



ADAPTATION FUND

AFB/PPRC.18/25  
22 March 2016

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Adaptation Fund Board  
Project and Programme Review Committee  
Eighteenth meeting  
Bonn, Germany, 15-16 October 2016

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

### **Agenda Item 1: Opening of the Meeting**

1. The meeting was opened at 9.30 a.m. on Tuesday, 15 March 2016, by the incoming Chair, Mr. Yerima Peter Tarfa (Nigeria, Africa), who welcomed the members of the Project and Programme Review Committee (PPRC). The members present at the meeting are listed in Annex I to the present report.

### **Agenda Item 2: Transition of the Chair and the Vice-Chair**

2. The PPRC was reminded that at its twenty-sixth meeting the Board had decided to elect Mr Hugo Potti Manjavacas (Spain, Annex I Parties) as Vice-Chair of the PPRC for 2016, and that because Mr. Manjavacas had resigned from the board it would be necessary to elect a new Vice-Chair. The incoming Chair proposed Ms. Monika Antosik (Poland, Eastern Europe) to act as Vice-Chair of the PPRC pending her ratification by the Board.

3. The incoming Chair welcomed the following new members to the PPRC that were present at the meeting

Ms. Monika Antosik (Poland, Eastern Europe);

Ms. Ardiana Sokoli (Albania, Eastern Europe);

Mr. Lucas di Pietro (Argentina, Latin America and the Caribbean); and

Ms. Aida Velasco Munguira (Spain, Annex I Parties).

4. The Chair also drew their attention to the terms of reference of the PPRC.

### **Agenda Item 3: Organizational matters**

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

5. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.18/1/Rev.2) and the annotated provisional agenda (AFB/PPRC.18/2/Rev.3).

1. Opening of the meeting.
2. Transition of the Chair and the Vice-Chair.
3. Organizational matters:
  - a) Adoption of the agenda;
  - b) Organization of work.
4. Update on the funding status.
5. Funding proposals under the pilot programme for regional activities.
6. Report by the secretariat on initial screening/technical review of the submitted project and programme proposals.
7. Review of project and programme proposals:
  - *Concepts:*

*Proposal from NIEs:*

*Small –size proposals:*

- a) Federated States of Micronesia;
- b) Namibia (1);
- c) Namibia (2);

*Regular proposals:*

- d) Antigua and Barbuda;
- e) Panama;

*Proposals from RIEs:*

*Regular proposals:*

- f) Guinea Bissau;
- g) Peru (1);
- h) Togo;

*Proposals from MIEs:*

*Regular proposal:*

- i) Lao People's Democratic Republic;

*Fully-developed project/programme documents:*

*Proposals from NIEs:*

*Regular proposal:*

- j) Peru (2);

*Proposals from RIEs:*

*Regular proposals:*

- k) Niger;

*Proposal from MIEs:*

*Regular proposals:*

- l) Albania.

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

*Pre-concepts*

*Proposal from RIE:*

- a) Chile and Ecuador;

*Proposal from MIEs:*

- b) Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam;

- c) Colombia and Ecuador;
  - d) Comoros, Madagascar, Malawi and Mozambique;
  - e) Ethiopia, Kenya and Uganda;
  - f) Kyrgyzstan, Tajikistan and Uzbekistan.
9. Experience gained by the PPRC in operationalizing decision B.25/15 (tracking of changes made to the previous versions of proposals).
  10. Request for project revision and budget change: UNDP (Maldives).
  11. Other matters.
  12. Adoption of the recommendations and report.
  13. Closure of the meeting.

6. During the discussion of the Agenda it was pointed out that it would be important to have a discussion of the follow-up on the decision to undertake an Analysis of climate adaptation reasoning in project and programme proposals approved by the Board, which had been approved at the Board at its 26th meeting. The representative of the secretariat clarified that following decision B.26/27 made by the Board at the twenty-sixth meeting, a shortened and simplified version of the report was produced and will be promoted through events and through engagement with relevant institutions and bodies under the United Nations Framework Convention on Climate Change, including the Adaptation Committee. The representative of the secretariat also mentioned that the secretariat will participate in the 4th International Climate Change Adaptation Conference which will take place in May 2016, during which the report will be promoted. It was suggested that the issue be taken up under agenda item 11 "Other matters" but after a discussion it was agreed that the issue would be raised at the 27th meeting of the Board.

*(b) Organization of Work*

7. The Committee adopted the organization of work proposed by the Chair.
8. The following members declared conflicts of interest:
  - Mr. Ahmed Waheed (Maldives, Asia);
  - Ms. Ardiana Sokoli (Albania, Eastern Europe); and
  - Ms. Fatuma Mohamed Hussein (Kenya, Non-Annex I Parties).

**Agenda Item 4: Update on funding status**

9. At the request of the Chair, the representative of the secretariat reported on the funding status of the Adaptation Fund. He said that as at 30 September 2015, the cumulative receipts of the Fund had amounted to US\$ 483.45 million and the funding available for decisions to US\$ 130.06 million. Following the contribution of Euros 50 million from the Government of Germany and Euros 2 million from the Government of Italy, and the payment of pledges of Euros 1.5 million from the Government of Belgium and Euros 250,000 from the Government of Wallonia, the cumulative receipts of the Fund stood at US\$ 545.45 million on 3 March 2016, with US\$ 177.65 million being available to support new decisions. Of that amount some US\$ 34.53

million was available to finance additional proposals from Multilateral Implementing Entities (MIEs).

