



ADAPTATION FUND

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Adaptation Fund Board  
Project and Programme Review Committee  
Seventeenth meeting  
Bonn, Germany, 6-7 October 2015

## **REPORT OF THE SEVENTEENTH MEETING OF THE PROJECT AND PROGRAMME REVIEW COMMITTEE**

## Agenda Item 1: Opening of the Meeting

1. The meeting was opened at 9.15 a.m. on Tuesday, 6 October 2015, by the Chair, Ms. Yuka Greiler (Switzerland, Western European and Others Group), who welcomed the members of the Project and Programme Review Committee (PPRC). The Chair also welcomed Mr Hugo Potti Manjavacas (Spain, Annex I Parties) as a new member to the PPRC. The members present at the meeting are listed in Annex I to the present report.

## Agenda Item 2: Organizational matters

### *(a) Adoption of the agenda*

2. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.17/1/Rev.1) and the annotated provisional agenda (AFB/PPRC.17/2).

1. Opening of the meeting.
2. Organizational matters:
  - a) Adoption of the agenda;
  - b) Organization of work.
3. Update on the funding status.
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:*
  - Proposal from NIEs:*
    - a) India (1);
    - b) Senegal;
  - Proposals from RIEs:*
    - c) Ecuador;
    - d) Guinea Bissau;
    - e) Peru (1);
  - Fully-developed project/programme documents:*
  - Proposals from NIEs:*
    - Small-size proposals:*
      - f) India (2);
      - g) Namibia (1);
      - h) Namibia (2);
      - i) Namibia (3);

*Regular proposals:*

- j) Chile;
- k) India (3);
- l) Namibia (4);
- m) Peru (2);

*Proposal from RIE:*

:

- n) Niger;

*Proposal from MIE:*

:

- o) Albania.

7. Review of proposals under the pilot programme for regional projects and programmes.

*Pre-concepts**Proposals from RIEs:*

- a) Benin, Burkina Faso, Ghana, Niger and Togo;
- b) Chile and Ecuador;

*Proposals from MIEs:*

- c) Burundi, Kenya, Rwanda, Tanzania and Uganda;
- d) Columbia and Ecuador;
- e) Cuba, Dominican Republic and Jamaica;
- f) Ethiopia, Kenya and Uganda;
- g) Mauritius and Seychelles.

8. Analysis of climate change adaptation reasoning in project and programme proposals approved by the Board.
9. Other matters.
10. Adoption of the recommendations and report.
11. Closure of the meeting.

3. During the discussion of the Agenda it was pointed out that the secretariat had recently received proposals for Technical Assistance Grants and South-South Cooperation Grants under the readiness programme. While the proposals were fairly simple and straightforward, and did not necessarily require in-session discussions, the secretariat did not have a mandate to submit those proposals for intersessional approval. It was suggested that, in order to avoid having to wait until the meeting of the Board in March of 2016, it would be beneficial for the PPRC to discuss the issue under the agenda item 9, "Other matters" and possibly make a recommendation to the Board that would allow for the intersessional review of such proposals. It was also agreed to

discuss, under the agenda item for “Other matters” whether it would be useful for the PPRC to also make a recommendation to the Board to amend the Operational Policies and Guidelines of the Fund so that small-sized proposals could also be submitted using the two-step approval process.

*(b) Organization of Work*

4. The Committee adopted the organization of work proposed by the Chair.
5. The following members declared conflicts of interest:

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

Ms. Fatuma Mohamed Hussein (Kenya, Non-Annex I Parties).

**Agenda Item 3: Update on funding status**

6. At the request of the Chair, the representative of the secretariat reported on the funding status and the situation of the pipeline of projects from Multilateral Implementing Entities (MIEs). He said that, as at 28 February 2015, the cumulative receipts of the Fund had amounted to US\$ 471.66 million and that following the receipt of some US\$ 11.5 million in contributions, the pipeline had been cleared intersessionally of the remaining projects that it contained. As at 30 June 2015, and following a generous contribution by the Government of Luxembourg of €2 million, the funds available for funding decisions now amounted to US\$ 129.89 million<sup>1</sup>. Of that amount some US\$ 4.51 million was available to finance additional proposals from MIEs.

7. 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**

8. The representative of the secretariat introduced the report of the secretariat on the intersessional review cycle (AFB/PPRC.17/3), which had been prepared pursuant to Decision B.23/15(h). The secretariat had received one proposal by the deadline fixed for the second intersessional review cycle, a resubmission of a small-size fully-developed project document that had been previously submitted as a small-size fully-developed proposal, and which was thus eligible for intersessional review in accordance with Decision B.23/15 (c).

9. As requested in paragraph (h) of Decision B23/15, the secretariat also conducted an analysis of the intersessional review cycle. Only two proposals had been received during the first intersessional review period between the 23rd and 24th meetings of the Board, and only one had been received in the second intersessional review period, between the 25th and 26th meetings of the Board. While the intersessional review cycle might help to reduce workflow problems caused by the accumulation of proposals, the implementing entities had not yet taken advantage of that opportunity and, in an effort to increase the number of submissions, the secretariat would undertake additional efforts to communicate with stakeholders to inform them of the additional opportunity to make submissions.

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<sup>1</sup> This figure represents funds available for new funding decisions, net of outstanding pledges.

10. In the discussion that followed, it was observed, that it was unfortunate that the implementing entities had not taken up the additional opportunity presented to them to submit projects and programmes to the Board intersessionally. As the Board now only meets biannually it was important for the secretariat to increase its communication efforts so that all stakeholders would know about the opportunity to present projects and programmes to the Board.

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

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

12. The representative of the secretariat introduced the report on the initial screening/technical review of the project and programme proposals, contained in documents AFB/PPRC.17/4 and AFB/PPRC.17/4/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, the dedicated team of officials of the secretariat had been assisted by members of the technical staff of the Global Environment Facility (GEF).

13. The issue of funding status and the situation of the pipeline was introduced under Agenda Item 3, "Update on the funding status".

14. Since its inception, the Adaptation Fund Board has only approved projects and programmes implemented in individual countries. At its twenty-fifth meeting, the Board considered a proposal for a pilot programme on regional projects and programmes, and decided, in Decision B.25/28, to: approve a pilot programme on regional projects and programmes, set a cap of US\$ 30 million for the pilot programmes, and request the secretariat to issue a call for regional project and programme proposals for consideration by the Board at its twenty-sixth meeting.

15. Accordingly, the secretariat issued, on 5 May 2015, an invitation to submit project and programme proposals for funding under the pilot programme. The invitation was sent to Designated Authorities for the Adaptation Fund, and to Multilateral and Regional Implementing Entities accredited by the Board. In accordance with document AFB/B.25/6/Rev.2, the deadline for the first cycle of technical review was set to coincide with that of single-country proposals for the twenty-sixth meeting: 4 August 2015. The present report includes the regional project and programme proposals that were received by the deadline.

16. The issue of pilot programme for regional projects and programmes was discussed under Agenda Item 7, "Review of proposals under the pilot programme for regional projects and programmes".

17. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board request the secretariat to inform the Multilateral Implementing Entities and Regional Implementing Entities that the call for proposals under the Pilot programme for Regional Projects and Programmes is still open and to encourage them to submit proposals.

**(Recommendation PPRC.17/1)**

18. The representative of the secretariat said that the current review cycle was the first one during which regional proposals were considered. There was evidently widespread interest in this new opportunity among accredited Multilateral Implementing Entities (MIEs) and Regional

Implementing Entities (RIEs), as witnessed by the large number of proposals (16) initially submitted for consideration. A common challenge for many of the proposals was securing the necessary endorsement letters from the Designated Authorities of all participating countries. In some cases, no Designated Authority had been appointed for one or more of the countries being proposed for participation in the project. In conducting the review, the secretariat followed the requirement contained in the Operational Policies and Guidelines, according to which “In the case of regional (i.e., multi-country) projects and programmes, the proposal submitted to the Board should be endorsed by the Designated Authority of each participating Party.”

19. In the discussion that followed it was suggested that it would be useful if the countries of a region could know whether they were eligible for inclusion in the projects being proposed by the different accredited RIEs. It was thought that it would not be difficult for those RIEs to make clear to the secretariat which countries could be included in their proposals and for the secretariat to post that information on the website of the Adaptation Fund.

20. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board request the secretariat to post on the website of the Adaptation Fund a list of those countries that are eligible for inclusion in projects and programmes being submitted by each Regional Implementing Entity.

**(Recommendation PPRC.17/2)**

## **Agenda Item 6: Review of project and programme proposals**

### **Concept proposals**

#### *Proposals from National Implementing Entities (NIEs)*

India (1): Building Adaptive Capacities of Communities, Livelihoods and Ecological Security in the Kanha-Pench Corridor of Madhya Pradesh (Project Concept; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Forests/2015/1; US\$ 2,514,561)

21. The project sought to build the adaptive capacity of the communities in the backdrop of declining productivity of the land and ecosystem and exacerbated by climate change, and proposed to build resilient livelihoods by addressing the key threats to the region including unsustainable extraction of resources, degrading soil and water regimes, changing weather patterns and lack of coping mechanisms.

22. In the discussion that followed it was suggested that it would be important to consider the issue of gender and other vulnerability criteria in the vulnerability analysis of the households under consideration. More information was also required about synergies with projects being financed by other donors and it was asked whether the project was reflected in the Intended Nationally Determined Contributions (INDCs) that Parties were preparing for the Conference of the Parties or National Adaptation Programme of Action (NAPA) or its equivalent in India. It was also pointed out that, as the process of developing the INDCs was new and ongoing, it should be expected that there might be some delays in completing them.

23. In his response, the representative of the secretariat pointed out that the INDC for India was not ready at the time of the project’s review and that in general INDCs have not been taken into account in the review of proposals.

24. 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 National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- b) Request the secretariat to transmit to NABARD the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The level of degradation of Kanha-Pench Corridor (KPC) forests, and the link to climate-related threats to those forests should be better demonstrated in the fully-developed project document;
  - (ii) The fully-developed project document should provide clearer details of which crop varieties and mix of crops are expected to be optimal for Madhya Pradesh given the projected climatic changes for the State;
  - (iii) The fully-developed project document should explain how concerns of women, children and vulnerable communities have been integrated and addressed in the project design and monitoring system, and how vulnerability criteria were used in the selection of beneficiary households;
  - (iv) Also, the fully-developed project document should demonstrate how participatory and sustainability mechanisms will be put in place in order to ensure equitable economic and sustained environmental benefits from the project;
  - (v) The fully-developed project document should provide a more detailed elaboration on the cost effectiveness of the project's proposed adaptation measures;
  - (vi) The fully-developed project document should demonstrate that tourism operators have been engaged with to seek their inputs in the project activities;
  - (vii) The fully-developed project document should further explain how the project would avoid duplication with any potentially overlapping projects or programmes, and how it would ensure synergy and complementarity with them;
- c) Approve the Project Formulation Grant of US\$ 28,400;
- d) Request NABARD to transmit the observations under item (b) to the Government of India; and
- e) Encourage the Government of India to submit through NABARD a fully-developed project proposal that would also address the observations under item (b) above.

**(Recommendation PPRC.17/3)**

Senegal: Reducing vulnerability and increasing resilience of coastal communities in the Saloum Islands (Dionewar) (Project Concept; *Centre de Suivi Ecologique* (CSE); SEN/NIE/Coastal/2015/1; US\$ 1,256,983)

25. The project sought to target vulnerable inhabitants of Dionewar and its satellite islands, in the Saloum Delta, where local communities' incomes rely mainly on fishery, agriculture and forestry.

26. During the discussion, concerns were expressed as to whether the Project Formulation Grant (PFG) would be sufficient for the environmental and social impact assessment studies. It was also asked how the over-exploitation of resources would be addressed, what a more comprehensive approach might entail, how the benefits would be accessed equitably and the fate of the proposed labelling scheme. Concern was also expressed that the CSE, which was the most experienced National Implementing Entity had submitted a proposal that had many areas to be addressed.

27. The Committee was informed that the labelling scheme had been omitted due to the expenses associated with its development and that it had been suggested that if insufficient data was available to draw a link between climate change and over-fishing that element should be dropped and the resources reallocated. It had been a busy time for the CSE, which was also making a proposal to the Green Climate Fund, which might explain the areas to be addressed in the present proposal.

28. 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 *Centre de Suivi Ecologique* (CSE) to the request made by the technical review;
- (b) Request the secretariat to transmit to CSE 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 provide a better justification on the link between climate change and fisheries production;
  - (ii) The fully-developed project document should consider addressing harmful overexploitation of resources through a more comprehensive approach rather than focusing only updating and formalizing rules;
  - (iii) The fully-developed project document should elaborate on how the access to benefits from the project would be equitable;
  - (iv) The fully-developed project document should be based on a more comprehensive risk screening, and contain environmental and social impact assessment studies, and an Environmental and Social Management Plan (ESMP);
- (c) Approve the Project Formulation Grant of US\$ 30,000;



- (d) Request CSE to transmit the observations under item (b) to the Government of Senegal; and
- (e) Encourage the Government of Senegal to submit through CSE a fully-developed project proposal that would also address the observations under item (b) above.

**(Recommendation PPRC.17/4)**

*Proposals from Regional Implementing Entities (RIEs)*

Ecuador: Reduction of the Toachi Pilatón hydroelectric plant's vulnerability to the effects of climate change with a focus on Integrated, Adaptive Watershed Management - MATCH (Project Concept; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); ECU/RIE/Energy/2015/1; US\$ 2,489,373)

29. The project sought to introduce sustainable management system for productive areas and establish protected zones for the riverbank in prioritized rivers and gorges, and construct small-scale dams and panholes for sediment retention and water availability improvement. This was the first submission of the project, using the two-step approval process.

