



ADAPTATION FUND

AFB/PPRC.7/8
2 December, 2011

Adaptation Fund Board
Project and Programme Review Committee
Seventh Meeting
Durban, 12 December, 2011

PROPOSAL FOR EGYPT

I. Background

1. The Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, adopted by the Adaptation Fund Board, state in paragraph 41 that regular adaptation project and programme proposals, i.e. those that request funding exceeding US\$ 1 million, would undergo either a one-step, or a two-step approval process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Programme Review Committee (PPRC) and would have to receive the approval by the Board. In the second step, the fully-developed project/programme document would be reviewed by the PPRC, and would finally require Board's approval.

2. The Templates Approved by the Adaptation Fund Board (Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, Annex 3) do not include a separate template for project and programme concepts but provide that these are to be submitted using the project and programme proposal template. The section on Adaptation Fund Project Review Criteria states:

For regular projects using the two-step approval process, only the first four criteria will be applied when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.

3. The first four criteria mentioned above are:

1. Country Eligibility,
2. Project Eligibility,
3. Resource Availability, and
4. Eligibility of NIE/MIE.

4. The fifth criterion, applied when reviewing a fully-developed project document, is:

5. Implementation Arrangements.

5. According to the Adaptation Fund Board Decision B.12/10, a project or programme proposal needs to be received by the secretariat no less than nine weeks before a Board meeting, in order to be considered by the Board in that meeting.

6. The following project concept titled "Building Resilient Food Security Systems to Benefit the Southern Egypt Region" was submitted for Egypt by the United Nations World Food Programme (WFP), which is a Multilateral Implementing Entity of the Adaptation Fund. This is the second submission of the concept. It was first submitted as a project concept, using the two-step proposal process, for the 15th Adaptation Fund Board meeting, and the Board decided to:

- a) *Not endorse the project concept, as supplemented by the clarification response provided by the World Food Programme (WFP) to the request made by the technical review;*
- b) *Request that the WFP reformulates the proposal taking into account the following issues:*
 - i. *The motivation and underlying reason for which these individuals and communities are relocating is particularly important. The proposal should provide an analysis of other contributing factors for their willingness to migrate as the risk-analysis seems to underestimate some of the challenges,*

- including the extent to which climate change is the driving force behind the migration. For the concept to qualify as an adaptation project, it must demonstrate the direct link to climate change impacts and the lack of any viable alternatives;*
- ii. The Board has reservations supporting migration as an adaptation response and encourages the proponent to emphasize the adaptation pilot activities and as well as those that strengthen institutional capacity to address adaptation on the national scale;*
 - iii. The use of funds from the Adaptation Fund for the design of a financing mechanism as the primary scale-up strategy for the project poses uncertainty for the long-term sustainability of the project;*
 - iv. The alternatives that are given in comparison with the proposed interventions are still not within the target or scope of the project and are far-fetched. When calculating cost alternatives, these calculations assume forced migration, whereas the situation seems to be less critical at the present time and some of the project activities appear to be designed for economic incentives. Alternative options should be seriously considered within the design of the project;*
 - v. On the understanding that the WFP, as the implementing entity, must take the lead in initiating activities, the proposal should still specify how the proposal is country or community-driven, thereby leveraging expertise or existing institutional infrastructure to enhance project outcomes;*
 - vi. While the generation of adaptation strategies in the creation of new assets is an important approach to adaptation, expecting communities, who have newly relocated to pilot activities that have not always been tested, adds another layer of risk onto the project. Most importantly, it is not clear from the proposal how the pilots of the proposed project are generating sufficient income to sustain livelihoods; and*
 - vii. The proposal should consider that non-autonomous migration is, under any circumstances, politically risky. The project proposal should also address the lack of trust from the general population as part of the political risk under the current circumstances in Egypt.*
- c) Further request WFP to transmit the observations referred to under item (b) above to the Government of Egypt, on the understanding that a revised concept might be submitted at a later date.*

(Decision B.15/14)

7. The current submission was received by the secretariat in time to be considered in the 16th Adaptation Fund Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number EGY/MIE/Food/2011/1 and filled in a review sheet.

8. In accordance with a request to the secretariat made by the Adaptation Fund Board in its 10th meeting, the secretariat shared this review sheet with WFP, and offered it the opportunity of providing responses before the review sheet was sent to the Project and Programme Committee of the Adaptation Fund.

9. The secretariat is submitting to the Project and Programme Review Committee the summary of the project, prepared by the secretariat, in the following section. The secretariat is also submitting to the Committee the technical review sheet in an addendum to this document.

Project Summary

Egypt – Building Resilient Food Security Systems to Benefit the Southern Egypt Region

Implementing Entity: *WFP*

Project/Programme Execution Cost: USD 594,273

Total Project/Programme Cost: 6,255,500

Implementing Fee: USD 437,885

Financing Requested: USD 7,287,658

Project/Programme Background and Context:

The proposal highlights major climate change risks and vulnerabilities in Egypt, especially for the agriculture sector and implications for food security in the Middle and Southern Egypt region. The project aims to enhance the adaptive capacity of rural communities in Southern Egypt while establishing the area as a hub for learning on adaptation in the context of Egypt. The project aims to achieve two objectives: 1. Increase the resilience of agriculture in Southern Egypt to climatic changes; and 2. Build institutional capacity within government and communities to enable climate change adaptation replication and sustainability. The project's Component 1 will introduce and scale up proven approaches to food security, livelihoods and natural resource management in Southern Egypt. Component 2 will build national, sub-national and community capacity for climate adaptation, as well as document lessons learned and best practices.

Component 1: Adaptation through technology development and transfer (USD 5,305,500)

The objective of component 2 is to enhance climate resilience and improve food security in Southern Egypt, to serve the 45 percent of Egypt's rural population living in the region. The component includes a baseline assessment that will focus on assessing resources and climate risks in the area, food security, food production, resource utilization practices, among other relevant factors. Further, the component will support the establishment of a climate and food security monitoring system in the project areas. The outputs under this component will include several on-the-ground activities aimed towards revamping and upgrading production systems in beneficiary areas, primarily through the introduction and use of water saving irrigation and other adaptation techniques; the establishment of agro-forestry greenhouses and plots with sub-surface irrigation, including nurseries for growing trees and new varieties; and the development of livestock and poultry hubs for selection and breeding of new heat resistant varieties.

Component 2: Capacity building for climate knowledge and adaptation replication (USD 950,000)

Component 2 will compliment the activities of component 1 by supporting capacity building at national regional and local levels to understand climate trends and impacts and replicate adaptation interventions through the training of government technical staff, the documentation of lessons learned and best practices, sharing project results and lessons learned and mainstreaming new approaches in local and regional planning; and through targeting of universities through curriculum.