



ADAPTATION FUND

AFB/B.16/5.Rev.2
11 December, 2011

Adaptation Fund Board
Sixteenth Meeting
Durban, 13-14 December, 2011

CONSIDERATION OF ISSUES RELATED TO REGIONAL PROJECTS/PROGRAMMES

I. Note by the secretariat

1. The strategic priorities, policies, and guidelines of the Adaptation Fund adopted by the CMP includes a provision for regional projects and programmes:

13. Funding for projects and programmes will be available for projects and programmes at national, regional and community levels.

2. The operational policies and guidelines of the Adaptation Fund specifies that:

10. [...] Adaptation projects can be implemented at the community, national, and transboundary level. [...]

3. The strategic priorities, policies, and guidelines of the Adaptation Fund adopted by the CMP also states that:

16. The decision on the allocation of resources of the Adaptation Fund among eligible Parties shall take into account: [...]

(e) Securing regional co-benefits to the extent possible, where applicable [...]

This is the only statement on a regional dimension in funding allocation in the strategic priorities, policies, and guidelines, and neither that document, nor the operational policies and guidelines, give any preference to funding regional projects and programmes compared to single-country projects and programmes. In its work, the Board has not made any decisions to such effect, either.

4. In its 13th meeting, the Adaptation Fund Board decided, *as a temporary measure to:*

- (a) Approve a cap of US \$10 million for each country funded for support by the Adaptation Fund; and*
- (b) Request the secretariat to present a proposal to the Ethics and Finance Committee on how regional projects or programmes would be considered within the cap of US \$10 million per country funded for support.*

(Decision B.13/23)

5. In the 14th meeting, the secretariat presented the document AFB.EFC.5.6 "Consideration of country cap in the context of regional projects and programmes". Following discussions, having considered the recommendation of the Ethics and Finance Committee, as orally revised, the Board decided to:

- (a) Establish an ad hoc working group, composed of the Chair and Vice-Chair, four members from the Ethics and Finance Committee and four members from the Project and Programme Review Committee, to consider the issues of regional criteria, country caps and the definition of regional projects/programmes;*
- (b) Name the following members and alternate members to the ad hoc committee: Ms. Ana Fornells de Frutos (Spain) and Mr. Luis Santos (Uruguay), respectively Chair and Vice-Chair*

of the Board, Ms. Kate Binns (United Kingdom), Mr. Yutaka Matsuzawa (Japan), Mr. Santiago Reyna (Argentina) and Mr. Peceli Vocea (Fiji) from the Ethics and Finance Committee; and Mr. Cheikh Ndiaye Sylla (Senegal), Mr. Jeffery Spooner (Jamaica), Ms. Angela Churie-Kallhauge (Sweden) and Mr. Amjad Abdulla (Maldives) from the Project and Programme Review Committee;

- (c) Request the secretariat to send a letter to any accredited regional implementing entities informing them that they could present a country project/programme but not a regional project/programme until a decision had been taken by the Board, and that they would be provided with further information pursuant to that decision;
- (d) Defer consideration of the proposal contained in document AFB/EFC.5/6 until the 15th meeting of the Board, noting the importance of a decision at the 16th meeting so that regional programmes can be approved;
- (e) Request the secretariat to revise the document, elaborating on the following issues:
 - (i) The interim nature of the country cap, and relationship to the cap on Multilateral Implementing Entities;
 - (ii) Added value of regional approaches; and
 - (iii) Quality considerations in regional projects and programmes, and related project/programme review criteria.

(Decision B.14/25)

6. During the intersessional period between the 14th and the 15th meeting, the secretariat sent a letter as mandated by Decision B.14/25 (c). The secretariat also sought guidance from the ad hoc working group regarding the revisions that were expected following Decision B.14/25 (e), and received valuable inputs.

7. In the 15th meeting, the secretariat presented the revised document AFB/B.15/5, which was prepared as guided by the inputs from the ad hoc working group. Having heard the report of the secretariat on the country cap in the context of regional project/programmes, and the views expressed on it, the Board decided to:

- (a) Request the secretariat to produce a revised paper that:
 - (i) Reflects the experience on regional projects and programmes gained by other agencies, such as UNEP, the GEF, the World Bank, the PPCR, as well as that of the regional development banks; and
 - (ii) Presents a proposal on the definition of regions in the context of regional projects and programmes;
- (b) Consider the revised report of the secretariat as input for the Board's development of a policy on the approval of regional projects and programmes at the Board's 16th meeting.

(Decision B.15/28)

8. During the intersessional period the secretariat conducted a literature and interview based survey among other funds and agencies on their experience on regional projects and programmes, including Global Environment Facility (GEF) adaptation cluster managing the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), as well as the GEF International Waters (IW) focal area team; the GEF Evaluation Office; United Nations Environment Programme (UNEP) Regional Seas Programme (RSP); United Nations Development Programme (UNDP); the Climate Investment Funds (CIF) Administrative Unit managing the Pilot Program for Climate Resilience (PPCR) and hosted by the World Bank; the World Bank Independent Evaluation Group (IEG), the Asian Development Bank (ADB) and the Inter-American Development Bank (IADB). The present document is prepared drawing on the survey and responding to the above request from the Board.

II. Value added and additional challenges related to regional approaches

9. The experiences on success of and additional challenges related to regional adaptation projects and programmes continue to be scarce, owing primarily to the fact that adaptation is still a new field, and only few regional adaptation activities have been completed and evaluated.

10. The survey conducted among other funds and agencies showed that many of the benefits and challenges in regional adaptation projects and programmes, compared to single-country activities, are related to management arrangements, and these are very different between different projects and programmes, even within the same implementing agency. However, some general lessons learned can be highlighted, as follows.

Transboundary issues

11. The added value of implementing an adaptation project or programme regionally rather than nationally is most evident in cases where the adaptation challenge itself is a transboundary one, so that countries in the region face similar adaptation challenges, or where activities in one country have implications in another neighbouring country. Such transboundary adaptation challenges can be related e.g. to international waters (marine areas, lakes, rivers, ground water), mountain systems and their glacier dynamics, and agro-ecological zones. Other sectors of adaptation that have been targeted by regional activities include transportation and risk-sharing mechanisms. It should be noted, though, that transboundary resources and interests, such as ones related to international waters, may also be substance of transboundary political differences, which may be reflected in difficulties in project design and implementation (below).

Regional climate observations and modelling

12. A regional approach may be most suited to collecting, modelling or distributing information that is relevant at a higher geographical scale, such as regional remote-sensed data, hydro-meteorological stations, climate change scenario modelling, etc. Past regional projects have shown countries also benefiting from the establishment of databases and information systems. Respondents of the survey pointed to the fact that it may be easier for countries to share their national data through an “impartial” regional coordinating agency than directly between countries.