30. During the discussion, concern was expressed that the project addressed issues related to a hydroelectric plant that was already in existence, and that it was observed that the Government may not have considered those issues of vulnerability at the planning stage. Effectively the Fund may have been asked to finance something that should have already been done by the country. For component 1 some US\$ 1.5 million was being requested to address 125 hectares of land, and to protect 1000 hectares of forest, among other activities. It would therefore be crucial for the project to further clarify how activities planned under in component 1 would be sustained. The proponents had also been asked to explain how the estimate of 122,000 tons/year of carbon dioxide reduction had been calculated, a question that had not been addressed by the proponents and for which no justification or calculation had been provided.

31. It was also pointed out that the objectives of the project had to be better linked to the expected outcomes: was the project to address the effects of climate change or was it for integrated watershed management? It was important to be clear on that, so that the PPRC could evaluate the project.

32. 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 *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- (b) Suggest that CAF 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 clarify more clearly the ultimate and overall objective of the project (concrete outcomes expected for both communities and the hydropower sector), and most importantly, why/how the intended activities are envisioned to contribute to this objective in concrete terms;

- (ii) The proposal should provide further information on the sustainability of the assets that would be developed or protected, such as the ones under component 1;
  - (iii) The proposal should explain whether watershed management plans, relevant to this project, were developed and implemented as part of the establishment of the hydro-power plant, and how the proposed project would build upon these plans;
  - (iv) The proposal should further elaborate on the outcomes of consultations held with communities and demonstrate the extent to which they were taken into account during the design of the project, as well as clarify further how target regions and communities will be selected for the project,
  - (v) The proposal should more clearly and robustly evaluate the cost-effectiveness of the project relative to viable adaptation alternatives, as well as comparing the proposed interventions to the baseline of no Adaptation Fund funding to justify the investment; and
- (c) Request CAF to transmit the observations under item (b) to the Government of Ecuador.

**(Recommendation PPRC.17/5)**

Guinea-Bissau: Scaling up climate-smart agriculture in East Guinea-Bissau (Project Concept; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); GNB/RIE/Agri/2015/1; US\$ 9,979,000)

33. The project sought to strengthen practices and capacities in climate-smart agriculture practices by family farmers in the project region of dryland East Guinea-Bissau, and at the institutional level.

34. During the discussion, concerns were raised about the cost effectiveness of the proposal and it was pointed out that the cost of the scheme amounted to US\$ 270 per person for those benefiting from the project. Concern was also expressed that the proposal was being used to solidify an existing project funded by the Least Developed Countries Fund (LDCF) and it was asked if there was a common strategy for projects prepared for the LDCF and the Adaptation Fund as the funds appeared to be complementing the projects of each other. Questions were also asked about what standards were considered relevant, whether those standards had been developed in consultation with the local communities, and whether family farming meant the same thing as small-scale farming. It was also suggested that the input of the hydro-meteorological services should also be provided.

35. The Committee was informed that a *per capita* cost-based analysis was not usually performed as it might not capture the value of all the concrete adaptation activities being proposed. The PPRC did not have the mandate to consider the strategic links between funds but rather considered whether there was any overlap between projects. In any case the Adaptation Fund did not commonly link with the projects of other funds to complete their work. In this case the term solidify had been employed by the proponent and had been used to also include any efforts to expand on the existing project. The technical standards in question were the national

technical standards that needed to be complied with when implementing the project, in accordance with the Adaptation Fund project review criteria. Those had to be identified and a statement was required that the project complied with those standards.

36. 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 *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;
- (b) Suggest that BOAD 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 clarify whether there are existing land-use or water management policies and plans that would need to be taken into account while constructing the small scale dams and while implementing the climate smart agricultural practices planned to be funded by the project, or whether such policies and plans would need to be developed during the proposed project;
  - (ii) The proposal should more comprehensively identify other relevant past and on-going initiatives, and explain complementarity and lack of duplication. The proposed project should more clearly identify outcomes and lessons learned of the existing project "Strengthening adaptive capacity and resilience to Climate Change in the Agrarian and Water Resources Sectors in Guinea-Bissau" funded by the Least Developed Countries Fund (LDCF) and implemented by the UNDP, and explain complementarity with it;
  - (iii) The proposal should explain how the proposed approach has been selected in preference of other less cost-effective options;
  - (iv) The proposal should explain whether it has considered inclusion of hydrometeorological services, and if necessary, adjust the project activities accordingly;
  - (v) The proposal should identify relevant standards in the areas relevant to the proposed project, such as agriculture, water and natural resources management, and small infrastructure, as well as environmental and social standards, and indicate compliance with them; and
- (c) Request BOAD to transmit the observations under item (b) to the Government of Guinea-Bissau.

**(Recommendation PPRC.17/6)**

Peru (1): AYNINACUY: Strategies for adaptation to climate change, for the preservation of livestock capital and livelihoods in highland rural communities in the provinces of Arequipa, Caylloma, Condesuyos, Castilla and La Union in the Arequipa Region (Project Concept; *Banco de*

*Desarrollo de America Latina* (CAF; Development Bank of Latin America); PER/RIE/Rural/2015/1; US\$ 2,236,925)

37. The project sought to reduce the vulnerability of these communities, and to increase their adaptive capacity to respond to the impacts of climate change.

38. During the discussion it was observed that although it had been proposed that the beneficiaries should be those from the lowest level of prosperity it was not clear who they were, how they would be selected or who was to benefit ultimately. A social impact assessment was required as was further information on the long-term sustainability of the project outcomes. It was also pointed out that CAF was an important institution that was also accredited with the Green Climate Fund and that should be able to provide that information. More information was also needed with respect to how the proposal would complement other similar projects that were underway.

39. 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 *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;

(b) Suggest that CAF 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 include a more comprehensive description of project activities' response to climate change impacts;
- (ii) The proposal should provide significantly more justification and rationale for the cost-effectiveness of the project by comparing the proposed measures to viable alternatives in economic terms to the extent possible;
- (iii) A clearer justification of the full-cost of adaptation is required;
- (iv) The proposal should further explain how the project would avoid duplication with any potentially overlapping projects or programmes, and how it would ensure synergy and complementarity with them;
- (v) The sustainability of the project should be strengthened significantly through specification of institutions and other mechanisms to ensure longevity and maintenance of project outcomes,
- (vi) The description of follow-up consultations should reflect on the findings and outcomes of the consultative process, including particularly vulnerable groups; and

(c) Request CAF to transmit the observations under item (b) to the Government of Peru.

**(Recommendation PPRC.17/7)**

## Fully-developed proposals

### *Proposals from National Implementing Entities (NIEs)*

#### *Small-size proposals:*

India (2): 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\$ 969,570)

40. The proposed project sought to improve the adaptive capacity of rural small and marginal farmers including hill women in North Western Himalayan region by introducing a combination of Climate Smart Farming Technologies along with required social engineering and capacity building processes.

41. In response to a query on the proposed grievance mechanism, the Committee was informed that such a grievance mechanism was required for fully-developed projects and programmes. In the proposal being discussed, the proponents had foreseen that the executing entity would address grievances, but that left a lacuna when the grievance was against the executing entity itself. The executing entity could not then address the grievance as it would then have a conflict of interest, as it could not judge itself. Consequently, there had to be an additional process that allowed a remedy at the national level grievance mechanism or through the national implementing entity itself.

