five eligible NIEs, the representative of the secretariat explained that countries still had the opportunity to directly request accreditation. The purpose of this element of the readiness programme was to encourage South-South cooperation and it was thought that these five NIEs would be well placed to help countries identify an applicant for accreditation as an NIE and support the accreditation application process. The call for applications had gone out and all the national designated authorities had been notified of the deadlines involved; only the four proposals before the committee had been received within the deadlines.

38. In response to a question, the representative of the secretariat also said that while it would be possible for a country to ask another body for help in identifying a potential NIE the problem

would then be that the Trustee was limited by the requirement that it could only transfer funds to an accredited implementing entity and that if a country wished to be supported by an MIE, then that process would no longer qualify as South-South cooperation. It was important to remember that the secretariat was following the NIE support eligibility criteria that had been set by the Board and that the Board could revisit those criteria when it considered the next stage of the readiness programme.

Issues identified during the screening/technical review process.

39. There were no cross-cutting issues identified during the review process for consideration by the PPRC.

40. The Project and Programme Review Committee took note of the presentation by the secretariat.

Agenda Item 6: Review of project and programme proposals

Concept proposals

Proposals from National Implementing Entities (NIEs)

Chile – Enhancing resilience to climate change of the small agriculture in the Chilean region of O’Higgins (Project Concept; Agencia de Cooperación Internacional de Chile (AGCI); CHL/NIE/Agri/2013/1; US\$ 9,960,000)

41. The main objective of this proposed project was to increase the resilience of rural farm communities in the coastal and inner dry lands of the O’Higgins region in Chile with respect to actual climate variation and future climate changes. This was the second submission of the project concept. It had been submitted to the twenty-second meeting of the Adaptation Fund Board at which time the Board decided to not endorse the project concept. Together with the revised project concept, the *Agencia de Cooperación Internacional de Chile* (AGCI) submitted a Project Formulation Grant (PFG) request to the present meeting with a budget of US\$ 30,000, attached as an addendum to the document containing the programme concept (AFB/PPRC.15/5/Add.1).

42. The initial technical review found that the proposed project had the potential to address the climate adaptation needs of rural smallholder farming communities. The approach to pilot demonstration sites for agro-technology transfer, improve water availability on farm and improve meteorological information for decision-making demonstrated a well-developed and comprehensive plan to increase the adaptive capacity of target communities. The initial technical review, however, also sought clarification on several issues.

43. The proponent submitted a revised proposal, and the final technical review found that the proposal had supplied the necessary clarification sufficient to the concept stage.

44. It was pointed out that one of the expected outputs would be the disbursement of US\$ 2,800,000 for the acquisition of agricultural machinery and it was asked for how long the project would cover the costs of operating that machinery. It was also asked how the dissemination of the results and how connecting to the networks on zero tillage were to be implemented, who would be invited to participate in the proposed visits to Australia and Brazil, what indicators had been developed to demonstrate the avoidance of exodus from rural areas,

and it was pointed out that there were no indicators related to gender issues. It was suggested that it was important in developing countries to ensure that operating costs were supported during the life of the project but that the proponents needed to ensure the sustainability of the operating costs once the project had ended. It might be more practical to share some the equipment between farmers rather than providing it to each of them, and that once the project was over the equipment might be transferred to the state to ensure its maintenance as that might be beyond the capacity of the individual farmers

45. The amount for the acquisition of the machinery needed to be better explained as not all of it appeared to be related to climate change. It might be difficult to scale up the project if that level of investment would continue to be required. It would also be important to know the synergies with the other relevant government programmes at the submission of the proposal and not to wait until the project had been fully-developed before asking for that information. The scaling up of the element for zero tillage also appeared to be linked to the acquisition of some of the machinery and more information was needed on what training would be made available to help the beneficiaries use the machinery.

46. The representative of the secretariat reminded the committee that while the questions being asked were relevant, further details would be provided by the proponent in the fully-developed proposal. He also informed the meeting, in response to a question about whether management fees were also to the PFGs, that while the Board had made provision for such possibility in practice most NIEs did not charge a management fee against an PFG and AGCI had not done so either.

47. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Endorse the project concept, as supplemented by the clarification response provided by the *Agencia de Cooperación Internacional de Chile* (AGCI) to the request made by the technical review;
- (b) Request the secretariat to transmit to AGCI the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project document should clarify the plans to maintain the agricultural machinery during and after the project, including finance, support from the government, ownership, service life, and necessary training, and the plans to scale up acquisition of such machinery after the project, including dissemination of information on use of such machinery for adaptation;
 - (ii) The fully-developed project document should explain how the success of zero tillage activities would be monitored, and how lessons from them would be shared within the country and with other countries;
 - (iii) The fully-developed project document should explain how the planned overseas study tours would enable learning by farmers;
 - (iv) The fully-developed project document should explain with which kind of process and indicators the project would monitor how it would meet the

stated target of avoiding rural exodus, taking into account gender considerations;

- (v) The fully-developed project document should explain how it would ensure synergies with the other relevant government programmes;
- (c) Approve the Project Formulation Grant of US\$ 30,000; and
- (d) Encourage the Government of Chile to submit through AGCI a fully-developed project proposal that would address the observations under sub-paragraph (b).

(Recommendation PPRC.15/2)

Mexico – Local and Comprehensive Adaptation Measures to Address Climate Change in Two Sub-Basins of Guanajuato, Mexico (Project Concept; Mexican Institute of Water Technology (IMTA); MEX/NIE/Rural/2014/1; US\$ 8,630,000)

48. The proposed project sought to implement climate change adaptation measures targeted at: strengthening social and institutional capacities, building and improving infrastructure, modifying production practices, as well as conserving and managing natural ecosystems in a sustainable way. This was the first submission of the project and together with the project concept, the Mexican Institute of Water (IMTA) submitted a PFG request with a budget of US\$ 30,000, attached as an addendum to the document containing the programme concept (AFB/PPRC.15/6/Add.1).