Economies of scale

13. A regional project or programme may bring about cost savings through leveraging regional capacities to address adaptation challenges that impact a number of countries in the region, and through the development and application of solutions that can be replicated in a number of countries simultaneously, such as arranging training courses, building capacity, and formulating policies and legislation. The level of such economies of scale is influenced by a number of factors, including similarity of the participating countries in the region, such as in terms of their adaptation challenges and their national adaptation priorities. Also the administrative and logistical arrangements of the overall project/programme coordination, and of the joint or replicated activities are crucial in realizing the economies of scale. Regarding coordination and management, a regional project could incur savings e.g. in terms of only conducting one audit for the regional project, instead of country-specific project audits. At the same time, there already exist experiences of cases where national coordination within a regional programme was not staffed and managed adequately, which led to poorer project results. Indeed, as highlighted below, in regional projects and additional level of regional coordination duties (between the implementing entity and the executing entity levels) is necessary, and it may require internationally-hired staff that incur salaries several times higher than those of national staff. The size of countries is a factor, too: the added value of regional approach may be relatively greater for groups of smaller countries in a region, or LDCs.

Strengthening cross-learning and regional cooperation

14. Participation in regional projects and programmes can bring about benefits that extend beyond the scope and duration of the individual project or programme. In past and on-going regional activities, networks have been observed strengthened at the political and decision-making level, e.g. strengthening regional political consensus in the climate change negotiations, and at the technical level, facilitating direct exchanges among practitioners. Networks can function as media for cross-learning and facilitate further cooperation activities, including South-South cooperation.

Additional challenges for regional projects and programmes

15. While regional activities can have above benefits, it is evident both from the evaluative documentation and from the interviews with representatives of the surveyed institutions, that implementing a project or program regionally is typically much more complex than in a single country. Several institutions interviewed for the survey identified coordination as the main challenge in regional projects, and some respondents specified the capacity of the agency coordinating the regional activity a key factor. In regional activities, countries typically tend to move at different pace with one another, which cannot be completely avoided but has to be taken into account in project design, and carefully managed during project implementation. One respondent stated as a personal impression that if countries would be able to access the same amount of funding either through a regional project or a single-country project, with no clear additional regional benefit, “9 out of 10 countries” would choose a single-country project.

16. Regional projects and programs also have to reconcile between different national adaptation challenges and priorities, levels of readiness and implementation arrangements. The World Bank IEG cross-cutting evaluation of regional activities found that “programs dealing with issues where the interests of the countries are compatible” tended to be more successful than “those dealing with issues where interests are in conflict (such as the sharing of water resources) and requiring tradeoffs among countries”. In comments made by respondents to the survey conducted for this

document, the importance of coordination between participating countries' line ministries, their ministries of foreign affairs and ministries of finance was highlighted as crucial. There have been instances where such coordination was neglected, which had led to serious disruptions in project implementation and even project cancellation. The World Bank IEG evaluation also referred to the importance of assigning costs and benefits among participating countries equitably and based on a consensus of the countries. The evaluation distinguished five design features that had "proved vital to regional programme success":

- (a) Strong country commitment to regional cooperation;
- (b) The scope of objectives has to match national and regional capacities for regional programmes to deal effectively with the complex coordination;
- (c) Clear delineation and coordination of the roles of national and regional institutions: What has generally worked best is reliance on national institutions for execution and implementation of program interventions at the country level, and on regional institutions for supportive services that cannot be performed efficiently by national agencies, such as coordination, data gathering, technical assistance, dispute resolution, and monitoring and evaluation;
- (d) Accountable governance arrangements, which take time to establish but are essential to gaining country ownership; and
- (e) Planning for sustainability of program outcomes after external support ends. This has not been done consistently across regional programs. In a number of cases, countries have absorbed the cost of national-level activities, but they have shown little interest in paying for continued regional-level activities, except where those costs can be covered by self-generating resources.

17. The GEFEO Cluster Country evaluation of the support to OECS countries came to relatively similar conclusions and distinguished possible reasons for the lack of ownership of regional projects in participating countries, including, difficulties to align regional project objectives to national priorities; low visibility of regional project activities and outcomes at the national level; using inappropriate institutions and stakeholders; and lack of clarity of regional project objectives and outputs among national stakeholders. The evaluation also found that the development and approval times for regional projects were longer than single-country ones.

III. Specific value added of Adaptation Fund financing to regional approaches

18. It was suggested by the ad hoc working group that given the nature of Adaptation Fund funding to projects and programmes as grants covering full costs of adaptation, and the scale of resources available to countries, there might be some types of investment that the Adaptation Fund funding would be more relevant for, as compared to other types of investment. Indeed, the literature review conducted as part of the survey found that securing co-financing required by some other funds could be a particular challenge in a regional project. However, based on the survey, it is not possible to conclude which type of activities would best benefit from the Adaptation Fund principle of financing full costs of adaptation.

19. It was also suggested by the working group that given the overall objective of the Adaptation Fund to increase resilience at community, national and regional level, and the focus on vulnerable communities and groups, it might be possible to identify specific areas where the Fund could have a ground-breaking role. The Fund could identify priorities for adaptation investments, fill key gaps, and promote best practice. The survey conducted for this document did not ask respondents to outline possible future roles for the Adaptation Fund, and clear new ground-breaking areas were not identified during the survey.

IV. Definition of “region”, “regional projects” and “regional programmes”

20. Apart from the UNEP Regional Seas Programme, which represents a specific type of division of the World’s seas, the other surveyed organizations do not have any pre-set definition of “region”. The World Bank IEG cross-cutting evaluation defined regional program as “an undertaking intended to accomplish one or more development objectives in three or more countries in the same Bank Region or contiguous Regions, and that involves cooperation or integration among the participating countries”. In the survey, no such regional adaptation program or project was identified that would have spanned more than one UN region. However, in the interviews respondents did not come up with any reason why proximate countries in adjacent regions could not form a regional project or program together. It is worth noting that the GEF managed funds also have a category for “global” projects, which is used for projects spanning very different countries in different regions. Such global projects have been used in cases where it has been beneficial to collect information or experience from different country circumstances.

21. The different organizations surveyed during the preparation of this document have somewhat different definitions for “project” and “programme”. Usually, a “project” is a set of activities, for which the funding decision is made at a single discernible point in time, and which is often described in detail in a single document. “Programme” can be used simply as a synonym for project, or represent different levels of hierarchical aggregation of projects, sub-programmes and other activities such as intergovernmental dialogue. Often, funding decisions for activities within a “programme” are made in sequence, and in some cases delegated from the body managing the funds to an implementing agency.

22. Based on the experiences of other funds and institutions, there does not seem to be any benefit for the Adaptation Fund Board to define specific regions in advance. Instead, a more dynamic definition for region, to be applied on a case-by-case basis might be preferred. For example, the Board might decide that regional projects and programmes are such projects and programmes that are implemented in a group of [three] or more countries in the same UN region or adjacent regions, which share similar adaptation challenges in the sector(s) that the proposed project or programme targets.

V. Allocation of funds among countries to regional projects and programmes

23. In the 14th and 15th meeting, the Board discussed different options for allocating funds to regional projects and programmes but did not come to a conclusion.

24. Based on the survey conducted during preparation of this document, it seems to be widely agreed among various stakeholders that regional approaches can be instrumental in addressing certain adaptation challenges, and can be more suited to some challenges than single-country projects and programmes.