42. 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\$ 969,570 for the implementation of the project, as requested by NABARD;
- (c) Note the commitment to set up a grievance mechanism at the project level;
- (d) Request NABARD to provide a clarification, to be included in the project agreement as part of the project document, of how the project-level grievance mechanism would be linked to the grievance mechanism of NABARD, so that it would be possible for project stakeholders to raise grievances to NABARD, if necessary; and
- (e) Request the secretariat to draft an agreement with NABARD as the National Implementing Entity for the project.

**(Recommendation PPRC.17/8)**

Namibia (1): Strengthening traditional approaches for coping with climate variability by small-scale farmers (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Agri/2015/1; US\$ 989,140)

43. The main objective of the programme was to improve the preparedness and adaptive capacity of small-scale farmers to climate change by addressing their specific needs in terms of information, and by strengthening traditional agricultural systems.

44. During the discussion the secretariat was questioned over the need of the term “marginalized” and over the need for quantifiable outputs, and it was suggested that the term “marginalized” should be expanded to refer to marginalized and vulnerable groups. Although the components of the proposal were well articulated, more work was needed.

45. 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 Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;

(b) Suggest that DRFN 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 more clearly outline the project outputs and outcomes. Outputs should be concrete and quantifiable;
- (ii) Additional information should be provided to demonstrate how the non-climatic stressors and anthropogenic drivers of degradation are relevant to this particular project;
- (iii) The proposal should more clearly outline how it will engage and involve women and other marginalized or vulnerable groups;
- (iv) The proposal should clarify what mechanisms will be used to ensure that information is disseminated and all relevant parties that need to have access to the information have it;
- (v) Relative to cost-effectiveness, the proposal should demonstrate how the suggested activities are more cost-effective than other activities that would aim at achieving the same objective;
- (vi) The proposal should outline what specific outcomes of other projects and programs informed the design of this project,
- (vii) Evidence and demonstration of the outcomes of the environmental and social assessment should be provided; and

(c) Request DRFN to transmit the observations under item (b) to the Government of Namibia.

**(Recommendation PPRC.17/9)**

Namibia (2): Pilot desalination plant with renewable power and membrane technology (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Water/2015/1; US\$ 750,000)

46. The main objective of the project was to test the effectiveness of a system that would combine renewable energy with the needs of the water sector to improve resilience against climate change.

47. During the discussion it was observed that the proposal was innovative. However, while it would be interesting to see a demonstration of the proposed technology, it was pointed out that funding from the Adaptation Fund should not be used to finance the research and development of new technologies, or be used to subsidise private companies. Questions were also asked about the long-term sustainability of the project, the plans to scale-up the activities, the selection and number of the villages being considered, and whether the Environmental and Social Management Plan for the whole project was part of the project's Environmental Impact Assessment and whether the latter had been already carried out or not.

48. The Committee was informed that the Environmental Impact Assessment had not yet been carried out and that the company involved, NamWater, was a public and not a private company. When asked about the expectations of the secretariat with regards to the Environmental Impact Assessment, it was explained that as the proponents had provided a copy of the terms of reference for the assessment and therefore it was expected that a copy of the assessment would be provided once it had been carried out.

49. 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 Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- (b) Suggest that DRFN 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) A consultative process in the site of Bethanie should be undertaken, further defining the role of local communities and other concerned civil society stakeholders in the project, and the proposal should subsequently provide gender-disaggregated data and socio-economic data on potential beneficiaries in both targeted sites;
  - (ii) The proposal should elaborate on the cost effectiveness of the proposed interventions (including operation and maintenance, technology life span) compared with other available alternatives and provide supporting figures;
  - (iii) The proposal should provide a copy of the reports on the Environmental Impact Assessments for the two plants, to allow for a better review of the project's potential environmental and social impacts and the planned mitigation measures to minimise these impacts ,if any;

- (iv) The proposal should include an Environmental and Social Management Plan for the whole project identifying key stakeholders and their respective roles in the implementation and monitoring of such plan, and should describe a grievance mechanism that would include NamWater in its quality as the national water company that will run the operations of the two plants;
  - (v) The proposal should include budget notes including estimate of costs of the main equipment and workforce that will be needed to undertake the different tasks (consulting firm, international or national consultant fees estimates);
  - (vi) The proposal could include examples of similar experiences and further demonstrate how lessons learned will be utilized for effective implementation of the interventions planned in this project;
  - (vii) The proposal should explain how the lessons learned will be taken up for knowledge management and shared with other countries and communities; and
- (c) Request DRFN to transmit the observations under item (b) to the Government of Namibia.

**(Recommendation PPRC.17/10)**

Namibia (3): Community-based Integrated Farming System for Climate Change Adaptation (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Agri/2015/2; US\$ 750,000)

50. The project sought to strengthen the resilience and adaptation of vulnerable communities to climate variability and climate change in the target regions of Omaheke and Otjozondjupa by diversifying livelihoods, increasing food security and adapting livelihood options to rainfall variability and climate change.

51. During the discussion, surprise was expressed about the quality of the proposals that the implementing entity had proposed. However, it was pointed out that as the implementing entity had only recently been accredited, the very number of the proposals it had submitted might explain the difficulty that the implementing entity had experienced in preparing five proposals at the same time, of which four were submitted for review by the Committee.

52. 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 Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- (b) Suggest that DRFN 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) To better demonstrate the adaptation reasoning, the proposal should further elaborate on how the proposed activities will address the issues identified, including the depletion of water resources and the increased bush encroachment affecting the availability of livestock grazing areas;
  - (ii) The proposal should clarify how the institutions at national level will provide supportive policy and regulatory environment and how the project will ensure community ownership in the absence of clarity on the intended ways of engagement;
  - (iii) The proposal should better demonstrate how the market research will support addressing adaptive capacity of concerned communities. In the same regard, more emphasis should be placed on integrated farming systems (IFS) so that proposed actions sufficiently promote IFS in the target communities;
  - (iv) The proposal should clarify against which paradigm and alternative adaptation measures the cost effectiveness would be analysed, which is difficult to assess at this point given the lack of information on the adaptation issues to be addressed;
  - (v) The proposal should further demonstrate how it does not duplicate with other interventions and should outline the linkages and synergies with relevant potentially overlapping projects / programmes, including areas of overlap and complementarity, drawing lessons from the earlier initiatives during the project design, learning from their problems/mistakes, and establishing a framework for coordination during implementation;
  - (vi) The proposal should better explain how it complies with the 15 principles of the Environmental and Social Policy (ESP) of the Fund and should subsequently state the category in which the screening process has classified the project/programme;
  - (vii) In line with the changes requested above, the results framework should be improved, to better reflect the project's adaptation-related objective and should include at least one core outcome indicators from the Fund's results framework; and
- (c) Request DRFN to transmit the observations under item (b) to the Government of Namibia.

**(Recommendation PPRC.17/11)**

*Regular proposals:*

Chile: Enhancing resilience to climate change of the small agriculture in the Chilean region of O'Higgins (Fully-developed Project Document; *Agencia de Cooperación Internacional de Chile* (AGCI; Chilean International Cooperation Agency); CHL/NIE/Agri/2013/1; US\$ 9,960,000)

53. The main objective of the project is to increase the resilience capacity of rural farm communities in the coastal and inner dry lands of the O'Higgins region with respect to actual climate variation and future climate changes.