49. The initial technical review was conducted based on the proponent's information that the proposal was a fully-developed project document. The initial technical, however, found that the proposal was far from meeting the content requirements of fully-developed proposals. Information was found to be general, tentative and partly conflicting, and several sections of the proposal were missing. Altogether 23 clarification requests were made of the proponent.

50. Following the initial review, the proponent informed the secretariat that it wished the proposal to be considered as a concept, not as a fully-developed proposal. The final technical review found that even reviewed as a concept, and taking into account the revisions made following the initial review, the proposal still contained a number of sections that would need amendment before the concept could be recommended for endorsement.

51. It was asked whether the proponents had been asked to justify the inclusion of the 14 municipalities within the area being covered by the proposed project. It was also observed that the document could have been better organized and the attention of the proponents should be drawn to Board's guidance document, contained in an annex to document AFB/B.22/5/Add.1, on how to prepare submissions. The representative of the secretariat said that the secretariat had already made the proponents aware of that document and that the request to justify the selection of the 14 municipalities could be added to the recommendation.

52. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Not endorse the project concept, as supplemented by the clarification response provided by the Mexican Institute of Water Technology (IMTA) to the request made by the technical review;
- (b) Suggest that IMTA reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide more contextual information on the economy, livelihoods and non-climatic challenges of the target region, as well as more specific information (e.g. duration, financier and budget) on past climate change adaptation interventions;
 - (ii) The proposal should justify the requested financing based on the full cost of adaptation reasoning, reconsidering, if necessary, the number of municipalities to be included in the project, and elaborating on the needs, gaps and obstacles that would be addressed by the proposed activities to develop government agencies' capacity and coordination, rainwater harvesting, water treatment schemes and home gardens, and explaining how the longer-term sustainability of project activities would be ensured;
 - (iii) The proposal should explain how land-use planning at the catchment scale is taken into account in the design of the project activities, and consider including relevant activities that would also tackle challenges related to drivers of land-use change;
 - (iv) The proposal should clearly set its output targets, and distinguish between regular project monitoring and its specific activities to improve environmental monitoring;
 - (v) The proposal should explain how the proposed activities would be compliant with applicable technical standards and consistent with the goals of the identified climate change related strategies and policies, also identifying relevant sector policies and strategies e.g. in agriculture and water resources management;
 - (vi) The proposal should explain how the project would avoid duplication with any potentially overlapping projects/programmes, and how it would ensure complementarity with them;
 - (vii) The proposal should use the screening matrix to illustrate potential environmental and social impacts and risks, and categorize the project in terms of the level of the potential risk as explained in the Adaptation Fund Environmental and Social Policy; and
- (c) Request IMTA to transmit the observations referred to in item (b) above to the Government of Mexico.

(Recommendation PPRC.15/3)

Proposals from Regional Implementing Entities (RIEs)

Burkina Faso – Increasing the adaptation capacity of farmers in the Sahel zone through enhanced management of rain water and sustainable climate smart agricultural production (Project Concept; Sahara and Sahel Observatory (OSS); BFA/RIE/Agri/2014/1; US\$ 5,947,503)

53. The proposed project sought to increase the adaptation capacity of farmers and herders in the Sahel zone. This was the first submission of the project concept.

54. The initial technical review found that the proposal presented many gaps in its design, related *inter alia* to the adaptation reasoning of its activities, its cost-effectiveness, its linkage with the national government services, its learning and knowledge management component, and its sustainability. The review made 17 clarification requests, which were communicated to the proponent, who subsequently submitted a revised version of the proposal.

55. The final technical review found that although the revised proposal had adequately addressed some of the clarification requests made during the initial review, some key issues remained pending, mainly related to the adaptation reasoning of the proposal, its cost effectiveness and that role the State government would play in the project to ensure proper replication and scaling up of the expected outcomes.

56. In the discussion that followed the view was expressed that more information was needed on the secretariat's requirement to demonstrate the adaptation reasoning for the development of roads, the estimated number of beneficiaries and the linkage between the Sahara and Sahel Observatory (OSS) and the proposed meteorological stations, especially given that the Intergovernmental Panel on Climate Change, in its most recent report, had stressed the need for support for the collection of such regional information.

57. The representative of the secretariat explained that as the executing entity and the implementing entity were both non-governmental organizations (NGOs), the secretariat requested demonstration of linkages with the Government of Burkina Faso. It was essential to ensure that the proposed road had a clear linkage to climate adaptation in addition to improving market access for the targeted villages. He explained that the proponent had estimated that the number of beneficiaries estimated by household would consist of, on average, six persons per household. He also said that OSS was a well known regional institution that was already working in the different countries in the region and that had already helped establish local observatories. Therefore the secretariat wanted an assurance that there was added value in the proposed observatories and meteorological stations that would be established under the project, as well as institutional linkage.

58. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Not endorse the project concept, as supplemented by the clarification response provided by the Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- (b) Suggest that OSS reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The proponents should clarify which portion of the 1,800 hectares of grove perimeter to be developed is new or existing. It is not clear if the 1,800 hectares are additional to the existing grove perimeters in the farms of Guiè, Filly and Goèma which coincidentally cover the same surface (600, 480 and 360 hectares, respectively);
 - (ii) Although the focus of the project is in increasing agricultural production, the proposal should consider the use of plants with increased water use efficiency and heat tolerance as additional adaptation options;
 - (iii) The cost of the grove perimeters covering 1,800 hectares which in the proposal is estimated at US\$ 1,970,000 should be justified. The document estimates the costs for establishing a grove perimeter is 500 euros per hectare, and the total target area is 1,800 hectares, which would cost 900,000 euros and therefore the discrepancy needs to be explained;
 - (iv) The consultation process should be described in more detail, including information on the number and category of stakeholders consulted during project identification;
 - (v) The learning and knowledge management component(s) should be strengthened in order to better capture and feedback lessons, at local and national levels, and among the relevant stakeholders, including local and national sectoral government departments, NGOs, universities, local communities and the private sector;
 - (vi) The proposal should explain how the proposed project differs from business as usual agricultural projects and how its efforts to increase resilience to climate risks complement relevant national and regional programmes implemented in Burkina Faso, including through existing government, multilateral, bilateral, municipal and NGO efforts in the agricultural sector. For example, the adaptation reasoning of the development of 45 km of roads aiming at improving access to markets and the link to national and local programmes, is not demonstrated;
 - (vii) The proposal should explain the role of the state government, if any, particularly to ensure proper scaling up of the project's outcomes;
 - (viii) The proposal should also explain how the environmental monitoring observatories will be created, how they are relevant to related sector plans and which institution will be involved in managing them. Lastly, it should explain the relevance of the observatories and meteorological stations to the project's objectives; and
- (c) Request OSS to transmit the observations referred to in item (b) above to the Government of Burkina Faso.