25. Based on the survey, it seems that it usually takes more time to develop a regional project or programme, but that in total there may be economies of scale available, which means that administrative costs need not be higher for regional activities. Therefore, it may not be necessary to incentivise development of regional projects and programmes within the Adaptation Fund by allocating more funds to administrative costs.

26. However, in relation to country caps, because of the inherent complexities and slower development times of regional activities, it may be necessary to incentivise development of regional projects and programmes by allowing separate funds for regional activities, over and above the normal country cap. At the same time, there may be a need to ensure that regional activities pooling funds from those available for a number of countries do not grow to a level of total budget that implementing entities are not able to easily manage. Further, based on the experiences from other funds and institutions, it might be best to delineate the authority to implement regional activities with Adaptation Fund resources to Multilateral Implementing Entities (MIE) and Regional Implementing Entities (RIE) as a first step, until National Implementing Entities (NIE) develop adequate experience to perform in such function. Such implementing entities could be encouraged, when developing regional project and programme proposals, to identify and procure services of suitable and capable regional coordinating organizations. In terms of the Adaptation Fund funding structure, such coordinating agencies would be Executing Entities but within the regional project or programme would have specific responsibilities for regional coordination of the activities of other Executing Entities.

VI. Quality considerations in regional projects and programmes, and related project/programme review criteria

27. All regional project and programme proposals should meet the normal review criteria for single-country proposals, for each of the participating countries. Some of the review criteria could be modified to better take into account the specific needs of regional projects and programmes, such as:

Project / programme eligibility

- (a) Current criterion:
Does the project / programme support concrete adaptation actions to assist the country in addressing the adverse effects of climate change and build in climate change resilience?

Suggested criterion for regional projects and programmes:
Does the regional project / programme support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience, and do so providing added value through the regional approach, compared to implementing similar activities in each country individually?

- (b) Current criterion:
Is the project / programme cost-effective?

Suggested criterion for regional projects and programmes:
Is the project / programme cost-effective and does the regional approach support cost-effectiveness?

Implementation arrangement

- (c) Current criterion:
Is there adequate arrangement for project management?

Suggested criterion for regional projects and programmes:
Is there adequate arrangement for project / programme management at the regional and national level, including coordination arrangements within countries and among them?

VII. RECOMMENDATION

28. The Board may wish to consider the above outlined issues, identified by the ad hoc working group and the secretariat. Specifically, the Board may wish to:

- (a) Decide to specify that regional projects and programmes in the context of the Adaptation Fund are understood to be such projects and programmes that are implemented by [Multilateral and Regional] Implementing Entities in [three or more] countries in the same UN region or adjacent regions, which share similar adaptation challenges in the sector(s) that the proposed project or programme targets;
- (b) Decide that regional projects and programmes can be granted [up to US\$ 5 million each] additional funds above the country cap, inclusive of administrative costs, to support the countries' participation in such projects and programmes;
- (c) Decide that during an interim period, each country can receive funding from the additional funds above the country cap for its participation in only one regional project or programme;
- (d) Decide that a regional project or programme cannot exceed [US\$ 30 million] inclusive of administrative costs;
- (e) Decide that the budget of a regional project or programme proposal should specify a breakdown of costs for activities per country within the budget, including both activities that are clearly assigned to a participating country, and activities that are not assigned in such a way, and an explanation of how the budget counts towards the country caps and the additional funds available for the regional project or programme;
- (f) Decide that other costs than costs of country-specific activities within the project or programme, including administrative costs, would be divided among the participating countries for calculatory purposes in similar proportions as they receive funding for country-specific activities within the project or programme, and counted towards the cap of each

participating country and the additional funds available for the regional project or programme;

- (g) Decide to request the secretariat to inform eligible countries on the possibility to submit regional proposals from the [XX] Board meeting. To that effect of developing such proposals, they should interact with each other, [Multilateral and Regional] Implementing Entities and suitable and capable regional coordinating organizations; and
- (h) Decide on specific review criteria for regional project and programme proposals, substituting the standard criteria as follows:

Project / programme eligibility

- (i) Current criterion:
Does the project / programme support concrete adaptation actions to assist the country in addressing the adverse effects of climate change and build in climate change resilience?

Suggested criterion for regional projects and programmes:

Does the regional project / programme support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience, and do so providing added value through the regional approach, compared to implementing similar activities in each country individually?

- (ii) Current criterion:
Is the project / programme cost-effective?

Suggested criterion for regional projects and programmes:

Is the project / programme cost-effective and does the regional approach support cost-effectiveness?

Implementation arrangement

- (iii) Current criterion:
Is there adequate arrangement for project management?

Suggested criterion for regional projects and programmes:

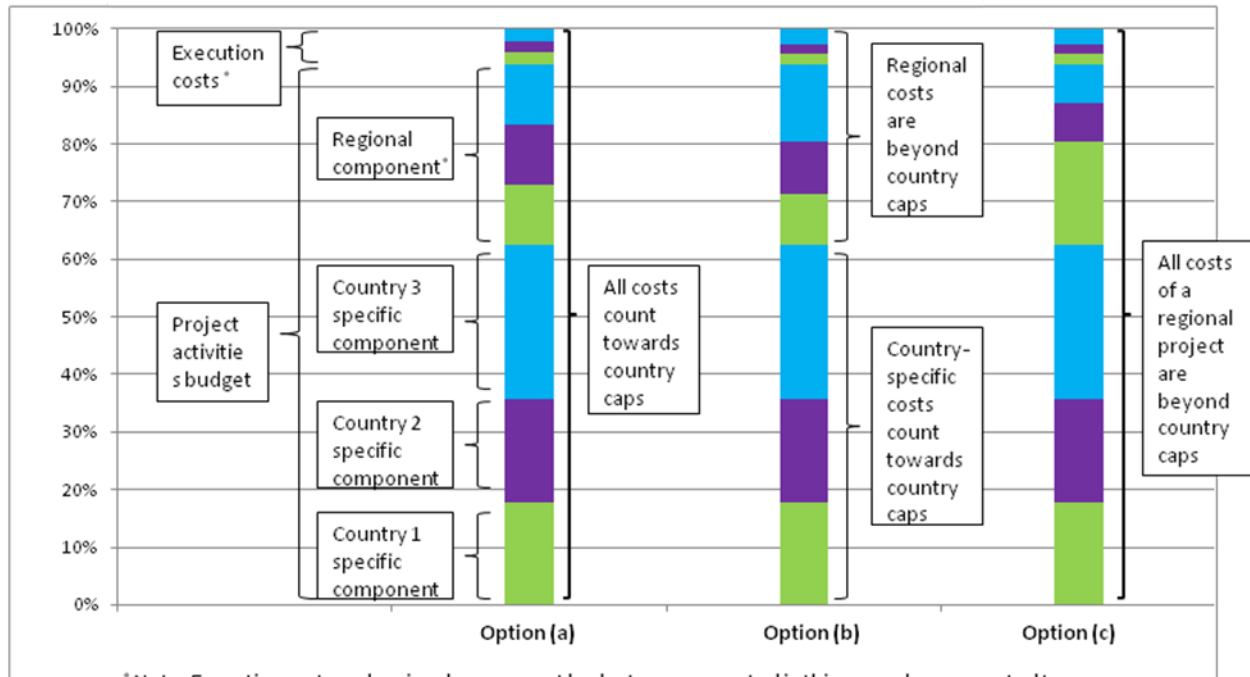
Is there adequate arrangement for project / programme management at the regional and national level, including coordination arrangements within countries and among them?