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

#### **Agenda Item 5: Funding proposals under the pilot programme for regional activities**

11. At its twenty-sixth meeting, the Board had discussed the issue of the pilot programme for regional projects at which time it had been suggested that it would be useful for the Board to request the PPRC at its 18th meeting to make a recommendation to the Board on how to address the fact that the number of projects being approved could exceed the cap of US\$ 30 million set for the programme. A survey of stakeholders by the secretariat had indicated that there was tremendous demand for regional projects, a demand which was in excess of US\$ 200 million. At the twenty-sixth meeting seven pre-concept proposals had been considered by the PPRC, the funding for which amounted to a total of US\$ 59.9 million, while the four pre-concepts endorsed at the twenty-sixth meeting had combined funding requests of US\$ 28.9 million.

12. At the request of the Chair of the PPRC the representative of the secretariat provided an overview of the funding requested for regional pre-concepts and concepts that had been submitted to the Board since its twenty-sixth meeting. The Committee was informed that the endorsement of pre-concepts and concepts did not mean that any money had been committed to the proposal beyond any project formulation grant (PFG) which might be approved. That only occurred once a fully-developed proposal was approved by the Board. There were four funding windows for the projects: one of US\$ 14 million and three of US\$ 5 million, for a total of US\$ 29 million. The remaining US\$ 1 million would fund up to ten PFGs of up to US\$ 100,000 each, with up to US\$ 20,000 for the PFG being approved upon the endorsement of the pre-concept and the remainder of US\$ 80,000 being approved once the concept had been endorsed. The representative of the secretariat said that 7 pre-concepts had been submitted to the Board's 26th meeting, at which time 4 of them had been endorsed. A further 6 pre-concepts had been submitted to the present meeting, together with two concepts that had previously been considered as pre-concepts.

13. It was observed that there was a need for further guidance on which elements to consider when approving proposals under the pilot programme for regional activities to ensure that the proposals were not just a collection of national projects that had been bundled together to avoid the cap on proposals by MIEs. A good example of when a regional approach had worked was the regional proposal for countries bordering Lake Victoria in Africa, where issues of common concern had been addressed. Given the demand expressed for regional projects it might be necessary to consider raising the cap of US\$ 30 million or establishing a pipeline for those projects that had been endorsed and for which insufficient funds were available. If all the projects pre-concepts under consideration were eventually approved it would require US\$ 80 million to fund them all. A clearer understanding was required of what constituted a regional project and the secretariat was asked how it decided whether a proposal constituted a regional project.

14. The representative of the Secretariat explained that it had, in the past, undertaken a survey of other Funds to understand how they decided what constituted a regional project. He said that there were essentially two approaches: either addressing (1) a joint development challenge faced by adjacent countries when confronted a common transboundary issue or (2) a similar development challenge faced by different countries in the same region which could be more cost-effectively addressed in the same project. The criteria set by the Adaption Fund had

been set broadly and allowed for both approaches, but it would be possible to tighten those criteria if needed. He also said that there had been no plan to create a pipeline for projects under the pilot programme and drew the attention of the Committee to the Survey on lessons learned from regional projects and programmes, particularly on climate change adaptation, accrued by international funds and development banks contained in Annex II of document AFB/B.16/5/Rev.1 and the summary of the key messages from the survey contained in Annex I of document AFB/B.25/6/Rev2.

15. It was pointed out that it would be difficult to change the criteria for the evaluation of those projects already under consideration. The Board had already gone through the first round of calls for submissions and had made a second appeal for submissions. It was too late to change the definition of regional projects especially as the Board had already been considering the issue for several years. The question was whether the Board should close the pilot programme or continue to keep it open, and receive additional submissions, and whether or not to develop a pipeline or lift the US\$ 30 million cap on the pilot programme.

16. It was noted that it was not a question of changing the rules for the present projects under consideration but of strengthening the criteria as the programme moved forward. A pipeline would have to be created if the call for projects did not stop and that pipeline could adopt the rules that had been set for MIE pipeline, as modified (*mutatis mutandis*).

17. The Chair reminded the Committee that this had been the second call for regional projects and that there seemed to be agreement on the need to evaluate the effectiveness of the proposals that had been received before asking for any more. That would also allow time to further develop the criteria. If the resources were not available to finance all the fully-developed projects that had been developed then a pipeline could be considered at that time when the issue actually arose.

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

- a) Discontinue, for the time being, the call for new projects and programmes under the pilot programme for regional projects;
- b) Continue consideration of previously submitted regional project and programme proposals under the programme with the view of approving four of such proposals as explained in the document describing the pilot programme, and approve them in the order in which they are recommended for approval by the PPRC;
- c) Establish a pipeline for projects under the pilot programme should such a pipeline be required, and use the prioritization criteria described in decisions B.17/19 and B.19/5 for proposals by MIEs.
- d) Once the first fully developed project or programme under the pilot is approved, request the secretariat to assess the lessons of the programme, and decide on whether to call for additional proposals for regional projects and programmes.

**(Recommendation PPRC.18/1)**

## **Agenda Item 6: Report of the secretariat on initial screening/technical review of the submitted projects and programme proposals**

19. 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.18/3 and AFB/PPRC.18/3/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).

20. The issue of funding status was introduced under Agenda Item 4, "Update on the funding status".

21. The issue of the pilot programme for regional projects and programmes was discussed under Agenda Item 5, "Funding proposals under the pilot programme for regional activities".