(Recommendation PPRC.15/4)

Fully-developed proposals

Proposals from National Implementing Entities (NIEs)

Small-size proposals:

India – Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Coastal/2014/1; US\$ 689,264)

59. The proposed project sought to overcome the consequences of salinization and other impacts on the coastal area resulting from sea level rise and seawater inundation due to increased cyclonic storms and storm surges. This is the second submission of the project. It had been submitted as a fully-developed proposal to the twenty-third meeting of the Board, at which time the Board decided to not approve the project document.

60. The initial technical review of the present submission found that several areas remained where clarification was required, especially related to previous experience of the proposed types of interventions, to the inclusion and engagement of beneficiaries and to management arrangements. The proponent submitted a revised proposal, and the final technical review found that the proposal presented a clear explanation on the areas where clarification had been sought.

61. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the project document as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Approve the funding of US\$ 689,264 for the implementation of the project, as requested by NABARD; and
- (c) Request the secretariat to draft an agreement with NABARD as the National Implementing Entity for the project.

(Recommendation PPRC.15/5)

India: Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-Dependent Hill Communities (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Agri/2014/2; US\$ 981,052)

62. The proposed project sought to improve the adaptive capacity of vulnerable communities in the North Western Himalayan hill region. This was the second submission of the fully-developed project document. It had been first submitted to the twenty-third meeting of the Adaptation Fund Board, at which time the Board decided to not approve the project document.

63. The initial technical review of the submission found that several areas remained where clarifications were required, especially related to feasibility and cost-effectiveness of activities, technical standards, learning and knowledge management, consultation with vulnerable groups and the inclusion of women, project sustainability, environmental and social risks, a detailed

budget and core indicators. The review made 20 clarification requests and one corrective action request, which were communicated to the proponent, who subsequently submitted a revised version of the proposal. The final technical review found that, while the proposal had made significant progress, some areas remained where further elaboration would be necessary.

64. One member asked about the drivers of small-size proposals and noted that the review of both small-sized projects and regular projects entailed the same amount of work for the secretariat. The representative of the secretariat explained that the option for small-size projects had existed since the inception of the Fund, and it allowed for country ownership of the application process. In the case of NABARD, the NIE had deliberately chosen to make several submissions to diversify its proposals both within the country and between sectors. That also allowed it to stay under the US\$ 10 million cap per country that had been set by the Board. However, the small-sized projects could only be submitted as part of a one stage process which could mean less work for the secretariat.

65. The secretariat was also asked whether the proponent had addressed all the concerns raised by the Board at its twenty-third meeting. In particular it was pointed out that the proponents had been asked to describe how synergies were being sought with national initiatives, such as the Mahatma Gandhi Rural Employment Guarantee scheme, as well as initiatives such as the Himalayan Climate Change Adaption Programme financed by the Ministry of Foreign Affairs of Norway and the Indian Himalayas Climate Adaption programme financed by the Swiss Agency for Development and Cooperation. The proponents had also been asked to provide information on whether there was a role for sub-national institutions in project execution. It was important to ensure that those elements had been addressed before making new and additional requests for further information.

66. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Not approve the project document, as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Suggest that NABARD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The project should include at least one core output indicator from the Fund's results framework;
 - (ii) The project should elaborate on the marketing arrangements for the supported produce and demonstrate their sustainability;
 - (iii) The project should improve the cost-effectiveness analysis;
 - (iv) The project should reflect in its design the views of vulnerable groups. To this effect, the proposal should consider undertaking further consultation with all relevant stakeholder groups;
 - (v) The project should reconsider its finding that environmental and social risks as defined in the Adaptation Fund Environmental and Social Policy (ESP) are

absent and prepare, if required, an Environmental and Social Management Plan (ESMP) commensurate with the risks identified and in accordance with the project ESP categorisation;

- (vi) The proposal should report the proposed components and activities consistently throughout the document and ensure that the budget provided aligns with the proposed activities;
 - (vii) The proposal should describe in greater detail how synergies are sought with national initiatives such as the Mahatma Gandhi National Rural Employment Guarantee scheme as well as initiatives funded by multilateral and bilateral donors;
 - (viii) The proposal should provide further detail on how the financial sustainability of project outcomes will be ensured beyond the project duration, including how government departments will be engaged in replicating successful initiatives, the potential sources of funding for doing so, and whether a role for sub-national institutions is envisaged in project execution; and
- (c) Request NABARD to transmit the observations under item (b) to the Government of India.

(Recommendation PPRC.15/6)

Regular-size proposals:

Costa Rica – Reducing the vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors. (Fully-developed Programme Document; Fundecooperación para el Desarrollo Sostenible; CRI/NIE/Multi/2013/1; US\$ 9,970,000)

67. The proposed programme sought to reduce the negative impacts of rising temperatures and increasing intensity of extreme rainfall events caused by climate change and focus on three critical sectors: agriculture, water resources, and coastal zones.