Annex I: Options for consideration of country cap in the context of regional projects and programmes (excerpt from document AFB/B.15/5)

Presentation of options

14. The main question in considering application of country caps in the context of regional projects and programmes is whether allocations within regional projects and programmes are equated to national projects and programmes or not.
15. In a regional project or programme, there would typically be two types of costs, ones that can be clearly assigned to activities in a given participating country, hereafter “country-specific costs”, and ones that cannot, “regional costs”. The way that the latter category of general or multi-country costs is dealt with influences how the above mentioned question on equating with single-country projects is addressed.
16. Regarding the question how country caps could be applied in the context of regional projects and programmes, the following options have been identified by the secretariat and illustrated in Figure 1 below:
 - (a) All costs of regional projects and programmes, both country-specific and regional ones, are divided among participating countries, and those shares are counted towards the cap of that country;
 - (b) The country-specific costs within a regional project or programme are counted towards the cap of that country but an additional allocation is granted for regional costs; and
 - (c) An additional allocation for all costs of regional projects and programmes is made possible by instituting a separate cap for regional projects and programmes. Such projects and programs could also include country-specific and regional costs.

Figure 1: Options for consideration of country cap for regional projects and programmes



* Note: Execution costs and regional component budgets are presented in this example as pro-rated to respective country specific component budgets. Alternatively, equal shares can be used, or higher shares for a given country chosen as the lead or coordinating country.

17. There are two types of costs within the budget of a regional project or programme, which might be considered regional costs. First, costs arising from the need for general project or programme coordination at the regional level, which would be budgeted under execution costs. Second, costs arising from regional activities that address several countries simultaneously, e.g. arrangement of a regional workshop, or setting up a regional early warning system, and in which it might not be possible to differentiate the share of the participating countries. These latter activities would be budgeted under the project activities budget.

18. In the option (b), the additional allocation for regional costs can be made to allow higher execution costs, or higher project activities budget for regional activities, or both.

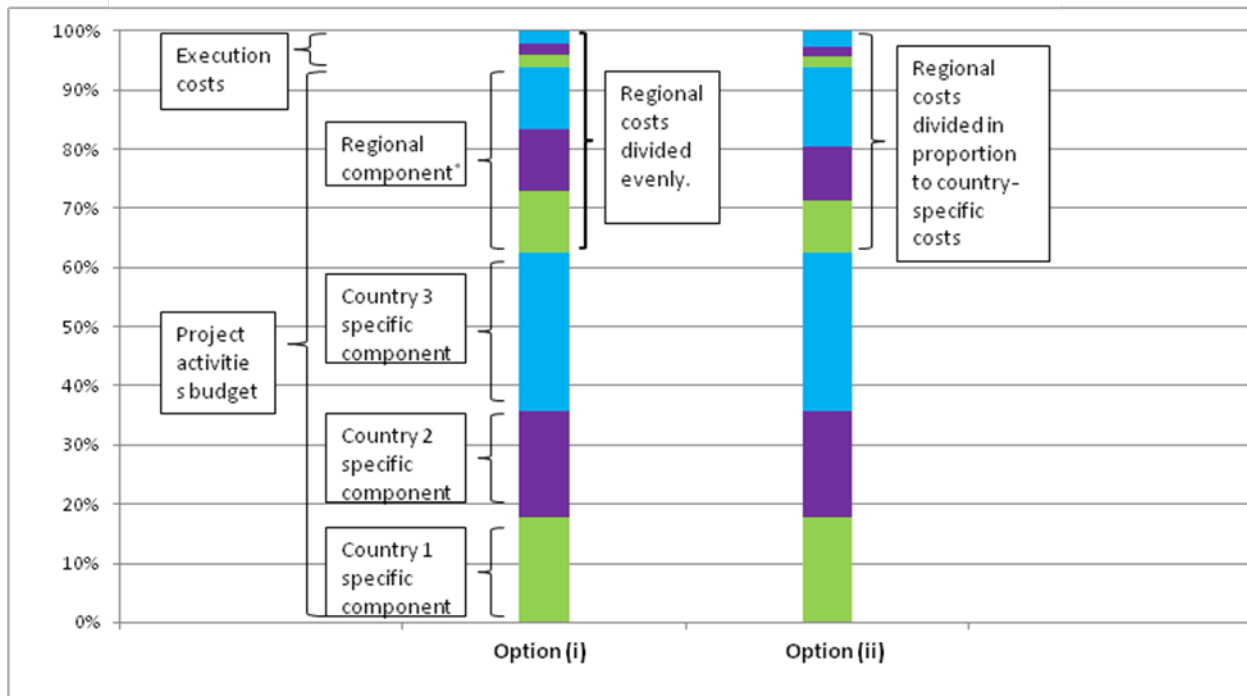
19. In the options (b) and (c), the most equitable way of setting an additional cap for regional activities might be through using country-specific additional caps, rather than regional additional caps.

20. In all of the options, there are two possible ways of dividing the regional costs.

- (i) The regional costs can be divided in equal shares among the participating countries; or
- (ii) The regional costs can be divided as shares proportionate to the countries' country-specific cost allocation in the project or programme.

21. These options are presented below in Figure 2.

Figure 2: Options for dividing regional costs



Additional allocation for regional projects and programmes

22. It was suggested by the ad hoc working group that if the Board would prefer to have an additional allocation for regional and strategic interventions (along option (c) above), it could identify priority areas that should be financed with such additional funding, and where the Fund could build up its own experience, possibly also including strategic research and analysis.

Evaluation of options

23. The option (a) might be the simplest and clearest solution, unless the Board decides to promote regional projects and programmes through additional funding. The advantage of this option would be that as funding through single-country and regional initiatives would not affect the total amount of funding the country could receive, any potentially distractive speculation would be minimized.

24. The option (b) would acknowledge that it may be more costly to manage a regional project or programme than a national one, and that a separate budget could be accommodated for regional activities. Such additional allocation could be set depending on the number of participating countries, as a percentage of the project budget. This would be relatively straight-forward if such additional budget is only allowed for execution costs. If an additional cap would be made available also for regional activities in the project activities budget, it might be difficult to ensure that activities funded under such additional cap are truly “regional” and not country-specific (presented as regional to tap the additional cap).

25. The option (c) might be preferred if the Board decided to specifically promote regional projects and programmes. However, as mentioned in the introductory note by the secretariat above, the Board has not made such a decision thus far.