### **Issues identified during the review process**

22. The representative of the secretariat said that the current review cycle was the second one during which regional proposals had been considered. The interest in this new opportunity among accredited Multilateral Implementing Entities (MIEs) and Regional Implementing Entities (RIEs), continued to be high as witnessed by the large number of proposals submitted for consideration. However, the challenge for many of the proponents remained securing the necessary endorsement letters from the Designated Authorities of all participating countries. While all the proponents had been able to submit the necessary endorsement letters, some had expressed frustration at the requirement. 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."

23. It was asked whether anyone from civil society had commented on any of the proposals and why the secretariat had not mentioned that in its report. It was also asked whether it would be possible to request the proponents to shorten the length of their proposals and so make them easier to understand. It seemed that some proponents, in order to proactively address issues that might be the subject of a clarification request simply provided all information that might be possibly relevant to the review process.

24. The representative of the secretariat said that there had indeed been comments on three of the proposals by civil society, one of which had been subsequently withdrawn. The remaining two proposals for which comments had been made were the regional project from UNESCO for the Greater Mekong Sub-region and the regional project from the *Banque Ouest Africaine de Développement* for West Africa. He said it had been an oversight not to include the comments of civil society on the report of the secretariat, though these comments were reflected in the project-specific PPRC documents. He said that the only experience that the Fund had with page limits for proposals was with the five page limit for pre-concepts, although he mentioned that the five page limit did not include such documents as the endorsements for the proposal which were included in an annex to the document. The new requirements that the Board had set for stakeholder consultation and environmental and social impact assessments had lengthened the documents, although that information was often provided in the annex to the proposal itself.

25. The secretariat was urged to reflect the comments of civil society in its future reports to the PPRC and proponents were urged to provide ancillary information in an annex to their proposals where possible.

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

### **Agenda Item 7: Review of project and programme proposals**

27. The representative of the secretariat informed the Committee that the National Implementing Entity (NIE) for Namibia, the Desert Research foundation of Namibia, had withdrawn the two proposals for Namibia just before the start of the present meeting and after the documents being considered by the Committee had already been issued.

28. Several members asked for a clarification for that unusual action as both proposals had been recommended for endorsement.

29. The representative of the secretariat explained that the proponent had submitted four fully-developed proposals to the 26th meeting of the Board, all of which had not been approved. After further consideration the proponent had decided to submit two of them as project concepts to the present meeting, but after reconsidering that choice had come to the conclusion that it would be better to submit an umbrella programme instead which would better integrate the different elements and capture the needs of the country.

30. Some dissatisfaction was expressed at the time that had been spent on the two proposals and it was pointed out that when good projects that were ready to be endorsed were before the Board they should not just be simply withdrawn by the proponent. However, it was also pointed out that a proponent could withdraw their proposals at any time before an agreement was signed between them and the Board and that in the present case the NIE had only been newly accredited and was still trying to develop the best project or programme for its country.

### **Concept proposals**

*Proposals from National Implementing Entities (NIEs)*

*Small-size proposal:*

Federated States of Micronesia: Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia (Project Concept; Micronesia Conservation Trust (MCT); FSM/NIE/Multi/2016/1; US\$ 1,000,000)

31. The project sought to reduce the climate change vulnerability of eight communities, to make the national and state protected area networks fully functional and to support the near-shore fisheries in the states of the Federated States of Micronesia.

32. It was suggested that it would be useful to approve the PFG even though the recommendation was not to endorse the project itself as that would help the proponent address the gaps that had been identified by the secretariat. It was also observed that the proponent had been invited by the Fund to address the Conference of the Parties to the United Nations Framework Convention on Climate Change in Paris (COP 21) and it would be a pity if the proponent was dissuaded from pursuing the project because of a lack of funds.



33. The representative of the secretariat explained that according to paragraph 49 of the Operational Policies and Guidelines of the Fund it was only possible to approve a project formulation grant once the proposal had been endorsed.

34. 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 Micronesia Conservation Trust (MCT) to the request made by the technical review;
- b) Suggest that MCT 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 a higher level of detail regarding the concrete activities that will be delivered by the project and should further demonstrate that they address the identified climate change threats;
  - (ii) The proposal should include a description of the specific types of economic, social and environmental benefits of the proposed project;
  - (iii) The proposal should describe how the proposed project meets relevant national standards;
  - (iv) The proposal should state any potential complementarity with relevant ongoing projects/programmes;
  - (v) An initial consultative process has to take place at concept stage with key stakeholders such as representatives from communities, states and local governments;
  - (vi) The proposal should explain specifically how the adaptation benefits will be sustained overtime;
- c) Not approve the Project Formulation Grant of US\$ 30,000; and
- d) Request MCT to transmit the observations under item (b) to the Government of the Federated States of Micronesia.

**(Recommendation PPRC.18/2)**

*Regular proposals*Antigua and Barbuda: McKinnon's Pond Watershed Restoration and Resilience project (Project Concept; Antigua and Barbuda Environment Department (ABED); ATG/NIE/Multi/2016/1; US\$ 10,000,000)

35. The project sought to establish ecosystem-based planning in Antigua and Barbuda in order to create resilient communities and to restore fragile ecosystems.

36. Concerns were raised about the lack of a provision for an implementing fee for the implementing entity and it was queried how they proposed to implement the project without providing for such a fee. It was also asked how much of the US\$ 10 million would be used for the micro-loan programme and that given the funding level involved it would be important to include a reference to the project in the country's intended nationally determined contributions (INDCs).