68. This was the third submission of the programme. It had been first submitted as a programme concept, using the two-step approval process, for the twenty-first Board meeting and had not been endorsed. It was subsequently resubmitted at the twenty-second meeting as a concept, along with a request for Project Formulation Grant (PFG) at which time the Board decided to endorse the programme concept.

69. The initial review found that the proposed programme was comprehensive and well designed. The programmatic approach allowed for the development of locally appropriate projects in pre-identified priority areas. Whilst the level of detail in the document was sound, concerns arose over the programme budget, which did not have a similar level of detail. It was also unclear what the balance would be, given the apparent low amount allocated to those outcomes in the programme budget, between traditional programme delivery and the revolving funds that would allow decentralised, local delivery of adaptation outcomes. Lastly, compliance with the Environmental and Social Policy needed further demonstration. The review made seven clarification requests and five corrective action requests, which were communicated to the proponent, who subsequently submitted a revised version of the proposal.

70. The final technical review found that the NIE has adequately addressed all of the requests made by the secretariat.

71. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the programme document as supplemented by the clarification response provided by Fundecooperación para el Desarrollo Sostenible (Fundecooperación) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,970,000 for the implementation of the programme, as requested by Fundecooperación; and
- (c) Request the secretariat to draft an agreement with Fundecooperación as the National Implementing Entity for the programme.

(Recommendation PPRC.15/7)

India: Building Adaptive Capacities of Small Inland Fishers for Climate Resilience and Livelihood Security, Madhya Pradesh, India (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Food/2013/1; US\$ 1,790,500)

72. The proposed project sought to enhance the adaptive capacity of fish farmers to ensure their livelihood security in the agro-climatic zone of Jhabua hills comprising the districts of Jhabua, Alirajpur and Dhar. This was the second submission of the project. It had first been submitted as a project concept, using the two-step approval process, for the twenty-third Board meeting, along with a request for a Project Formulation Grant (PFG), at which time the Board had decided to endorse the project concept and approve the request for PFG.

73. The initial technical review found that although the main project activities would help develop adaptive capacity through the construction, or deepening, of ponds to increase water storage capacity, technical issues could undermine its potential for achieving the stated objectives and affect the sustainability of its outcomes. The secretariat made fourteen clarification requests and one corrective action request, related to the nature of the activities (capture fisheries versus aquaculture), and the sustainability of some of the project activities, the selection of project beneficiaries, the sharing and replication methodologies under the learning and knowledge management component and adherence to the Environmental and Social Policy of the Fund. The secretariat communicated the findings of the initial technical review to the project proponent, who subsequently provided a number of clarifications and submitted a revised version of the proposal for final technical review.

74. The final technical review found that the correction and clarifications in the proposal, and the responses to the clarification requests in the Response Sheet, provided good elements towards improving the proposal. The nature of the main activities envisaged was now clearly focused and identified as aquaculture instead of capture fisheries. The beneficiaries were better identified and the project appeared technically more feasible. However, there were still inconsistencies throughout the proposal document and a number of issues remained.

75. In response to a question about who was responsible for financing the development of the ESMPs the representative of the secretariat explained that all the preparatory work was the responsibility of the implementing entities. The only support provided by the Fund was the PFG

but in the present case NABARD had not made a request for use of that PFG for the financing of an Environmental and Social Management Plan (ESMP) at that time.

76. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Not approve the project document, as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Suggest that NABARD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The conceptual changes and clarifications provided in the Response Sheet should be applied consistently to the entire project document;
 - (ii) The feasibility of the aquaculture activities with small marginalized farmers should be demonstrated, in particular with respect to farmers' ability to form effective associations and the availability of credit;
 - (iii) The proposal should consider elaborating on the required association of beneficiary farmers and clarify the arrangements within these groups as well as strengthen their capacity to effectively culture fish as a group;
 - (iv) The proposal should assess the project risks against the Environmental and Social Policy principles, in particular with respect to Access and Equity, Marginalized and Vulnerable Groups, Gender Equity and Women's Empowerment, Core Labour Rights, Conservation of Biological Diversity and Public Health. An assessment and an Environmental and Social Management Plan (ESMP) should be prepared, commensurate with the identified risks; and
- (c) Request NABARD to transmit the observations under item (b) to the Government of India.

(Recommendation PPRC.15/8)

India – Enhancing Adaptive Capacity and Increasing Resilience of Small and Marginal Farmers in Purulia and Bankura Districts of West Bengal (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Agri/2014/1; US\$ 2,510,854)

77. The proposed project sought to develop climate adaptive and resilient livelihood systems through diversification, technology adoption and natural resource management for small and marginal farmers associated with agriculture and allied sector in the Red and Lateritic Zone of West Bengal. This was the second submission of the project, which had first been submitted as a project concept to the twenty-third meeting of the Board at which time the concept had been endorsed by the Board.

78. The initial technical review found that, while the proponent had addressed some of the observations made at the time of the endorsement of the concept by the Board, several areas remained where additional clarification was required, especially those areas related to previous experience with the proposed types of interventions, the engagement of beneficiaries, management arrangements, and environmental and social risk management. The proponent submitted a revised proposal, and the final technical review found that the proposal presented a clear explanation on the areas where clarification had been sought.

79. In response to the suggestion that it might be possible to unite the different proposals of NABARD into a single programme, the representative of the secretariat said that given the different sectors addressed by the proposals, and the different regions covered, there would be little gained by doing so, especially as the different elements would be difficult to coordinate. He also assured the committee that the total amounts for the proposals were under the country cap of US\$ 10 million.

80. One member also pointed out that the project, as well as the proposed projects for Jordan and Morocco, demonstrated that the projects of the Adaption Fund were also relevant to address processes under other multilateral environmental conventions and agreements such as, in the present case, the United Nations Convention to Combat Desertification.

81. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the project document as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Approve the funding of US\$ 2,510,854 for the implementation of the project, as requested by NABARD; and;
- (c) Request the secretariat to draft an agreement with NABARD as the National Implementing Entity for the project.