26. Whichever option would be chosen, it might be the most equitable solution to divide the regional costs in a pro-rated manner (Option 2). This would help to ensure that the benefit from the project or programme to the country would be in the correct proportion to how much of the potential funding under the cap it would be calculated to consume. To enable such a division to be done accurately, the project or programme budget should distinguish clearly and accurately, which part of the project activities budget is assigned to which country, and which part is for regional costs.

Implementing Entity management fee

27. As implementing entity management fees are calculated towards the country cap in the case of a single-country project or programme, in a regional project or programme it might be simplest to consider them regional costs, and divide them among the countries similar to other regional costs.

Annex II: Survey on lessons learned from regional projects and programmes, particularly on climate change adaptation, accrued by international funds and development banks

I. Background and methodology

1. This brief survey was conducted during October – November 2011 as mandated by the Adaptation Fund Board in its Decision B.15/28 (a) to:
Request the secretariat to produce a revised paper that:
 - (i) Reflects the experience on regional projects and programmes gained by other agencies, such as UNEP, the GEF, the World Bank, the PPCR, as well as that of the regional development banks; and
 - (ii) Presents a proposal on the definition of regions in the context of regional projects and programmes;
2. The experiences on success of regional adaptation projects and programmes continue to be scarce. The IPCC Fourth Assessment Report (AR4) does not analyze in depth the options for regional projects and programmes. The Nairobi Work Programme Note by the secretariat “Synthesis of information and views on adaptation planning and practices submitted by Parties and relevant organizations”¹ states that “Relatively few regional initiatives on adaptation were identified in the submissions. [...] Most projects are at an early stage of development or implementation, and centre on climate observation and monitoring, assessment, capacity building and awareness-raising.” While the synthesis note does not elaborate on specific benefits of regional approaches, it states that “At the regional level, barriers commonly identified by Parties include the need for political commitment, data access and compatibility, and ongoing support. It is especially important to harmonize climate monitoring and prediction and the development of global and regional data sets.”
3. The secretariat contacted the following organizations and funds in order to conduct the survey: Global Environment Facility (GEF) adaptation cluster managing the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), as well as the GEF International Waters (IW) focal area team; the GEF Evaluation Office; United Nations Environment Programme (UNEP) Regional Seas Programme (RSP); United Nations Development Programme (UNDP); the Climate Investment Funds (CIF) Administrative Unit managing the Pilot Program for Climate Resilience (PPCR) and hosted by the World Bank; the World Bank Independent Evaluation Group (IEG), the Asian Development Bank (ADB) and the Inter-American Development Bank (IADB). Below, all of these are referred to as “organizations” for simplicity, even though they have different institutional set-ups. The secretariat conducted a semi-structured interview with most of the respondents. With other respondents, the exchange focused on particular issues only. Many of the respondents provided documents or links to documents that were helpful in understanding the organizations’ regional work. While there is not much ex-post (done after the finalization of a project or programme) evaluative information available on regional adaptation activities, a recent GEF Cluster Country Portfolio Evaluation carried out by the GEF Evaluation Office on GEF assistance to the Beneficiary Countries of the Organisation of Eastern Caribbean States (OECS) during 1992–2011² proved very useful, as the region has been part of the scope of the series of World Bank implemented regional adaptation projects in the

¹ FCCC/SBSTA/2007/9

² Global Environment Facility Evaluation Office (2011): GEF Cluster Country Portfolio Evaluation: GEF Beneficiary Countries of the Organisation of Eastern Caribbean States (1992–2011). Final Evaluation Report.

Caribbean. In addition, though not focusing on adaptation activities, a cross-cutting evaluation of 19 regional projects and partnerships carried out by the World Bank IEG (2007)³ provided useful lessons learned on regional activities. The recent Evaluation of the Special Climate Change Fund (SCCF)⁴ did not look into the regional projects as compared to single-country ones but the information in the evaluation was useful in highlighting some general features.

II. Organization of regional activities by respondent organizations

4. “Regional activities” in this paper refers to any project, programme or other activity implemented simultaneously in more than one country in a coordinated manner. Some organizations use “regional approaches” as the umbrella term. There is no established terminology to clearly distinguish different types of activities across the surveyed organizations. While there is ambiguity, “programme” usually refers to a higher-level activity than “project”, similar to the Adaptation Fund definition of “programme”. In some cases, such as in PPCR and UNEP-RSP, the high-level framework in which activities are organized is called a “programme” (as is evident in the names), and within them there are “programmes” which are more operational and focused to certain purpose.
5. The surveyed organizations have very different starting points and approaches to convening countries to implement regional activities. In the case of the PPCR and UNEP-RSP, the regions have been defined as part of the design process of the whole programme. The PPCR implements adaptation activities in a number of countries on a single-country basis, and in two regions, in which there are single-country activities and regional activities. The inclusion of the two specific regions was a subjective decision that was influenced by the availability of funds for the whole programme and views of some of the donors that had a preference towards regional activities. In the UNEP-RSP, activities are organized according to 18 “regional seas”, each of which has its own Regional Seas Programme. Some but not all of those regional seas have an intergovernmental convention that sets the framework for cooperation. The ADB divides its geographical area of operations into regions⁵, which organize the work of the Bank but do not constitute boundaries for designing and implementing regional projects.
6. In the GEF International Waters focal area, LDCF and SCCF, as well as in the World Bank, ADB and IADB regional activities in general, countries are grouped together based on the specific needs of each proposed regional program or project. Typically, countries in such regional activities belong to the same UN region but based on responses from the respondents, there is no technical reason for not being able to include neighbouring countries from adjacent UN regions. In most cases there does not seem to be a minimum number for countries in a regional project, and several surveyed organizations have projects with two participating countries. In the SCCF portfolio regional projects have been developed that span both continental Asian countries and Pacific island countries. In the GEF and SCCF, however, there is also a category for “global” projects, which is used for

³ World Bank Independent Evaluation Group (2007): The Development Potential of Regional Programs. An Evaluation of World Bank Support of Multicountry Operations.

⁴ Global Environment Facility Evaluation Office (2011): Evaluation of the Special Climate Change Fund (SCCF). Unedited Version of Final Report.

⁵ Central & West Asia, East Asia, South Asia, Southeast Asia, and the Pacific.

projects spanning very different countries in different regions. Such global projects have been used in cases where it has been beneficial to collect information or experience from different country circumstances.