37. The representative of the secretariat explained that the micro-loan component was for some US\$ 5.7 million and that the proponent had explained that its strategy would be in compliance with the country's Third National Communication Report and its nationally determined contribution (NDC) communicated to the UNFCCC. He also said that in the past at least one implementing entity had waived its implementing entity management fee and had agreed to absorb the costs itself. However in the present case the budget for the project was unclear on whether such a fee would be charged or not, and it was thought that if an implementing entity desired to charge such a fee it should state so clearly and make provision for it in its budget.

38. It was also pointed out that not all countries focused their NDCs on adaptation measures and instead preferred to focus on mitigation.

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 Antigua and Barbuda Environment Department to the request made by the technical review;
- (b) Suggest that the Antigua and Barbuda Environment Department 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 fully build the logic of the project, the proposal should strengthen the climate change rationale for the project, including by clearly indicating which climate change impacts are being addressed by the project components, possibly by combining the section titled "threats" and "barriers to action and adaptive capacity" linked with project components accordingly;
  - (ii) The proponent should consider strengthening the community-driven and community-owned components of this project to complement government action, and more clearly outline how it will engage and involve women and other marginalized groups;

- (iii) The proposal should provide additional detail on the intended scope and specifically, the adaptation benefit/review criteria, of the micro-loan program, which will be in part capitalized with Adaptation Fund funds;
  - (iv) The adaptation benefit from changing practices in wastewater management is not directly clear. The proposal should clarify these activities, and consider addressing non-point sources of pollution;
- (c) Not approve the Project Formulation Grant of US\$ 30,000; and
- (d) Request Antigua and Barbuda Environment Department to transmit the observations referred to in sub-paragraph (b) to the Government of Antigua and Barbuda.

**(Recommendation PPRC.18/3)**

Panama: Adapting to climate change through integrated water management in Panama (Project Concept; *Fundación Natura*; PAN/NIE/Water/2016/1; US\$ 9,952,121)

40. The project sought to implement climate resilience water management to enhance food and energy security at the national level, through an integrated and community-based approach in the Chiriqui Viejo and Santa Maria Watersheds.

41. It was pointed out that although the proposal mentioned many physical measures it needed to be clearer about their sustainability and link them to climate change, and it was unclear whether the proponents would be able to disburse the large amount of money it was requesting in a timely way. It was also asked whether the proposed sustainable ranching entailed the settlement of pastoralists and it suggested that the final paragraph of the recommendation should be modified so that the proponent was not left with the erroneous impression that it only needed to address the issues listed in the recommendation.

42. The representative of the secretariat informed the committee that the proponent had addressed the issue of sustainability in its proposal. He informed that similar AF projects have a similar timeframe and do not encounter any specific issues with disbursing the funds, and that, should the disbursement of funds be an issue for this project, the proponent could ask for a no-cost extension of the time –up to 18 months- to complete the project, which would not entail any signification additional workload effort on secretariat. He said that sustainable ranching did not involve the settlement of pastoralists but instead involved an agrosilvopastoral arraignment of activities that was better adapted to the climate change.

43. It was noted that the project was large and that for the amount of money involved, some US\$ 9,952,121, the Fund could expect that the implementing and executing entities would promote the Adaptation Fund brand. It should be mentioned it for instance in the INDC, if that had been developed. While some of the proposals had been developed before the INCDs had been provided for, subsequent projects should be mentioned in INDCs, National Action Plans (NAPs) and other national documents.

44. The representative of the secretariat explained that the agreements with the Board already required implementing entities to make reference to the support of the Adaptation Fund in other the documents that they produced.

45. 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 *Fundación Natura* to the request made by the technical review;
- (b) Request the secretariat to transmit to *Fundación Natura* the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The full proposal should be more specific in explaining how the proposed activities address the impacts and risks caused by climate change and increase human and natural ecosystem resilience;
  - (ii) The full proposal should further identify and state compliance with relevant national standards, especially for activities delivering concrete results on the ground;
  - (iii) The full proposal should include an Environmental and Social Management Plan (ESMP) commensurate with the risks identified and in accordance with the project ESP categorization;
- (c) Approve the Project Formulation Grant of US\$ 30,000;
- (d) Request *Fundación Natura* to transmit the observations under item (b) to the Government of Panama; and
- (e) Encourage the Government of Panama to submit through *Fundación Natura* a fully-developed project proposal that would meet the review criteria and address the observations under item (b) above.

**(Recommendation PPRC.18/4)**

*Proposals from Regional Implementing Entities (RIEs)*

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)

46. The proposed 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.

47. It was observed that it was important that the proposal built on the activities of a LDCF-UNDP project in the country but it was also important to reference to climate smart agriculture, although that the issue could be reconsidered in the fully-developed proposal. An environmental impact assessment would also need to be provided at that time. It was also pointed out that hydrometeorological services had not been included in the proposal but that the amount of funding remained unchanged and it was asked why that was so. It was also asked how the secretariat would cooperate with the team from the LDCF, how much funding had been provided

by the LDCF, whether the project had been mentioned in the country's INDC and whether the credit had been given to the Adaptation Fund or some other body.