54. During the discussion it was pointed out that it appeared that the amount being allocated in the proposal for capacity building was very high and amounted to most of the funding being requested. Questions were also asked about the long-term sustainability of the project, whether that would involve participation from the private sector and what was being done to assure the scaling up of the zero tillage activity, and how that information would be shared with other countries.

55. The Committee was informed that although the amounts being requested for a component titled "capacity building" seemed high, much of that spending was actually for the acquisition of machinery or other things that would generally be considered physical or tangible. The sharing of the lessons learned would be ensured through visits by foreign experts from the region, such as from Brazil and Argentina, as well as from Mexico and Australia. While the private sector had not been mentioned in the proposal, the Government would be entering into formal agreements with farmers' associations and municipalities to ensure the long-term operation of the assets being acquired.

56. It was suggested that to avoid misunderstandings on the budget, the proponent might change the title of the capacity building component when drafting the agreement.

57. 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 *Agencia de Cooperación Internacional de Chile* (AGCI) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,960,000 for the implementation of the project, as requested by AGCI; and
- (c) Request the secretariat to draft an agreement with AGCI as the National Implementing Entity for the project.

**(Recommendation PPRC.17/12)**

India (3): Climate proofing of watershed development projects in the states of Rajasthan and Tamil Nadu (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Water/2013/1; US\$ 1,344,155)

58. The proposed project focuses on climate-proofing rain-fed agricultural areas in 20 watersheds in Tamil Nadu and Rajasthan.

59. 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\$ 1,344,155 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.17/13)**

Namibia (4): Integrating climate smart land management options in Namibia: to enhance long term productivity, profitability and resilience (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Rural/2015/1; US\$ 6,000,000)

60. The multi-sectoral initiative sought to build upon the work done by various stakeholders over the past years in the field of land tenure in Namibia, notably by the Ministry of Land Reform and its Integrated Regional Land Use plans.

61. 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 Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- (b) Suggest that DRFN 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) While additional detail has been provided on a number of issues relative to the selected sites, the proposal should further clarify how the proposed activities will influence the behaviour of communities, and how vulnerability is used as a criterion for site selection;
  - (ii) The proposal should provide additional detail for project activities, including how activities will be vetted and selected in Component 3;
  - (iii) The proposal should provide additional information on the description of social and environmental benefits, as well as evidence for the value (costs vs. benefits) of the investment of the project;
  - (iv) The description of the consultative process that informed the design of the project should be elaborated, particularly with respect to how women and particularly vulnerable people will be engaged in the project;
  - (v) The proposal should clarify how it will ensure consistency and conformity among different partners playing similar roles according to fields of expertise or area of focus of specific organizations;
  - (vi) The budget should be revised in line with the requirements to provide information at the budget-line level, as well as the results framework to include the required information; and

- (c) Request DRFN to transmit the observations under item (b) to the Government of Namibia.

**(Recommendation PPRC.17/14)**

Peru – (2): Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries (Fully-developed Project Document; *Fondo de Promoción de las Áreas Naturales Protegidas del Perú* (PROFONANPE; Peruvian Trust Fund for National Parks and Protected Areas); PER/NIE/Coastal/2015/1; US\$ 6,950,239)

62. The overall objective of the proposed project was to support the Government of Peru in reducing the vulnerability of coastal communities to impacts of climate change on the coastal marine ecosystems and fishery resources.

63. It was pointed out that the project seemed to lack explicit adaptation reasoning and could be considered simply as a project for sustainable fisheries. It was asked why the Environmental and Social Impact Assessment was only being conducted for the tourist dock related activities. It was explained that while it was difficult to apply the adaptation reasoning to the maritime activities themselves, it was possible to provide adaptation reasoning in the case of the maritime communities being affected by climate. Also it was explained that the usual practice was to apply the Environmental and Social Impact Assessment only to those elements of a project that required such an assessment based on national legislation and not to the project as a whole.

64. 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 *Fondo de Promoción de las Áreas Naturales Protegidas del Perú* (PROFONANPE) to the request made by the technical review;

(b) Suggest that PROFONANPE 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) As noted in the previous review, the revised proposal should comprehensively explain the maintenance of the project outputs, including institutional arrangements and responsibilities, financial resources, and for outputs at the community level, commitment by those stakeholders/communities;
- (ii) The revised proposal should include a comprehensive Environmental and Social Management Plan (ESMP) in compliance with the Adaptation Fund Environmental and Social Policy. The ESMP should include provisions for identifying and managing, during project implementation, risks that have not been identified before project approval;
- (iii) An Environmental and Social Impact Assessment (ESIA) should be conducted for the tourist dock related activities before the project is submitted for approval, and the ESIA report should be attached to the revised proposal; and

- (c) Request PROFONANPE to transmit the observations under item (b) to the Government of Peru.

**(Recommendation PPRC.17/15)**

*Proposals from Regional Implementing Entities (RIEs)*

Niger: Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger, through Modern Irrigation Techniques (Fully-developed Project Document; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); NER/RIE/Food/2012/1; US\$ 9,990,000)

65. The main objective of the project was to strengthen the resilience of agriculture to climate change to support food security in Niger, through the promotion of modern irrigation techniques.

66. During the discussion it was observed that a number of projects in the region dealt with desertification and climate smart agriculture and that one of the regional projects under consideration by the PPRC also proposed to include an element for Niger for the same issues being proposed in the project. It was suggested that it was important to avoid duplication of efforts and that the Committee should look at it while considering the regional project under Agenda Item 7.

67. 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 *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;

(b) Suggest that BOAD 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 budget and budget notes should be presented in a consistent manner throughout the proposal and should clarify which activities will be covered as co-financing in the relevant sections of the proposal;
- (ii) The project-level environmental and social management plan should take into account all the components of the project, beyond the 200 sub-projects to be funded. The Plan should provide a framework for systematic risk screening and management for the whole project;
- (iii) The capacity of the beneficiaries to develop sub-project proposals for funding through the project and to carry out the environmental and social risk identification and assessment should be demonstrated, or the framework of support to carry out such activities should be better outlined in the proposal;
- (iv) The criteria for the definition of marginalized and vulnerable groups should be clarified. Also, gender equity and women's empowerment should be

ensured above the bonus system suggested in the subproject selection criteria;

- (v) The budget allocated for the development and implementation of a large scale project does not seem adequate. The proponent should clarify if this output relates to the development of a proposal for a large scale project that will build on the lessons from this project; and
- (c) Request BOAD to transmit the observations under item (b) to the Government of Niger.

**(Recommendation PPRC.17/16)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Albania: Developing Climate Resilient Agriculture and Flood Management in Albanian Western Lowlands (Fully-developed Project Document; the World Bank; ALB/MIE/DRR/2015/1; US\$ 6,303,850)

68. The project objective sought to help the government, businesses and population in western lowlands project target areas in developing adaptive capacity and embark on climate resilient economic development through sound flood and agriculture risk management policies that mitigate losses and reduce government's fiscal costs.