III. Definition of “regional project” versus “regional programme”

7. As mentioned above, there is no standard terminology for “projects” and “programmes” used across the organizations. In some cases, such as in the PPCR, “programme” is used in different meanings to show different levels of aggregation of activities: The whole PPCR is a “programme”. Within it, there are 9 country specific programmes and 2 regional programmes. Within each country-specific programme, there are a number of projects. Within each regional programme, there are a number of country-specific programmes and a “regional track programme”, and under both there are projects (country-specific and regional, respectively). In other cases, such as in the UNDP, there has been some ambiguity in the use of terms “project” and “programme”, sometimes interchangeably.
8. In the case of the GEF managed funds (GEF Trust Fund, LDCF and SCCF) “programme” refers to implementing projects as a part of “Programmatic Approach”, which is meant to be a partnership between country/ies, the GEF and other interested stakeholders, such as the private sector, donors and/or the scientific community. This approach is meant to secure larger-scale and sustainable impact on the global environment, than a single project would be able to achieve, through integrating global environmental objectives into national or regional strategies and plans using partnerships. In the programmatic approach, a programme usually contains several projects that are linked through common objective/s of the programme aimed to foster increased horizontal and vertical integration of global environmental issues into the country(ies) development agenda. For instance in the GEF International Waters focal area, regional programmes called “Investment Funds” have been implemented in different regions, and have typically included investments and knowledge management activities. There are two different approaches which can be applied based on the institutional structure of the agency implementing the programme. In cases where the institutional structure allows it, authority to approve projects within the programme can be delegated to the agency. It is important to note that there are not yet experiences of implementing regional adaptation programmes in the above meaning with funding from the GEF managed funds, and all the regional activities have been structured as projects, i.e. decisions on activities in all participating countries have been made as one package (regional project), with no delegation to the agency of authority to approve sub-activities during implementation. Nevertheless, the regional nature of such projects has made it necessary to adopt a tiered design, where various country specific activities are implemented within a region-wide framework. Such a complex design could be compared to what some other organizations call “programmes”. For example, the SCCF-funded and UNDP-implemented Pacific Islands Adaptation to Climate Change Project (PACC), addresses policy and community level objectives across various sectors, and with a combination of regional and specific country deliverables at the outcome, output and activity levels.⁶

⁶ According to UNDP respondents, the “programmatic” nature of the PACC project is further enhanced through an additional separate donor contribution to activities implemented within the same regional framework, and using the existing delivery mechanism to replicate and scale-up activities on the ground.

9. By contrast, the World Bank IEG evaluation of regional programmes defined regional programme as “an undertaking intended to accomplish one or more development objectives in three or more countries in the same Bank Region or contiguous Regions, and that involves cooperation or integration among the participating countries”. Then the evaluation continued to distinguish two broad types of programmes: “regional projects”, which are of fixed duration and financed by loans, credits, or grants, and “regional partnerships”, which tend to be open-ended and are entirely grant-financed.

IV. Perceived and observed benefits of regional activities

10. There is not much ex-post evaluation information on regional adaptation projects and programmes. Therefore, statements about the benefits and additional challenges associated with regional adaptation activities tend to draw on experience from regional activities in general.
11. The World Bank IEG evaluation “Development Potential of Regional Programs” (2007) looked at 19 regional projects and partnerships, out of total of some 100, during 1995-2005, and found that “regional programs offer substantial potential to achieve results on development issues that affect neighbouring countries”, and that “majority of the programs evaluated have been or appear likely to be effective in achieving most of their development objectives”.
12. Both the UNEP RSP, and the GEF International Waters focal area, are based on the understanding that their issue of focus, management of international water bodies, requires transboundary cooperation by its very nature, and both are organized regionally. The GEF IW focal area, for instance, does not finance any single-country activities, unless such an activity benefits a transboundary water body, either through improving management or limiting stress on water quality. The respondent from UNEP RSP mentioned that one of the benefits of the regional approach in projects that require compliance in the management of the shared resource is “peer pressure” that can motivate countries to achieve higher goals than they might achieve in a single-country project. This is important, as “free-riders” may otherwise erode the morale of other participating countries, too.
13. The GEFEO Cluster Country evaluation of the support to OECS found that the two regional adaptation projects, Caribbean Planning for Adaptation to Global Climate Change (CPACC) and Mainstreaming Adaptation to Climate Change (MACC) were the only completed projects in the whole cluster country portfolio that had “generated significant positive results in the OECS region”. The evaluation also notes that “CPACC and MACC contributed to regional unification and cooperation on adaptation issues, and both projects significantly raised the profile and awareness of climate change adaptation issues throughout the Caribbean, resulting in increased appreciation of climate change issues at the regional policy-making level.” Specifically, the evaluation mentions that the Caribbean Community (CARICOM) has recognized that the CPACC and MACC projects facilitated intra-regional cooperation in the preparation of a regional agenda for negotiations under the UNFCCC and the Kyoto Protocol, which resulted in the development of a regional adaptation strategy, “Climate Change and the Caribbean: A Regional Framework for Achieving Development Resilient to Climate Change (2009-2015)”, adopted by the Heads of State in July 2009. Through the CPACC and MACC projects the Caribbean Community Climate Change Centre (CCCC) was established: “A regional centre of excellence, the CCCC coordinates the Caribbean

region's response to climate change and is the key node for information and regional policy on climate change issues and on the region's response to managing and adapting to climate change".

14. The GEFEO OECS evaluation also states that "Regional projects for SIDS have potential benefits, and certain environmental issues lend themselves easily to regional approaches, such as management of marine resources, and issues related to inter-state commerce. [...] Highly technical issues such as biosafety and climate change monitoring and adaptation are also better adapted to regional approaches since national capacities and institutions are limited. Capacity building, training, formulation of frame policies and legislation are activities that can be more cost effective if offered through regional mechanisms. In addition, regional projects include the potential for reduced transaction costs, and efficiency of implementation arrangements in terms of the number of institutions interacting with the GEF Agency, although efficiency gains are not guaranteed." And further: "In the OECS region, having to deal with one regional agency (e.g. the OECS Secretariat) – which already has some capacity for project management - instead of six national agencies with varying capacities is an attractive proposition for ensuring economies of scale. In addition, there are activities that lend themselves easily to regional approaches."
15. The evaluation found also indirect benefits: "The regional GEF-funded projects were instrumental in facilitating the development of a regional position on climate change which was used in international negotiations related to the UNFCCC and the Kyoto Protocol and led to the development of a regional climate change strategy. This would not have been possible using a country-level project approach. On the technical side, through the CPAAC project, participating countries were able to benefit from a regional sea level/climate monitoring network; the establishment of databases and information systems; an inventory of coastal resources etc. National capacities still remain limited in the OECS to undertake such technical activities."
16. The recent evaluation of the Special Climate Change Fund (SCCF) did not consider the regional projects in the portfolio separately. All in all, the SCCF portfolio is relatively young, and only two projects, neither of which was regional, had been completed. Five out of the 35 projects in the portfolio are regional in scope, and two of them have started implementation while three have not, which does not differ from the situation with single-country projects. The operational guidance for the SCCF does not cite preference between regional and single-country projects. During the interview carried out for this survey, the SCCF secretariat staff mentioned as potential benefits of regional projects the following: geographic coverage, use of synergies (use of regional capacities, developing and adopting approaches that tackle a common or regionally recurring problem), ability to address transboundary issues, and strengthening of coordination, cooperation, and knowledge sharing on issues of mutual interest.
17. The Pilot Program for Climate Resilience (PPCR) has started operations so recently that evaluations of operations are not available yet. At the program design stage, the benefits of regional programs were outlined in a guidance note on the regional programs⁷. The document states: "Regional PPCR pilots provide an opportunity to overcome many barriers to investment related to scale, resources, and capacity constraints of smaller single countries. Focusing on a regional grouping of smaller countries facing a similar set of