(Recommendation PPRC.15/9)

Jordan: Increasing the resilience of poor and vulnerable communities to climate change impacts in Jordan through Implementing Innovative projects in water and agriculture in support of adaptation to climate change (Fully-developed Programme Document; Ministry of Planning and International Cooperation (MOPIC); JOR/NIE/Multi/2012/1; US\$ 9,226,000)

82. The proposed programme sought to adapt the agricultural sector in Jordan to climate change induced water shortages and stresses on food security through piloting innovative technology transfer, policy support linked to community livelihoods and resilience.

83. This was the third submission of the programme. It had been first submitted as a programme concept, using the two-step approval process, for the nineteenth Board meeting and had not been endorsed. It was then resubmitted at the twenty-second meeting as a concept, along with a request for a Project Formulation Grant (PFG) at which time the Board had decided to endorse the programme concept and approve the request for PFG.

84. The initial review found that although the proposed activities were very relevant to the challenges faced by Jordan in the water and agriculture sector, a number of issues still needed

clarification. These included the need for improving and simplifying the presentation of projects under the programme and to demonstrate coherence and complementarities among them; the need to further demonstrate the programme cost effectiveness; issues related to compliance with the Environmental and Social Policy of the Fund; weaknesses in the results framework and an information gap on the consultation process. The review made 19 clarification requests and two corrective action requests, which were communicated to the proponent, who subsequently submitted a revised version of the proposal.

85. The final technical review found that although the revised proposal has made some progress in addressing the requested corrective actions and clarification requests that had been made during the initial review, there remained several key issues pending, including the need to make the document more concise so that it would be easier to read, the cost effectiveness of the proposed activities, compliance with the Environmental and Social Policy of the Fund and issues related to the budget and results framework of the programme.

86. In response to questions about the wording of the recommendation, and whether the country's designated authority had approved the programme, the representative of the secretariat confirmed that the designated authority had signed off of the programme and agreed to modify the recommendation.

87. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Not approve the fully-developed programme document, as supplemented by the clarification response provided by the Ministry of Planning and International Cooperation (MOPIC) to the request made by the technical review;
- (b) Suggest that MOPIC reformulates the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) As a general observation, the proposal should be more concise and structured; as an example among others, the section on consistency with the national development strategies could be limited to strictly demonstrate consistency with national plans and strategies with the relevant information;
 - (ii) The demonstration of cost effectiveness should be improved through providing the costs of alternatives to the proposed programme activities, including but not limited to investment in large water retention/harvesting infrastructures, cost of fresh water for irrigation versus treated waste water, alternative water resources and alternatives to permaculture;
 - (iii) Although a table on compliance with the environmental and social principles established by the Fund is provided, no potential impacts and risks or further assessment or mitigation measures were identified, including risks on public health and pollution as well as soil conservation. Also, several risks rated medium to very high were identified in other parts of the document, for which mitigation measures or procedures are not provided;
 - (iv) The proposal should include an Environmental and Social Management Plan (ESMP), together with implementation arrangements and monitoring and

evaluation (M&E) provisions, which will contain all the relevant elements. The ESMP is required for category B projects for which the proposed activities requiring environmental and social assessment do not represent a minor part of the project;

- (v) The programme budget needs to be organized in a way to allow for an assessment of the costs based on the programme's expected outputs. In addition the proposal should include budget notes;
 - (vi) The proposal should justify the "development and preparation" budget under the implementing entity fees (US\$ 144,600), since a project Formulation Grant (PFG) was already provided to the NIE for programme preparation;
 - (vii) The proposal should include a programme results framework which should include programme outcome and output indicators, baseline and targets which would help in the achievement of the programme's objectives, including sex disaggregated data and at least one Adaptation Fund core outcome indicator; and
- (c) Request MOPIIC to transmit the observations under item (b) to the Government of Jordan.

(Recommendation PPRC.15/10)

Kenya: Integrated programme to build resilience to climate change and adaptive capacity of vulnerable communities in Kenya (Fully-developed Programme Document; National Environmental Management Authority (NEMA); KEN/NIE/Multi/2013/1; US\$ 9,998,302)

88. The proposed programme sought to enhance resilience and adaptive capacity to climate change for selected communities in various counties in Kenya in order to increase food security and environmental management. It had been first submitted at the twenty-second meeting of the Board, using the one-step approval process, at which time the Board had decided not to endorse the programme concept. The proposal was resubmitted to the Board at its twenty-third meeting, after having been reviewed by the secretariat. The initial technical review found that most of the outstanding issues raised by the PPRC during the twenty-second Board meeting had been addressed and the final technical review found that the revised proposal had adequately addressed the outstanding issues.

89. The secretariat, however, had identified an additional requirement, to be included in any legal agreement with National Environmental Management Authority (NEMA) in the event that the programme was approved, in order to comply with the provisions of the Environmental and Social Policy of the Fund. According to that policy the requirement applied to projects and programmes for which some of the proposed activities required an environmental impact assessment (EIA) and where the activities represented a minor part of the project or programme. An additional requirement was also added to the agreement to fulfil a conditional set by the Board when NEMA was accredited (Decision B.17/2).

90. The Board did not take a decision on the proposal at its twenty-third meeting and it was therefore being resubmitted by the secretariat to the PPRC for a recommendation to the Board at the present meeting.

91. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the programme document as supplemented by the clarification response provided by the National Environmental Management Authority (NEMA) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,998,302 for the implementation of the programme, as requested by NEMA;
- (c) Note the commitment of NEMA to develop an Environmental and Social Management Framework (ESMF) for the programme and to conduct Environmental Impact Assessments (EIAs) for all programme activities for which such EIAs are required pursuant the Environmental and Social Policy of the Adaptation Fund, before any substantial construction, subject to such EIAs, begins;
- (d) Request the secretariat to draft an agreement with NEMA as the National Implementing Entity for the programme that includes:
 - (i) The requirement that any environmental and social risks identified by the EIAs will be addressed by NEMA in an adequate and timely manner through a management plan or changes in the programme design, and will include a timeline for the implementation by all EIAs and the ESMF consistent with the Environmental and Social Policy of the Adaptation Fund prior to any substantial construction, subject to such EIAs; and
 - (ii) The requirement that NEMA prepare annual financial statements for the programme, which must be audited by the National Audit Office or another external auditor. The audited financial statements must be submitted within six months after the end of the financial year, as per Decision B.17/2.