69. In response to query about other projects in the region, the Committee was informed that the proponents had listed a number of projects, some regional, that were being implemented in the same area. In response to a query about the status of funding for projects and programmes from MIEs, it was pointed out that if the project was approved it would need to be placed in the pipeline for projects and programmes from MIEs.

70. 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 World Bank to the request made by the technical review;
- (b) Suggest that the World Bank 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 climate projections and scenarios of increased occurrence of flood threats in the region;
  - (ii) The proposal should include evidence of consultation with municipalities, homeowners, farmers and businesses. The proposal argues that the government is the main beneficiary of the project, although the insurance schemes will require co-financing of premiums and pooling of risks from local communities such as farmers. Therefore it is important that the inputs of all stakeholders be taken, including the most vulnerable groups, *inter alia* small farmers, non-home owners living in the target areas;

- (iii) To better demonstrate its cost effectiveness, the proposal should provide alternatives to the approach (including insurance schemes) proposed to address flood issues and climate-related threats to agriculture. This may include protection measures and more resilient agricultural practices, or diversified livelihoods;
  - (iv) The proposal should further demonstrate the adaptation reasoning of the insurance schemes;
  - (v) The “concreteness” of the proposed project should be better justified, including a justification of the use of a number of international consultants, which costs (around 40 per cent of the total budget) are quite high; and
- (c) Request the World Bank to transmit the observations under item (b) to the Government of Albania.

**(Recommendation PPRC.17/17)**

**Agenda Item 7: Review of proposals under the pilot programme for regional projects and programmes**

71. In response to a question about what priority will be given to those pre-concepts that had been endorsed when the time will come to fund them, the Committee was informed that the endorsement of pre-concepts and concepts did not mean that there was any funding committed for them. That only occurred once the fully-developed proposals were approved.

*Pre-concepts:*

*Proposals from Regional Implementing Entities (RIEs)*

Benin, Burkina Faso, Ghana, Niger, Togo: Promoting Climate-Smart Agriculture in West Africa (Project Pre-concept; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); AFR/RIE/Food/2015/1; US\$ 14,000,000)

72. The overall objective of the project was to contribute to developing climate-smart agriculture in West Africa in order to strengthen the resilience of vulnerable populations through improved productivity and agricultural incomes.

73. It was observed that a great deal of work had been done on climate smart agriculture in West Africa and it was suggested that the proponents should elaborate on what had been done bilaterally and multilaterally, as well as other activities planned by donors for the region. It was asked what the added value of the regional concept was, as it appeared to be largely for capacity building for practitioners and policy makers. It was also asked why only these West African Countries were involved and how outcomes of the project would be widely distributed through the West African region.

74. As the funding for the pilot programme fell outside the country cap, it was suggested that the PPRC might also wish to establish a cap on the amount that countries could receive under the pilot programme. However, as this was a pilot programme, the committee felt it was too early to consider establishing such a cap.

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

- (a) Endorse the project pre-concept, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;
- (b) Request the secretariat to transmit to BOAD the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The concept should elaborate on the linkages of the proposed project with national and regional initiatives and programmes in the same region and sectors, and explain how it avoids duplication and is complementary with them. In doing so the concept should reflect the potential complementarity with the fully-developed project document for Niger submitted by BOAD for consideration by the Board;
  - (ii) The concept should further elaborate the added value of the regional approach in the project;
  - (iii) The concept should further explain how national institutions would contribute to or participate in the mainstreaming of innovative practices developed by this project;
  - (iv) The concept should explain how knowledge developed under the project could contribute to building up of adaptation knowledge at the international and regional levels, including through existing international and regional knowledge platforms; and
- (c) Approve the Project Formulation Grant of US\$ 20,000;
- (d) Request BOAD to transmit the observations under item (b) to the Governments of Benin, Burkina Faso, Ghana, Niger, and Togo; and
- (e) Encourage the Governments of Benin, Burkina Faso, Ghana, Niger, and Togo to submit through BOAD a project concept that would also address the observations under item (b) above.

**(Recommendation PPRC.17/18)**

Chile, Ecuador: Reducing climate vulnerability in urban and semi urban areas in cities in Latin America (Project pre-concept; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); LAC/RIE/DRR/2015/1; US\$ 11,216,508)

76. This proposed project would have an emphasis on disaster risk reduction, and it would aim at directly reducing vulnerability and increasing the resilience of two (2) urban settings in Latin America, promoting the exchange of information and lessons learned, building networks and the development of a culture of adaptation solutions in urban areas throughout the region.

77. It was observed that the proposal was interesting as it addressed the urban environment which experienced a number of unique drivers, such as urbanization. It would be interesting to



explore those drivers and ensure that they were distinguished from climate change. However, the choice of the two cities caused concern and it was unclear how the lessons learned for the large urban centre could be applied to the smaller urban centre. The selection of different urban centres might mean that the revised concept would effectively be an entirely new concept and the Committee considered simply rejecting the proposal. In the end it was agreed that the proponents should be given the opportunity to reformulate the proposal if they wished.

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

- (a) Not endorse the project pre-concept, as supplemented by the clarification response provided by the *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- (b) Suggest that CAF 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 further demonstrate the relevance of the regional approach, and should re-consider the decision to implement the project in two very different kinds of cities;
  - (ii) Upon justification of the regional approach, the proposed activities should be reformulated in order to achieve the regional objective, demonstrating innovation in the approach and clarifying the role of national institutions (including National Implementing Entity) in the implementation arrangements for the project; and
- (c) Request CAF to transmit the observations under item (b) to the Governments of Chile and Ecuador.

**(Recommendation PPRC.17/19)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Burundi, Kenya, Rwanda, Tanzania and Uganda: Adapting to Climate Change in Lake Victoria Basin (Project Pre-concept; United Nations Environment Programme (UNEP); AFR/MIE/Water/2015/1; US\$ 5,000,000)

79. The objective of the project was to reduce the vulnerability and build resilience of the Lake Victoria Basin countries to climate change impacts by strengthening institutional capacity; transboundary water management through early warning; undertaking concrete adaptation actions and sharing knowledge.

80. Although a few suggestions were made to improve it, the Committee also spoke positively about the proposal and noted that it really took a regional approach to the issues it addressed. However, the proponents were asked to look at other projects being implemented in the area and at how the small-grants programme could be sustained. It was also asked whether the requested funding would really be sufficient to achieve the aims of the proposal.

81. It was pointed out that although only US\$ 5 million had been requested, the proposal was at the pre-concept stage and it would be possible for the proponents to request more funding at a later stage if they felt that they required additional funds.