⁷ Climate Investment Funds: Guidance Note on PPCR Regional Programs, April 6, 2009

climate risks/vulnerabilities will facilitate learning and replication of approaches to increase climate resilience across these countries, and with others in the region. Furthermore, a regional approach can share costs and ensure that benefits are more readily shared among participating countries, e.g. by taking advantage of economies of scale for developing and retaining relevant technical capacity on a regional level that would be too expensive to retain on a national level.” Specifically, the guidance note lists the following types of benefits from the regional approach:

- (a) Support for and sharing of specialized expertise for addressing climate risks and impacts, including climate modelling efforts that may be too costly to pursue and/or are beyond the institutional capacity of each individual country.
- (b) Increased institutional and financial resources for managing climate risks. This could include the establishment/strengthening of centres for climate monitoring and early warning systems.
- (c) Development of risk sharing mechanisms, such as regional weather index-based insurance mechanisms which are more economically attractive if implemented at regional levels.
- (d) Enhancement of replication of successful approaches and innovations across and beyond participating countries, including involvement of the private sector.
- (e) Greater leverage of financial resources to finance/co-finance activities related to climate resilience (within PPCR strategic program and beyond).
- (f) Identification of, and opportunity to, support adaptation measures requiring transboundary cooperation.

The guidance note also mentions strengthening of greater regional cooperation for environmental management and/or other development related issues as a possible additional benefit.

18. UNDP is one of the development agencies with largest adaptation related portfolios, particularly through its implementation of projects financed by the LDCF, SCCF, and under the Africa Adaptation Program financed by the Government of Japan. During the interview carried out for this survey, the UNDP technical experts on adaptation mentioned that regional activities are particularly suited to situations where countries in the region face similar adaptation challenges, or where activities in one country have implications in another neighbouring country. Also management of information, such as related to weather data and early warning systems, benefits from regional cooperation. Web-based solutions such as the Adaptation Learning Mechanism (www.adaptationlearning.net) can be used to facilitate this. It may be possible to benefit from economies of scale, when results are delivered more cost-effectively in a group of countries instead of those countries separately. For example, training regionally is cheaper: one training session can be used for a number of countries, which can also foster countries learning from each other. While there often are networks of decision-makers among countries in a region, a regional project may help establish networks among technical adaptation experts, which can facilitate more practical exchanges. The increased interaction between countries both at the political level and at the technical level can have the indirect impact of helping build new activities regionally.
19. The regional adaptation portfolios of ADB and IADB have been launched relatively recently. For both, their role as the implementing agency for the PPCR regional programmes represents a major and new type of regional adaptation activity. Both have implemented also other regional adaptation projects but those have been typically smaller in size and focused on technical assistance. Their views of the benefits of the regional approach in adaptation were largely similar with those expressed by UNDP. Both underlined the

potential role of regional centres of excellence in helping countries adapt. IADB mentioned capacity building, modelling of climate impacts, and access to adaptation technology among the areas most suited for regional activities.

V. Difficulties or additional challenges related to regional projects

20. From both the evaluative documentation and from the interviews with representatives of the above institutions, it is evident that implementing a project or program regionally is much more complex than in a single country.
21. The World Bank IEG evaluation noted that “it is a complex task to design regional programs so that they assign benefits and costs equitably among participating countries and effectively coordinate country and regional activities during implementation. These challenges explain why regional programs account for less than 3 percent of all international development support.” The evaluation also recognized that “Successful regional programs require consensus among participating countries on the distribution of program benefits and costs and strong country voice in governance arrangements. They need to clearly delineate and link national and regional institutions. They also need to mobilize adequate packages of grant, credit, and loan financing for the extended preparation and implementation typically required to achieve regional program objectives.”
22. The IEG evaluation found that “programs dealing with issues where the interests of the countries are compatible” tended to be more successful than “those dealing with issues where interests are in conflict (such as the sharing of water resources) and requiring tradeoffs among countries”. However, across both types of programmes, the evaluation distinguished five design features that have “proved vital to regional programme success”:
 - (a) Strong country commitment to regional cooperation;
 - (b) The scope of objectives has to match national and regional capacities for regional programmes to deal effectively with the complex coordination;
 - (c) Clear delineation and coordination of the roles of national and regional institutions: What has generally worked best is reliance on national institutions for execution and implementation of program interventions at the country level, and on regional institutions for supportive services that cannot be performed efficiently by national agencies, such as coordination, data gathering, technical assistance, dispute resolution, and monitoring and evaluation;
 - (d) Accountable governance arrangements take time to establish but are essential to gaining country ownership; and
 - (e) Planning for sustainability of program outcomes after external support ends has not been done consistently across regional programs. In a number of cases, countries have absorbed the cost of national-level activities, but they have shown little interest in paying for continued regional-level activities, except where those costs can be covered by self-generating resources.
23. The GEFEO Cluster Country evaluation of the support to OECS came to relatively similar conclusions, and found that “while regional approaches remain relevant, regional cooperation has to be country driven and not in response to an external agenda”. Further, “the effectiveness of a regional approach can be diluted by the number of participating states, and the type of capacities available to deliver the project at the regional and national

levels". During the OECS evaluation stakeholders attributed limited ownership of regional projects to:

- (a) The difficulty of aligning global and regional projects objectives to national priorities;
 - (b) Low visibility for regional projects activities and outcomes at the national level;
 - (c) Institutions and stakeholders involved in the projects activities and outcomes are not necessarily the right ones, or stakeholder involvement is not sufficiently comprehensive;
 - (d) The relevance of projects objectives and outputs are not always clear to national stakeholders.
24. The GEF OECS evaluation also noted that "In cases where GEF funded efforts have clearly been driven by OECS national stakeholders, there is a greater sense of stakeholder ownership, which is one of the critical elements for achieving and sustaining results." The evaluation also found that "there are trade-offs to be made when project implementation arrangements are designed, particularly for complex regional projects involving many stakeholders in multiple countries. Leveraging regional institutions as executing organizations [...] can create additional layers of administration [...], but can also contribute to effectiveness and efficiency if lines of communication are well-established, project management is well designed, adequately resourced, executed as planned, and adaptive management is applied. "
25. The OECS evaluation also notes longer development and approval times for regional projects: for regional Full-Sized Projects, it took 23 months to move from project entry into work program to implementation start and for Medium-Sized Projects it took 14 months. The longer time required to set up a regional activity was mentioned also several of the respondents to the current survey.
26. In the interviews conducted for this survey, the UNDP technical experts and the GEF secretariat team working with the Special Climate Change Fund, as well as ADB and IADB representatives cited coordination between countries as the main challenge with regional projects. Different regional projects and programmes have adopted different solutions to coordination: multilateral agencies implementing the regional activity may coordinate the activities between countries, or a separate regional coordinating agency may be contracted to carry out this task. Several respondents added that the capacity of the entity coordinating the regional activity is crucial. Also, there are usually faster and slower progressing countries within a regional programme, and slowness of some countries can deteriorate the overall atmosphere within the programme. Slowness can sometimes be attributed also to lack of political consensus among countries on the project objectives or implementation, or to institutional issues within countries. Therefore, it is of utmost importance to ensure the commitment of participating countries before project/programme approval both formally and informally. Even when such commitment exists, respondents stressed the need for constant monitoring and troubleshooting at country and local levels during project implementation, and ability to adapt solutions from faster-moving countries to the slower ones. In the PPCR, the single-country programs within the regional programs have evidently been prioritized by the countries, and the regional track activities have experienced considerable delays. In some cases, countries in the same region have considerably different situations, and this may contribute to tardiness of starting the regional track activities. Travel and regional communication is also relatively costly, which can at least partly offset the economies-of-scale related benefits of regional activities. It was also noted that adding a level of regional coordination would typically require internationally-hired technical staff that are significantly

more costly than national experts. On the other hand, having an “impartial” regional coordinating agency may be beneficial for activities that involve strong national interests, such as sharing data on resource use or the state of environment.