(Recommendation PPRC.15/11)

Morocco: Climate change adaptation project in oasis zones – PACC-ZO (Fully-developed Project Document; Agence pour le Développement Agricole (ADA); MAR/NIE/Agri/2013/1; US\$ 9,970,000)

92. The proposed project sought to help reduce the vulnerability of people and oasis agro-ecosystems to climate change in Morocco. This is the third submission of the project document. It had been first submitted as a concept at the twenty-second meeting of the Board where it had not been endorsed. It was subsequently resubmitted as a concept at the twenty-third meeting, along with a request for a PFG, at which time the Board had decided to endorse the project concept and approve the request for PFG.

93. The initial technical review found that while most of the activities of the project were adequate to address the identified climate change adaptation challenges, the proposal presented many gaps that needed to be addressed. Those included the lack of consultation and commitment of the beneficiaries for the maintenance of the infrastructures to be built under components 1 and 3, the need for more information regarding the activities under component 3, the need to widen

the knowledge management component to the national level, a lack of budget notes and sex-disaggregated data in the results framework. The review made 15 clarification requests and eight corrective action requests, which were communicated to the proponent, who subsequently submitted a revised version of the proposal.

94. The final technical review found that the revised proposal has adequately addressed all the issues reflected in the clarification requests and corrective action requests made, except the one related to compliance with the Environmental and Social Policy of the Fund, through the submission of an Environmental and Social Management Plan.

95. It was asked whether the project had to be modified or whether a document could simply be submitted that showed how the project was in compliance with the Environmental and Social Policy of the Fund. It was also asked if the proposal had addressed the Board's previous request that the fully-developed proposal elaborate on how local government systems would help ensure the sustainability of project outcomes and demonstrate the synergies with other initiatives and programmes. The representative of the secretariat explained that different sections of the template were relevant to the Environmental and Social Policy of the Fund and so those sections of the proposal would need to be changed and a new document submitted. He also said that steering and coordinating committees proposed in the project document should address the coordination issues, both at the local level and with the relevant initiatives and programmes.

96. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Not approve the fully-developed project document, as supplemented by the clarification response provided by Agence pour le Développement Agricole (ADA) to the request made by the technical review;
- (b) Suggest that ADA reformulates the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should include an Environmental and Social Management Plan (ESMP), together with implementation arrangements and monitoring and evaluation (M&E) provisions, which will contain elements on compliance with the Environmental and Social Policy, including risks associated with interfering in the existing hydrology of the area for the principles of natural habitats, biodiversity, heritage, land and soil. The ESMP is required for any category B projects for which some of the proposed activities require environmental and social assessment; and
- (c) Request ADA to transmit the observations under item (b) to the Government of Morocco.

(Recommendation PPRC.15/12)

South Africa – Building Resilience in the Greater uMngeni Catchment (Fully-developed Project Document; South African National Biodiversity Institute (SANBI); ZAF/NIE/Water/2013/1; US\$ 7,495,055)

97. The proposed project sought to reduce the vulnerability of communities and small scale farmers in the uMgungundlovu District Municipality (UMDM) to the impacts of climate change. This was the second submission of the project. It had been submitted as a concept to the twenty-first meeting of the Board, at which time the Board had decided to endorse the project concept.

98. The initial technical review of the submission found that some areas remained that required clarification, especially related to environmental and social management and administrative expenses, and 14 clarification requests were made. The proponent submitted a revised proposal, and the final technical review found that the proposal presented a clear explanation on the areas where clarification had been sought.

99. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the project document as supplemented by the clarification response provided by the South African National Biodiversity Institute (SANBI) to the request made by the technical review;
- (b) Approve the funding of US\$ 7,495,055 for the implementation of the project, as requested by SANBI; and
- (c) Request the secretariat to draft an agreement with SANBI as the National Implementing Entity for the project.

(Recommendation PPRC.15/13)

South Africa: Taking adaptation to the ground: A Small Grants Facility for enabling local level responses to climate change (Fully-developed Project Document; South African National Biodiversity Institute (SANBI); ZAF/NIE/Multi/2013/2; US\$ 2,442,682)

100. The proposed project sought to increase resilience of vulnerable communities by facilitating integrated grassroots adaptation responses to climate variability and change. This was the second submission of the project. It had been first submitted as a concept for the twenty-first AFB meeting, along with a request for a PFG, at which time the Board had decided to endorse the project concept and approve the request for PFG.

101. The initial technical review recognized the innovative nature of the proposal of piloting enhanced direct access to adaptation finance and found the project document very clear and concise. However, a few information gaps and one major issue related to the Environment and Social Policy of the Fund needed to be addressed, including the involvement of local communities in project identification, the criteria for grant recipient selection, the level of involvement of municipal and national government representatives in project activities, and the set of indicators under the project results framework. The review made 13 clarification requests and three corrective action requests, which were communicated to the proponent, who subsequently submitted a revised version of the proposal.

102. The final review found that the revised proposal had adequately addressed the clarification and corrective actions requested by the secretariat.

103. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the project document as supplemented by the clarification response provided by the South African National Biodiversity Institute (SANBI) to the request made by the technical review;
- (b) Approve the funding of US\$ 2,442,682 for the implementation of the project, as requested by SANBI; and
- (c) Request the secretariat to draft an agreement with SANBI as the National Implementing Entity for the project.