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

- (a) Endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- (b) Request the secretariat to transmit to UNEP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) At the concept stage, the proposal should explain how it will build from and not duplicate with past and existing initiatives looking at addressing climate change impacts and vulnerabilities in the Lake Victoria Basin (LVB);
  - (ii) The project concept should elaborate on how the long-term financial sustainability of the small grants programme will be ensured;
  - (iii) The project concept should include key elements of the regional Vulnerability, Impacts and Adaptation Assessment (VIA) under preparation through the PREPARED project, and if available, build on the LVB Commission (LVBC) Climate Change Adaptation Strategy and Action Plan; and
- (c) Approve the Project Formulation Grant of US\$ 20,000;
- (d) Request UNEP to transmit the observations under item (b) to the Governments of Burundi, Kenya, Rwanda, Tanzania and Uganda; and
- (e) Encourage the Governments of Burundi, Kenya, Rwanda, Tanzania and Uganda to submit through UNEP a project concept that would address the observations under item (b) above.

**(Recommendation PPRC.17/20)**

Colombia, Ecuador: Improving the Resilience to Reduce the Impacts of Climate Change on Dryland Ecosystems for Food and Nutrition Security and Gender Equality (Project Pre-concept; World Food Programme (WFP); LAC/MIE/Food/2015/1; US\$ 14,000,000)

83. The proposed programme sought to identify dry ecosystem adaptation strategies and share experiences to increase resilience of households in the Colombian-Ecuadorian dry forest corridor, enabling the most vulnerable to withstand the negative impacts of climate change and variability.

84. It was explained that the difficulty was not that there were only two countries but that the proposal seemed to address the two countries separately. There were a lack of coordinated activities between the two countries and a regional approach was missing. It seemed that the only reason to lump the two countries together was to ensure cost-effectiveness. The component for

Ecuador appeared to have similarities with another project already being implemented in Ecuador by WFP and which was funded by the Adaptation Fund.

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

- (a) Not endorse the project pre-concept, as supplemented by the clarification response provided by the World Food Programme (WFP) to the request made by the technical review;
- (b) Suggest that WFP 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 further demonstrate the relevance and the added value of the regional approach;
  - (ii) Upon justification of the regional approach, the proposed activities should be reformulated in order to achieve the regional objective, demonstrating innovation in the approach; and
- (c) Request WFP to transmit the observations under item (b) to the Governments of Colombia and Ecuador.

**(Recommendation PPRC.17/21)**

Cuba, Dominican Republic, Jamaica: Risk Reduction Management Centres: local adaptation response to national climate and early warning information in the Caribbean (Project Pre-concept; United Nations Development Programme (UNDP); LAC/MIE/DRR/2015/1; US\$ 4,969,367)

86. The main objective of the programme was to upscale the function of the local Risk Reduction Management Centers (RRMCs) in Caribbean municipalities, acting as local clearing houses and coordination centers for the effective use of early warning information.

87. It was asked why Haiti had not been included in the proposal as well and what the effect of the use of a regional hub would be on the scope and budget of the proposal. It was explained that the proposal followed from another project of UNDP and Haiti had not been included in that project and that therefore it would not be included in this proposal either. It was also observed that while there were financial implications to using a regional hub, more information would be required about the project.

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

- (a) Endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Development Programme (UNDP) to the request made by the technical review;
- (b) Request the secretariat to transmit to UNDP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) At the concept stage, the proposal should further explain, and if necessary reconsider, the decision not to have a regional data hub that would support the regional nature of the project;
  - (ii) The project concept should further elaborate how the proposal would represent innovation;
- (c) Approve the Project Formulation Grant of US\$ 20,000;
- (d) Request UNDP to transmit the observations under item (b) to the Governments of Cuba, Dominican Republic, and Jamaica; and
- (e) Encourage the Governments of Cuba, Dominican Republic, and Jamaica to submit through UNDP a project concept that would also address the observations under item (b) above.

**(Recommendation PPRC.17/22)**

Ethiopia, Kenya, Uganda: Agricultural Climate Resilience Enhancement Initiative (ACREI) (Project Pre-concept; World Meteorological Organization (WMO); AFR/MIE/Food/2015/2; US\$ 5,000,000)

89. The objective of the project was to improve the adaptive capacity and resilience to current climate variability and change among targeted farmers, agro-pastoralists and pastoralist communities in the Greater Horn of Africa which is extremely vulnerable to climate variability particularly through increased droughts and heavy rainfall during the last 30-60 years.

90. In response to a query as to whether the proposal envisioned two types of field school, the representative of the secretariat explained that there was indeed only one type of field school but that it would be involved in the first and second components of the project in different ways.

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

- (a) Not endorse the project pre-concept, as supplemented by the clarification response provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- (b) Suggest that WMO 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) To complement the capacity-building activities, the proposal could integrate in the project's approach, activities of support to the most vulnerable farmers in implementation of practices learned in the Field Schools, as well as support for investment in infrastructure for improved production of climate information;
  - (ii) The rationale for the regional approach needs to be better demonstrated; and

- (c) Request WMO to transmit the observations under item (b) to the Governments of Ethiopia, Kenya and Uganda.

**(Recommendation PPRC.17/23)**

Mauritius, Seychelles: Restoring marine ecosystem services by rehabilitating coral reefs to meet a changing climate future (Project Pre-concept; United Nations Development Programme (UNDP); AFR/MIE/Food/2015/1; US\$ 4,900,000)

92. The objective of the proposed project was to upscale and mainstream the rehabilitation of coral reefs degraded by coral bleaching in order to restore essential ecosystem services in the face of climate change threats and to generate knowledge about the most effective solutions for dissemination to Small Island Developing States (SIDS), and countries within the wider region.

93. It was observed that it would be important for the information and lessons learned generated by the project to be shared more generally with SIDS and not simply between the countries involved in the project. It may also be important to involve regional bodies, such as the Indian Ocean Commission, in the project.

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

(a) Endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Development Programme (UNDP) to the request made by the technical review;

(b) Request the secretariat to transmit to UNDP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

(i) The concept should explain how knowledge developed under the project could contribute to building up adaptation knowledge at the international and regional levels, particularly among Small Island Developing States (SIDS), including through existing international and regional platforms;

(c) Approve the Project Formulation Grant of US\$ 20,000; and

(d) Encourage the Governments of Mauritius and Seychelles to submit through UNDP a project concept.

**(Recommendation PPRC.17/24)**

**Agenda Item 8: Analysis of climate adaptation reasoning in project and programme proposals approved by the Board**

95. The PPRC heard a presentation by Mr. Todd McGarvey, M.P.P. candidate at the University of Maryland, on the analysis of climate change adaptation reasoning in project and programme proposals approved by the Board, which is described in more detail in document AFB/PPRC.17/5, which he had prepared under the supervision of the secretariat's officers.

96. Mr. McGarvey was thanked for his presentation and several suggestions were made to help improving the final version of his report. It was pointed out that although climate change and

adaptation had been discussed, information on the causal link to climate change at the level of the projects could be more detailed. That was important as it helped to distinguish development projects from adaptation projects. It would also be important to discuss the direct access mechanism which was relevant to the adaptation reasoning and gave the Fund an added value. For each calculation, additional information on the method of calculation should be provided in the annex so that the reader could understand how the calculation had been arrived at. Information on climate change strategies, with a focus on adaptation, developed by bilateral development agencies could be complemented; it was asked why only, some countries had been referred to. More information was also required on how water and drought had been addressed in developing countries. Additional information was also sought on the consultant's opinion on what additional review criteria might be needed to help distinguish between adaptation and development projects. The Fund had started to examine regional projects and was interested in what additional criteria it might need.