VI. Allocation of resources to regional projects and programmes

27. There does not seem to be any systematic way of allocation of regional funding, or ceilings for such funding, in place among the surveyed institutions, apart from the PPCR where levels of funding for the regional programmes were decided as part of the overall programme design process. In the SCCF, for instance, availability of funds for both single-country and regional projects is determined by the dynamic process of funds flowing into the Fund through voluntary contributions from donors, and funds being committed to projects.
28. Among the interviewed organizations, the most typical way of allocating funding among participating countries in a regional project seems to be through a consultative process which takes into account the specific perceived needs of each country, and leads to agreeing on allocations. According to the UNDP, other possible ways include even allocation and providing funding to a country contingent on its performance, and achieving specific milestones triggers subsequent financing tranches. Also the costs for regional coordination differ between programmes: In one UNDP regional programme, a lump sum has been granted to the coordinating agency, while in another, budget for coordination of the regional activities are embedded in the country-specific activities.
29. The administrative costs for regional activities are likely to differ from that of single-country activities but the respondents presented arguments both ways: that economies of scale could be achieved by implementing activities in several countries simultaneously or in sequence, and that regional activities would require more funds for the additional level of administration and for travel and communication. This survey does not enable to conclude, whether and in which case the net effect is positive. However, none of the organizations surveyed quoted different maximum rates of administrative costs for regional projects than for single-country ones.

VII. Other lessons learned from regional activities

30. The majority of experience on designing and implementing regional adaptation projects comes from Small Island Developing States (SIDS), and particularly from the Caribbean region. Such countries have relatively many similar features with one another in terms of adaptation challenges, while there are also marked differences between countries, and because they are small countries, their individual funding allocations from conventional sources have been relatively small. These factors have promoted pooling funds into regional projects which makes management easier and may reduce transaction costs. However, as regional adaptation activities in other types of regions are mostly just beginning, drawing only on the SIDS example may lead to bias. Indeed, it was pointed out by some of the surveyed organizations that it might be easier to find more common adaptation challenges in groups of countries sharing terrestrial borders than it is in island states (e.g. shared water bodies, cross-border migration and resources use, or cross-border impacts of local action), and that logistics would be a lesser challenge in continental settings.

31. The main recommendation of the OECS evaluation was: “The design and implementation of future regional projects in SIDS should be based on a participatory, stakeholder-driven process, and include tangible, on-the-ground activities in participating countries as well as adequate resources for coordination.”
- The OECS evaluation stresses that participation does not mean simply holding multiple stakeholder consultation meetings, but that the process must be truly stakeholder owned and driven. The evaluation also encourages extensive analysis to assess technical and operational risks, and appropriately analyze barriers. “Such an approach is necessary particularly in the context of a regional approach where project participants are separated geographically and there is not regular face-to-face communication. While regional project design periods should not be unnecessarily extended, significant time may be required to ensure a satisfactorily participatory design process to build and secure stakeholder ownership in multiple countries.” Data collected during the OECS evaluation indicated that in some cases regional projects did not reflect the priorities of each individual participating country. The evaluation cautioned using a one-size-fits-all regional approach in a situation where countries have different institutional and technical capacities.
32. The OECS evaluation noted that regional projects in the region demanded strong coordination and communication across geographic, national, and institutional boundaries, and that it might be “a resource intensive exercise” to effectively engage a wide range of stakeholders with varying capacities. The evaluation also pointed to challenges in regional project execution at the country level, where the same national agencies whose absorptive capacities are already limited are responsible for several projects.
33. The funding decisions of all the organizations surveyed for this document are guided by the national priorities of the recipients. In the case of regional activities, some of the organizations pay attention to regional commitments, too, such as inter-ministerial declarations. As a particular example, the UNEP RSP is structured around the intergovernmental regional seas conventions. In other cases, regional political agreements are taken into consideration but are not considered at the same level as national priorities. However, there are also intermediate situations, for example when the National Adaptation Programme of Action (NAPA) of countries refer to a geographic entity or resource with transboundary dimensions.

VIII. Conclusions

34. Even though the experience on regional climate change adaptation projects and programmes is still limited, some general lessons learned can be extracted from the work of several international funds and agencies. There is, however, more experience on regional activities in other sectors, such as international waters, and part of that experience can be applied to climate change adaptation.
35. While there is added value in implementing adaptation activities regionally, that added value depends on the adaptation challenge to be addressed, and the characteristics of the countries that participate in the activity. As mentioned above, some types of activities lend themselves more readily to a regional approach, especially ones addressing management of transboundary resources; replication of solutions suited to similar challenges and

circumstances in neighbouring countries; and regional climate observations, data management and modelling.

36. In some types of regional activities, cost-savings can be achieved through economies of scale, as activities are implemented simultaneously or through replication. However, there are also factors offsetting the savings, such as higher costs of coordination, travel and communication. In general, it has not been considered necessary to allow larger budget share for administrative costs in regional activities.
37. It is evident that designing and implementing activities regionally is more challenging and time-consuming than that of single-country ones. The funds and agencies that have regional adaptation activities in their portfolios, have promoted them in different ways, to achieve perceived added value, either by ensuring inclusion through design (PPCR, UNEP RSP), by funding regional activities exclusively (GEF International Waters focal area), or through highlighting the benefits to countries through consultative processes.
38. The role of the coordinating agency and coordination arrangements in a regional project or programme is crucial, and the capacity of the agency can be a limiting factor. The process of identifying a suitable and competent agency is therefore important. As regional projects often require alignment with the participating countries' foreign policy, support at the design stage should not only be ensured from all participating countries' line ministries but also their ministries of foreign affairs. Failure to do so has led to cases where project implementation has been delayed, or where a country has withdrawn from an approved project.
39. There are no commonly used definitions for regions in the context of regional projects and programmes among other funds and agencies, and there appear to be no evident reasons why the Adaptation Fund should pursue to use ones. Most other organizations use a flexible approach, in which the countries can be grouped across any regional and sub-regional borders, and the focus is on what is most applicable for the project or programme in question, considering its objectives.