(Recommendation PPRC.15/14)

Proposals for accreditation support

Burundi: (Ministry of Natural Resources of Rwanda (MINIRENA); US\$ 50,000)

104. The application outlined the activities to be undertaken by the NIE to support the accreditation process in Burundi and had been submitted by the Ministry of Natural Resources of Rwanda (MINIRENA) on behalf of the government of Burundi. The secretariat had reviewed the application and had provided its comments to the applicant for further clarification. The issues identified included a lack of clarity on the status of NIE identification in the country, the inadequacy of the proposed activities, with some activities that did not seem to be relevant to the accreditation support, and the need to clarify a few budget items. In response, the applicant submitted a revised version of the proposal that took into account the secretariat's comments

105. The final review of the secretariat found that although the revised document had addressed some of the secretariat's comments, a few issues remained to be addressed.

106. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Not approve the Application for a Grant to support NIE accreditation as requested by the government of Burundi through the Ministry of Natural Resources of Rwanda (MINIRENA);
- (b) Suggest that MINIRENA reformulates the proposal taking into account the following observations:
 - (i) The proposal needs to explain the steps that will be taken in the case where the identified potential candidate for NIE accreditation is assessed and subsequently found as not suitable;
 - (ii) As it is currently presented, the training activity for public servants is not relevant to the objective of supporting the accreditation process. This activity needs therefore to be either removed or justified;
 - (iii) The proposal needs to provide a separate budget table with a breaking down of the costs, including staff travel costs, consultant fees, communications, MINIRENA staff fees and a breakdown of workshop costs such as renting the venue, catering, facilitator fees;

- (c) Request MINIRENA to transmit the observations under item (b) to the Government of Burundi; and
- (d) Encourage the Government of Burundi to submit through MINIRENA a revised Application for a Grant to support NIE accreditation that would address the observations under item (b) above, for consideration by the Board intersessionally.

(Recommendation PPRC.15/15)

Cabo Verde: (Centre de Suivi Ecologique (CSE); US\$ 47,449)

107. The application outlined the activities to be undertaken by the NIE to support the accreditation process in Cabo Verde and had been submitted by the *Centre de Suivi Ecologique* (CSE), on behalf of the government of Cabo Verde. The secretariat had reviewed the application and had provided its comments to the applicant for further clarification. The issues identified included a short proposed timeframe for the implementation of the support, a lack of clarity on the status of the NIE identification in the country, and the need for a more detailed budget. The applicant then submitted a revised version of the proposal that took into account the secretariat's comments.

108. The final review found that the NIE had adequately addressed the comments made by the secretariat.

109. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the Application for a Grant to support NIE accreditation as requested by the government of Cabo Verde through the Centre de Suivi Ecologique (CSE);
- (b) Approve the funding of US\$ 47,449 for the implementation of the support, as requested by CSE; and
- (c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the accreditation support.

(Recommendation PPRC.15/16)

Chad: (Centre de Suivi Ecologique (CSE) ; US\$ 49,592)

110. The application outlined the activities to be undertaken by the NIE to support the accreditation process in Chad and had been submitted by the *Centre de Suivi Ecologique* (CSE), on behalf of the government of Chad. The secretariat had reviewed the application and had provided its comments to the applicant for further clarification. The issues identified included a lack of clarity on the status of the NIE identification in the country, and the need for a more detailed budget. The applicant then submitted a revised version of the proposal that took into account the secretariat's comments.

111. The final review found that the NIE has adequately addressed the comments made by the secretariat.

112. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the Application for a Grant to support NIE accreditation as requested by the government of Chad through the Centre de Suivi Ecologique (CSE);
- (b) Approve the funding of US\$ 49,592 for the implementation of the support, as requested by CSE; and
- (c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the accreditation support.

(Recommendation PPRC.15/17)

Niger: (Centre de Suivi Ecologique (CSE) ; US\$ 47,449)

113. The application outlined the activities to be undertaken by the NIE to support the accreditation process in Niger and had been submitted by the *Centre de Suivi Ecologique* (CSE), on behalf of the government of Niger. The secretariat had reviewed the application and had provided its comments to the applicant for further clarification. The issues identified included a lack of clarity on the status of the NIE identification in the country, and the need for a more detailed budget. The applicant then submitted a revised version of the proposal that took into account the secretariat's comments.

114. The final review found that the NIE has adequately addressed the comments made by the secretariat.

115. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- (a) Approve the Application for a Grant to support NIE accreditation as requested by the government of Niger through the Centre de Suivi Ecologique (CSE);
- (b) Approve the funding of US\$ 47,449 for the implementation of the support, as requested by CSE; and
- (c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the accreditation support.

(Recommendation PPRC.15/18)

Agenda Item 6: Other matters

Improvement of the tracking of changes made between different versions of the proposals submitted to the PPRC

116. When discussing the proposal for South Africa (2), one member remarked that when he opened the document on the website he had found that certain sections in it had been highlighted in colour and he said that it was his impression that the coloured text indicated the responses that had been given by the NIE to the clarification requests of the secretariat. He had found that a useful guidance and suggested that it be used more generally to track the responses to the questions raised by both the secretariat and the PPRC. Others suggested that there should be a different colour coding to represent the different stages of the document that had passed through such as the initial review and the final review.

117. The representative of the secretariat explained that there was no formal colour coding. All the implementing entities used different methods to indicate revisions to the proposals: some submitted modified review sheets, some tracked the changes in the text by striking through deleted text and highlighting the new text. There were different methods and the secretariat had no policy on which should be used. However, once the final review had taken place the secretariat posted a clean version of the proposal on the website that did not indicate that changes that had been made to the text. There were different options but it was important to remember that the website was public. If the PPRC wished so, the secretariat would use its best efforts to circulate to the members copies of the versions of proposals with tracked changes, where they existed.