48. The representative of the secretariat explained that at the 26th meeting of the Board the proponents had been requested to clarify whether hydrometeorological services had been included in the proposal. They had explained that they had not as developing such services would be covered by other projects. Consequently the amount being requested was unchanged as the activity had not been removed from the proposal. He also said that the LDCF grant had been for US\$ 4 million with additional co-financing being provided by the country, some of it in kind. The INDC's had not been specifically referred to and the representative of the secretariat promised to pay more attention to that issue in the future. He also said that the proponent team had consulted with the team from UNDP, and that because the two projects were implemented by two implementing entities, the risk of inappropriate mixing of project resources would be negligible.

49. 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 *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review; and
- (b) Encourage the Government of Guinea-Bissau to submit through BOAD a fully-developed project proposal.

**(Recommendation PPRC.18/5)**

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); PER/RIE/Rural/2015/1; US\$ 2,236,925)

50. The programme sought to target highlands Andean communities living in the provinces of Arequipa, Caylloma, Castilla, La Union, and Condesuyos to reduce the vulnerability of these communities, and to increase their adaptive capacity to respond to the impacts of climate change.

51. It was pointed out that although the issue of the sustainability of the project had been addressed no figures or budget had been allocated to it, which was surprising as the proponent was a bank. The representative of the secretariat explained that the sustainability of the project outputs was instead mainstreamed in the project design, and that although there was no dedicated budget line allocated to sustainability, the way activities were designed would likely insure the sustainability of the activities.

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

- (b) Request the secretariat to transmit to CAF the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
- (i) In the development of the fully-developed proposal, it is recommended that the section on the full cost of adaptation separate the text by component;
- (c) Request CAF to transmit the observation under item (b) to the Government of Peru; and
- (d) Encourage the Government of Peru to submit through CAF a fully-developed project proposal that would meet the review criteria and address the observations under item (b) above.

**(Recommendation PPRC.18/6)**

Togo: Increasing the resilience of vulnerable communities in the agriculture sector of Mandouri in Northern Togo (Project Concept; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); TGO/RIE/Agri/2016/1; US\$ 10,000,000)

53. The main objective of the project was to improve the level of resilience of vulnerable actors in the agricultural sector in Togo and in particular in Mandouri (Savannah Region) by developing water management and irrigation technologies that reduce dependence on rainfall for agricultural production.

54. It was observed that project provided a great deal of money for investment in infrastructure and it was asked how the sustainability of the project would be ensured once the funding ended. No figure on budget had been provided, and it was suggested that considering that the proponent was a Bank it should be able to provide such information. It was also queried whether the concern over the extent and scale of the hard infrastructure was related to the environmental and social impact assessment or whether the recommendation was overly prescriptive on the issue of gender equality. It was also noted that while the country's National Adaptation Programme of Action (NAPA) had been addressed that had not been the case with its National Adaptation Plan (NAP). It was asked whether micro-credits promoted gender equality, and why the project promoted rice farming, which was water intensive, when crops less dependent on rainfall should be promoted instead.

55. The representative of the secretariat said that the issue of sustainability for such a large investment in infrastructure had been raised with the proponent but that the information provided had been adequate for the concept stage, although the logic of the investment still remained unclear. He also said that it had not been the intention of the secretariat to make a prescriptive recommendation promoting gender equality and that while the proponents had stated in their proposal that they would give preferential treatment to women, the language in the recommendation could be revised from being prescriptive to language that seeks further clarity on the issue. There had also been a red flag raised about conflicts with herders in the past but it had been explained by the proponent that the target area had not been affected by those conflicts.

56. 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 and show the causal relationship between outputs and outcomes for each project component and also identify activities leading to the outputs for each component. This should include a clear explanation of the interrelationship between the different hard infrastructure systems contributing to overall climate resilience of the target area and community;
  - (ii) The proposal should clarify the extent and scale of hard infrastructure installation as this poses the greatest risk on project impacts. Initial consultation with licensing agencies and other environmental groups in this regard should be clearly shown;
  - (iii) A more comprehensive identification of project risks with due consideration of point (ii) above, should justify the project categorization in line with the environmental and social policy of the Fund;
  - (iv) The revised proposal should clarify how the proposed micro-credit facility would not create barriers related to gender; and
- (c) Request BOAD to transmit the observations under item (b) to the Government of Togo.

**(Recommendation PPRC.18/7)**

*Proposal from Multilateral Implementing Entity (MIE)*

Lao People's Democratic Republic: Enhancing the climate and disaster resilience of the most vulnerable rural and emerging urban human settlements in Lao PDR (Project Concept; United Nations Human Settlements Programme (UN-Habitat); LAO/MIE/DRR/2016/1; US\$ 4,500,000)

57. The project sought to enhance the climate and disaster resilience of the most vulnerable human settlements in Southern Laos by increasing sustainable access to basic infrastructure systems and services, emphasizing resilience to storms, floods, droughts, landslides and disease outbreaks.

58. It was questioned why there was a recommendation that the full proposal should explain how the project would ensure that the activities selected would be adaptation measures; it was argued that such a recommendation was confusing and should be removed. It was asked whether the list of stakeholders was meant to be a list to be checked off or a list of stakeholders that has already been checked off. The representative of the secretariat explained that the list of stakeholders had already been "checked off" and agreed that the recommendation to ensure that the activities selected were adaptation measures was confusing and could be removed.