97. The consultant thanked the Committee for the comments and said that the issue of adaptation versus development indeed had not been a focus of his report. The research methodology could be given in the annex if it had been difficult to follow the figures. It had not been intended to undertake a complete review of what other development actors were doing; rather the intent had been to get a general idea of how they had approached the issues. It had not been possible to examine the issues of water and drought in depth and that was another area for further research. Finally, he said that regional projects had been new and he had consequently not addressed them and could not comment on them.

98. It was noted that although the consultant had not been in a position to make a large study of the donors, it would still be possible to look at the annual reports to see what was regarded as adaptation. If that were done, it would probably even better demonstrate how robust the Adaptation Fund was. It would also be important to increase the number of bilateral donors that had been involved in adaptation funding.

99. The representative of the secretariat said that the document looked at adaptation needs, and their relation to climate related drivers and the risks associated with those drivers. It was explained that the Fund was looking at climate considerations in all of its projects and programmes; addressing climate threats or risks identified were the objective of those projects and programmes. In terms of methodology for this analysis, the first stage of the work was to look at the current thinking on adaptation, which had shifted from the sole scientific aspects of climate change to the inclusion of social aspects as well. Then the portfolio of the Adaptation Fund was looked at, building on that study. There had only been a few direct access projects in the portfolio and so there had not been enough examples to draw any conclusions on a direct access link to the issue beside the point made in the document related to the institutional aspect.

100. In the discussion that followed, the Committee was asked for its views on the best way to move forward with the report. It was asked what the purpose of the report was, and it was observed that although there were a number of documents on adaptation, the report of the consultant was emblematic and needed to be promoted. It would be useful to share a finalized version of the report at the Conference of the Parties to the United Nations Framework Convention on Climate Change at its twenty-first meeting (COP 21). The report could also be posted on the website of the Adaptation Fund and circulated to stakeholders. The secretariat could also prepare a shorter version of the report which could be presented in different fora and at side events.

101. The Project and Programme Review Committee (PPRC) decided to recommend that the Adaptation Fund Board:

- (a) Request the secretariat to:
  - (i) Finalize the report on the analysis of climate adaptation reasoning for its approval intersessionally between the twenty-sixth and the twenty-seventh meeting and before 21<sup>st</sup> meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21), taking into account comments made by the PPRC notably on the following issues:
    - 1) The analysis of adaptation reasoning within the wider development community should be broadened to include other development actors;
    - 2) The document should include more information with respect to the labeling of figures;
  - (ii) Produce a shortened and simplified version of the report before COP 21, that would be used for communication and outreach purposes;
  - (iii) Promote the report including through events and through engagement with relevant institutions and through bodies under the United Nations Framework Convention on Climate Change; and
- (b) Request the PPRC to consider further study as recommended in document AFB/PPRC.17/5, to deepen the analysis of climate change adaptation reasoning in projects and programmes of the Adaptation Fund at the 19th meeting of the PPRC.

**(Recommendation PPRC.17/25)**

## **Agenda Item 9: Other matters**

### *Grants for projects under the readiness programme*

102. The Committee was informed that under the second phase of the readiness programme NIEs could request a Technical Assistance Grant, of up to US\$ 20,000, to help them comply with the Environmental and Social Policy of the Fund or for a South-South Cooperation Grant, of up to US\$ 50,000, to help those applying for accreditation as an NIE prepare their application. The secretariat has recently received proposals for such grants under the readiness programme, and while the review of those proposals was underway, the secretariat did not have a mandate to submit these proposals for intersessional approval. The proposals were fairly simple and straightforward, and did not necessarily require in-session discussion. To avoid having to wait until the March 2016 meeting, it was suggested that it would be beneficial if the PPRC could recommend to the Board to allow the review and approval of those proposals intersessionally.

103. The representative of the secretariat said that so far the secretariat was considering five applications for the South-South Cooperation Grants and eight applications for the Technical Assistance Grants. While both were for the support of NIEs the purpose of the Technical Assistance Grants was to assist those NIEs that had been accredited before the creation of the

Environmental and Social Policy of the Fund to comply with its provisions. The South-South Cooperation Grants went to existing NIEs as well but in this case it was to support them when they assisted those who were seeking accreditation as an NIE. It was not known whether the readiness programme would be continued beyond the current fiscal year, and consequently the recommendation only concerned the intersessional period between the 26th and 27th meetings of the Board. He said that the review of the proposals was within the mandate of the PPRC. He also said that the secretariat communicated with the designated authorities about the opportunity to apply for such grants.

104. The Project and Programme Review Committee (PPRC) decided to recommend that the Adaptation Fund Board request the secretariat to review intersessionally, between the twenty-sixth and twenty-seventh meetings of the Board, proposals submitted by National Implementing Entities for technical assistance grants and South-South cooperation grants under the Readiness Programme, and to submit the reviews to the PPRC for intersessional recommendation to the Board.

**(Recommendation PPRC.17/26)**

*Proposed amendment of the Operational Policies and Guidelines*

105. The proposal was about allowing a two-step review process for small-size project and programme proposals, in order to offer them the same opportunities for feedback as regular proposals. During the discussion it was asked if the proposal would entail more work for the secretariat, and the Committee was informed that it would probably entail less work for the secretariat, the PPRC, the Board and the project and programme proponents, as it should entail a reduction in the number of times that proposals were resubmitted for reconsideration. It was also observed if the two-step approach were allowed then the small-sized proposals would also be eligible for a project formulation grant (PFG). The Committee explored several options to ensure that any PFG would be proportional to the overall amount being requested.

106. The Project and Programme Review Committee (PPRC) decided to recommend that the Adaptation Fund Board decide to revise the operational policies and guidelines to amend the review process for small-size project and programme proposals so that:

- (a) Small-size project and programme proposals can be submitted using a two-step review cycle, as an alternative to the one-step review cycle; and
- (b) Small-size project and programme proposals are eligible for project formulation grants, at the time of endorsement of concept for such proposal, provided that the total budget of the proposed concept is not less than US\$ 500,000.

**(Recommendation PPRC.17/27)**

**Agenda Item 10: Adoption of the report**

107. The present report was adopted based on the draft report of the Committee contained in documents AFB/PPRC.17/L.2 and AFB/PPRC.17/L.3, as orally amended.

**Agenda Item 11: Closure of the meeting**

108. The meeting closed at 8:40 p.m. on 8 October 2015.



## **Annex I**

### **Project and Programme Review Committee Seventeenth Meeting Bonn, 6-7 October, 2015**

#### **PPRC members present in the meeting**

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

Mr. Yerima Peter TARFA (Vice-Chair, Nigeria, Africa)

Mr. Ahmed WAHEED (Maldives, Asia)

Mr. Albara E. TAWFIQ (Saudi Arabia, Asia)

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

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

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

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

Mr. Hugo POTTI MANJAVACAS (Spain, Annex I Parties)

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

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

Ms. Fatuma Mohamed HUSSEIN (Kenya, Non-Annex I Parties)