118. One member suggested that it was important to have all the versions available on the website, although others pointed out that the previously considered versions were already on the website, posted with the other documents of the previous meetings. The issue was how to ensure that the PPRC was made aware of the changes that had taken place in the iterations of the proposals between the previous meetings of the Board and the present meeting, and one member said that a better way was needed to track the responses of the proponents to the questions put to them by the Board and the secretariat.

119. In order to ensure that the PPRC could track those requests the secretariat might consider providing the committee with a simple statement explaining how the proponents had responded to the observations of the Board.

120. The representative of the secretariat explained each resubmission was treated as a new proposal and that it was hard to track all the changes in the project submissions as some went through several iterations and were substantially modified over time.

121. Following the discussion, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board request the secretariat, in order to assist the committee in its review of the proposals, to present to the Project and Programme Review Committee, at its sixteenth meeting, options for:

- (a) Improving the tracking of changes made between different versions of project/programme proposals; and
- (b) Providing the committee with an explanation on how the proponents had responded to the observations of the Board.

(Recommendation PPRC.15/19)

Portfolio monitoring mission report

122. Following the Joint meeting of the EFC and the PPRC, referred to in the section above on the organization of work, the PPRC discussed the relevance of the results of the findings of such portfolio monitoring missions to its own work.

123. The PPRC took note of the report of the portfolio monitoring mission to Jamaica, and further noted that portfolio monitoring mission reports were useful for the work of the PPRC. The PPRC also noted that it would be beneficial for the PPRC if the discussion of such reports would take place at the Board level or jointly between the two committees.

Agenda Item 7: Adoption of the report

124. The present report was adopted on the basis of the draft report of the PPRC (AFB/PPRC.15/L.1) as orally amended.

Agenda Item 8: Closure of the meeting

125. The Chair declared the meeting closed at 19:00 on Wednesday 8 October 2014.

Annex I

Project and Programme Review Committee Fifteenth Meeting Bonn, 7-8 October 2014

PPRC members present in the meeting

Mr. Ezzat L.H. AGAIBY (Chair, Egypt, Africa)

Mr. Yerima Peter TARFA (Nigeria, Africa)

Mr. Valeriu CAZAC (Moldova, Eastern Europe)

Mr. Jeffery SPOONER (Jamaica, Latin America and the Caribbean)

Mr. Emilio Luis SEMPRIS CEBALLOS (Panama, Latin America and the Caribbean)

Ms. Yuka GREILER (Switzerland, Western European and Others Group)

Mr. Marc-Antoine MARTIN (France, Western European and Others Group)

Mr. Mamadou HONADIA (Burkina Faso, Least Developed Countries)

Mr. Paul Elreen PHILLIP (Grenada, Small Island Developing States)

Mr. Markku KANNINEN (Vice-Chair, Finland, Annex I Parties)

Ms. Margarita CASO (Mexico, Non-Annex I Parties)

Mr. Boubacar Sidiki DEMBELE (Mali, Non-Annex I Parties)

Annex II

PPRC 15 Funding Recommendations October 9, 2014)

	Country/Title	IE	Document Ref	Project	Fee	NIE	RIE	MIE	IE fee %	Set-aside Funds	Decision
1. Projects and Programmes:											
	India	NABARD	AFB/PPRC.15/8	635,266	53,998	689,264			8.5%	689,264	Approved
	India	NABARD	AFB/PPRC.15/9	904,552	76,500	981,052			8.5%		Not approved
	Costa Rica	Fundecooperacion	AFB/PPRC.15/10	9,220,000	750,000	9,970,000			8.1%	9,970,000	Approved
	India	NABARD	AFB/PPRC.15/11	1,650,700	139,800	1,790,500			8.5%		Not approved
	India	NABARD	AFB/PPRC.15/12	2,314,395	196,469	2,510,864			8.5%	2,510,864	Approved
	Jordan	MOPIC	AFB/PPRC.15/13	8,503,000	723,000	9,226,000			8.5%		Not approved
	Kenya	NEMA	AFB/PPRC.15/14	9,278,085	720,217	9,998,302			7.8%	9,998,302	Approved
	Morocco	ADA	AFB/PPRC.15/15	9,188,940	781,060	9,970,000			8.5%		Not approved
	South Africa	SANBI	AFB/PPRC.15/16	6,907,885	587,170	7,495,055			8.5%	7,495,055	Approved
	South Africa	SANBI	AFB/PPRC.15/17	2,251,320	191,362	2,442,682			8.5%	2,442,682	Approved
	Sub-total			50,854,143	4,219,576	55,073,719	0	0	8.3%	33,106,167	
2. Project Formulation											
	Chile	AGCI	AFB/PPRC.15/5/Add.1	30,000		30,000				30,000	Approved
	Mexico	IMTA	AFB/PPRC.15/6/Add.1	30,000		30,000				30,000	Not approved
	Sub-total			60,000		60,000				30,000	
3. Concepts:											
	Chile	AGCI	AFB/PPRC.15/5	9,460,000	500,000	9,960,000			5.3%		Endorsed
	Mexico	IMTA	AFB/PPRC.15/6	8,008,000	622,000	8,630,000			7.8%		Not endorsed
	Burkina Faso	OSS	AFB/PPRC.15/7	5,481,570	465,933		5,947,503		8.5%		Not endorsed
	Sub-total			22,949,570	1,587,933	18,590,000	5,947,503	0	6.9%	0	
4. Accreditation support:											
	Burundi	MINIRENA	AFB/PPRC.15/18	50,000	-	50,000					Not approved
	Cabo Verde	CSE	AFB/PPRC.15/19	47,449	-	47,449				47,449	Approved
	Chad	CSE	AFB/PPRC.15/20	49,592	-	49,592				49,592	Approved
	Niger	CSE	AFB/PPRC.15/21	47,449	-	47,449				47,449	Approved
	Sub-total			194,490	0	194,490				144,490	
5. Total (5 = 1 + 2 + 3 + 4)				74,058,203	5,807,509	73,918,209	5,947,503	0	7.8%	33,280,657	