59. 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 United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) Request the secretariat to transmit to UN-Habitat the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The full proposal should describe more precisely the role that the governments will play in developing and implementing the assets planned in component 3;
  - (ii) The full proposal should explain how settlements, communities and institutional level efforts will be articulated, and how synergies will be built between these efforts;
  - (iii) The full proposal should provide evidence that interests and concerns of the different ethnic minorities and indigenous people are taken into account in the proposal;
  - (iv) The full proposal should further explain the arrangements that will be made to ensure maintenance of the infrastructures;
  - (v) The full proposal should include an environmental and management plan (ESMP) to identify the environmental and social policy risks when an unidentified sub-project (USP) is recognized;
- (c) Request UN-Habitat to transmit the observations under item (b) to the Government of Lao People's Democratic Republic; and
- (d) Encourage the Government of the Lao People's Republic to submit through UN Habitat a fully-developed proposal that would meet the review criteria and address the observations under item (b) above.

**(Recommendation PPRC.18/8)**

### **Fully-developed proposals**

*Proposal from National Implementing Entity (NIE)*

*Regular proposal:*

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)



60. The project sought 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

61. During the discussion it was observed that the project had been resubmitted five times and that in that time the request for funding had not changed. Assurance was sought that the proponent did not intend to modify the budget. It was also asked how the problems raised in the initial technical review had been communicated to the proponents.

62. The Committee was informed that the secretariat had held a teleconference to communicate the results to the proponents and had been assured that the proponent did not intend to modify the budget for the project.

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

(b) Approve the funding of US\$ 6,950,239 for the implementation of the project, as requested by PROFONANPE; and

(c) Request the secretariat to draft an agreement with PROFONANPE as the National Implementing Entity for the project.

**(Recommendation PPRC.18/9)**

*Proposal from Regional Implementing Entity (RIE)*

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\$ 9,911,000)

64. The proposed project sought to strengthen the resilience of agriculture to climate change to support food security in Niger, through the promotion of modern irrigation techniques.

65. It was noted that the two issues in the recommendation seemed to relate to the Environmental and Social Policy of the Fund and could perhaps be merged. It was also suggested that in light of the previous comments to the proponent it might not be necessary to even raise these additional issues. It was also asked why only the Convention on Biological Diversity had been mentioned and not the United Nations Convention to Combat Desertification or the Green Wall project. It was also suggested that given the large amount of money being requested the project should be referred to in the country's INDC.

66. It was also pointed out that the activities would take place in a politically risky area and it was asked which civil society organization would be interested in undertaking such risky activities. Others thought that the political risks were overstated especially as such risks existed everywhere. Instead concern was expressed at the scope of the project. It was also observed that the INDC's were only one vehicle for countries to record their activities. Countries could also

use their NAPs or other national documents, and it was suggested that the Committee should be cautious about making the INDCs a requirement as that could force countries to develop INDCs.

67. The representative of the secretariat explained that given the number of farms at issue, and their different locations, it would be difficult to perform an environmental and social impact assessment that would be equally valid for all sites. The secretariat was therefore requesting that such an assessment be done for a typical site to establish the typical risks related to small scale irrigation systems, all the while understanding that it was not likely that it would capture all the risks. With respect to protected areas the request was simply to understand whether there was a system in place to avoid degradation to the protected areas listed in the latest report by Niger to the Convention on Biological Diversity.

68. It was pointed out that impact assessment would be included in the fully-developed project and it was asked whether the method outlined by the secretariat was the correct way to proceed.

69. The representative of the secretariat said that most projects had identified components with outputs that could be easily verified in terms of the number of beneficiaries. However, in this case the beneficiaries and the location of the farms had not yet been identified and consequently it was hard to know the specific characteristics of the environmental and social risks. Consequently the framework for this project has to show that it can identify risks at the small scale. The small scale irrigation projects just need to demonstrate that the risks can be identified in one typical area and that information would be added to the existing framework.

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 *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 related to compliance with the Environmental and Social Policy of the Fund:

(i) The fully-developed project document should ensure that the project activities will avoid conversion or degradation of critical natural habitats, including protected areas as described in the latest report of Niger to the Convention for Biological Diversity (2014);

(ii) The fully-developed project document should include an environmental impact assessment for a typical sub-project in one of the target areas, which would help in assessing typical risks related to those unidentified sub-projects, and revise the project's Environmental and Social Management Plan (ESMP) and Framework accordingly, including ensuring that the proposed mechanism is adequate; and

(c) Request BOAD to transmit the observations under item (b) to the Government of Niger.

**(Recommendation PPRC.18/10)**

*Proposal from Multilateral Implementing Entity (MIE)*

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\$ 6,000,000)

71. The proposed sought to help the government, businesses and population in western lowlands project target areas developing adaptive capacity and embark on climate resilient economic development.

72. It was pointed out that that the original concern over the 40 per cent of the funding was to go to foreign consultants had been addressed by the proponents but concern was still expressed as to whether an insurance a scheme was the best way to address the issue of risks of floods. Insurance was a complicated subject that had an impact on ownership and rights in land. While insurance could be a good vehicle to address the problems of risk, the issue of risk management should take a larger view and look into the activities of other agencies also active in the field. It was also wondered what potential there was for co-financing. The issue of insurance had been addressed before, but what was needed was the long-term strategy so the people did not have to live in areas prone to flooding.

73. It was also pointed out that the secretariat should try to avoid setting entirely new conditions for the proponents unless the proponents had radically changed their proposal. .It was also asked what portion of the funding would go to insurance and, once the project had been emptied of funds, how the beneficiaries would pay for the insurance.

74. The representative of the secretariat said that as the proponents had changed some activities of the proposal, there had been additional clarification requests that were made. He also said that more information was needed on how the adaptation issue in the areas subject to flooding would be addressed in a holistic and complementary manner as regards to other initiatives, and that the executing entity was a large insurance company with experience in those operations. The plan was to use subsidies to make people aware of the insurance and that by the time the funding end, the benefits of the insurance will be sufficiently clear to the beneficiaries that will pay for it themselves. However, it was pointed out that there was also a risk to the Fund from the insurance scheme: the risk that the beneficiaries will refuse to pay for the insurance.

75. 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 fully-developed project document should clarify how the project will ensure that homeowner and farmer beneficiaries could afford the implementation of risk reduction measures that are defined as a pre-requisite for benefitting from subsidized premiums;

- (ii) The fully-developed project document should provide proof of consultation of the most vulnerable communities, including vulnerable farmers;
  - (iii) The proposal should clarify how the other relevant initiatives described in the document (including through UNDP, the World Bank, the German Society for International Cooperation (GIZ) and the European Union) are complementary to the project with a particular focus on the target areas;
  - (iv) The proposal should demonstrate compliance with the 15 principles of the Environmental and Social Policy (ESP) of the Fund, including provisions for an Environmental and Social Management Plan, environmental and social risks or impacts monitoring, public disclosure and grievance mechanism to be put in place for the project; and
- (c) Request the World Bank to transmit the observations under item (b) to the Government of Albania.

**(Recommendation PPRC.18/11)**

### **Agenda Item 8: Review of proposals under the pilot programme for regional projects and programmes**

*Pre-concepts:*

*Proposal from Regional Implementing Entity (RIE)*

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\$ 13,910,400)

76. The objective of the proposed project is to reduce the vulnerability in the face of floods due to the effects of climate change in three coastal cities located in Latin America, promoting the exchange of information and lessons learned, building networks and the development of a culture of adaptation solutions in coastal urban areas throughout the region.

77. It was observed that not including the Chilean National Implementing Entity accredited by the Adaptation Fund Board (AGCI) in the implementation arrangements of the pre-concept that was not in itself a reason to not endorse that pre-concept as the proponents only were encouraged to include NIEs where possible. The fact that the NIE had not been included at the pre-concept stage did not mean that it could not be included later during project development.

78. The representative of the secretariat explained that during the original discussion of the need to include the NIEs, where possible, the wording "where possible" had been added because not all countries had NIEs and should not be excluded from a regional project because of that reason alone. It had been thought that it would be useful for the NIEs to be included to help build their own capacity. However, the fact remained that the proponents could work either with the NIE in a country other national institutions at its choice. He also confirmed that the Designated Authorities of each of the participating countries had to sign off on the regional proposal.

79. It was agreed that it was important to encourage the participation of the NIEs in the regional projects for the learning and capacity building that they would experience by that participation.

80. 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 *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- (b) Request the secretariat to transmit to CAF the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
  - (i) As noted by the previous review of the pre-concept, it should consider and if possible, include the Chilean National Implementing Entity accredited by the Adaptation Fund Board (AGCI) in the implementation arrangements of the project at the concept stage including for learning/experience building;
- (c) Request CAF to transmit the observations under item (b) to the Governments of Chile and Ecuador; and
- (d) Encourage the Governments of Chile and Ecuador to submit through CAF a project concept that would meet the review criteria and address the observations under item (b) above.

**(Recommendation PPRC.18/12)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam: Groundwater resources in Greater Mekong Sub-region: Collaborative management to increase resilience (Project Pre-concept; United Nations Educational, Scientific and Cultural Organization (UNESCO); ASI/MIE/Water/2015/1; US\$ 4,542,250)

81. The project sought to develop and implement targeted groundwater (GW) vulnerability reduction measures (VRM) for sustainable use of GW resources as an adaptation response to protect people, food production, health, livelihoods and ecosystems in the greater Mekong sub-region; and Improve the regional capabilities and information base to introduce and regionally apply the VRM to support the Sustainable Development Goals (SDGs).

82. It was observed that while the beneficiaries of the project were claimed to be 240 million people the amount being requested was only US\$ 4.5 million and it was asked how realistic that impact really could be. The activities also seemed to be for research and capacity building rather than concrete adaption activities and it was asked how they would be sustained when the project was completed. It was also asked why the comments of civil society had not been included in the document. It was also asked how the project would fit into the ongoing work already being undertaken in the Mekong sub-region.

83. The representative of the secretariat explained that the 240 million people would only be the indirect beneficiaries of the project and that the comments of civil society had been attached to the document as a file with tracked changes.

84. 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 Educational, Scientific and Cultural Organization (UNESCO) to the request made by the technical review;

(b) Request the secretariat to transmit to UNESCO 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 be more specific on the pilots that will be carried out, providing details on the concrete activities on the ground and clarifying what "information-based measures" are;
- (ii) Also, the concept document should provide more information on the existing climate monitoring systems in the Greater Mekong Sub-region, and explain how they would be used to complement the ground water monitoring systems that will be developed through the project;
- (iii) The concept document should also elaborate on the synergies and complementarities that will be sought with other relevant regional initiatives;
- (iv) In addition to the regional engagement, policies and cooperation at national and sub-national levels, including adaptation plans, should be also explored;
- (v) The concept document should elaborate on the benefits to and roles of target groups, including gender groups, in the project;
- (vi) The concept document should explain how the project will coordinate with the Mekong River Commission and how groundwater user organizations will be part of the implementation arrangements of the project;

(c) Request UNESCO to transmit the observations under item (b) to the Governments of Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam; and

(d) Encourage the Governments of Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam to submit through UNESCO a project concept that would meet the review criteria and address the observations under item (b) above.

**(Recommendation PPRC.18/13)**

Colombia, Ecuador: Building adaptive capacity through food and nutrition security and peace-building actions in vulnerable Afro and indigenous communities in the Colombia-Ecuador border area (Project Pre-concept; World Food Programme (WFP); LAC/MIE/Food/2015/1; US\$ 14,000,000)

85. The project sought to link food security and livelihood resilience through climate change adaptation in the context of the Binational Plan for border integration and peace building. Executed by local Afro and indigenous organizations in Carchi, Esmeraldas and Nariño, this project will promote community and ecosystem-based approaches and locally-generated climate change adaptation that develop institutional and community capacities in a culturally and conflict-sensitive manner.

86. Concern was expressed about the recommendation that there be equitable involvement of the local organizations in the two countries and it was pointed out that indigenous organizations in one country might be more active than in another.

87. The representative of the secretariat explained that in the present case only one national organization had been included for one of the countries while all the others had been included from the other country. It had therefore been suggested that it would be better to have a more equitable balance between the two countries.

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 World Food Programme (WFP) to the request made by the technical review;
- (b) Request the secretariat to transmit to WFP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
  - (i) The concept should encourage an equitable involvement of local organisations of the two countries in the implementation arrangements;
- (c) Approve the Project Formulation Grant of US\$ 20,000;
- (d) Request WFP to transmit the observations under item (b) to the Governments of Colombia and Ecuador; and
- (e) Encourage the Governments of Colombia and Ecuador to submit through WFP a project concept that would meet the review criteria and address the observations under item (b) above.

**(Recommendation PPRC.18/14)**

The Comoros, Madagascar, Malawi, Mozambique: Building Urban Climate Resilience in South-eastern Africa (Project Pre-concept; United Nations Human Settlements Programme (UN-Habitat); AFR/MIE/DRR/2016/1; US\$ 15,088,553)

89. The proposed programme sought to develop capacity and establish conditions at municipal (especially through the implementation of demonstration projects), sub-national (i.e. district, province or region/island within a country) and national level to adapt to the adverse effects of climate change and progressively build urban resilience by applying the Understand, Plan, Act and Manage (UPAM) approach in vulnerable cities and towns of the Comoros, Madagascar, Malawi and Mozambique.

90. It was pointed out that the proposal was still over the US\$ 14 million cap for the programme and that not all the countries involved shared common borders. It was also asked why NGOs had not been included and whether the all national authorities had approved the project. It was also asked whether the request to reduce the number of activities might have an effect on the regional nature of the project.

91. The representative of the secretariat confirmed that the national authorities had endorsed the project but it was not clear that the project responded to the local priorities within the countries which would be required to assure the sustainability of the project. The proponent indicated that NGOs would participate but that had not been elaborated in the document which was only five pages in length in accordance with the page limit set for pre-concepts. He also said that the request to consider reducing the number of activities was meant to help the proponent who had not yet managed to bring the budget of the project within the maximum amount allowed under the pilot programme.

92. 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 United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) Suggest that UN-Habitat 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 proponent should consider reducing the total number of activities and associated executing partners at the national, regional and municipal levels in order to be able to focus resources adequately;
  - (ii) The proponent should explain how the project responds to existing strategic and policy priorities in the participating countries, cities and towns;
  - (iii) The proponent should consider reducing the funding request in line with the indicative funding structure agreed for the Pilot Programme on Regional Projects/ Programmes; and
- (c) Request UN-Habitat to transmit the observations under item (b) to the Governments of the Comoros, Madagascar, Malawi and Mozambique.



**(Recommendation PPRC.18/15)**

Ethiopia, Kenya, Uganda: Agricultural Climate Resilience Enhancement Initiative (ACREI) (Project Pre-concept; World Meteorological Organization (WMO); AFR/MIE/Food/2015/2; US\$ 6,800,000)

93. The objective of the programme was to improve 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 to 60 years.

94. It was observed that both the implementing entity and the executing entity of the project were MIEs and that the project proposed to address a lot of soft targets. It was expected that the fees charged should be kept within the guidelines of the Fund.

95. The representative of the secretariat explained that although the Food and Agricultural Organization (FAO) of the United Nations was an international organization it was not an accredited MIE of the Adaptation Fund and was only one of the executing entities. The MIE the WMO would receive the implementing entity fees and the executing entities will share the execution costs which were not to exceed the maximum amount set for that by the Fund, and the overall administrative costs would not exceed 20 per cent of the project's funding.

96. The representative of the secretariat also explained, in response to a query as how it would be possible to ensure that the MIEs would give credit to the Adaptation Fund for funding the project, that the Fund had experience with MIEs implementing its projects and that this had not been a problem in the past.

97. It was also asked how it would be possible to ensure the sustainability of the component for training in the agricultural field schools once the project had been completed and the Committee was informed that it was always difficult to ensure that activities would continue once a project had been completed. More information would be forthcoming in the project concept but the FAO had much experience with such field schools and it was hoped that more would be learnt about that in the concept.

98. 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 World Meteorological Organization (WMO) to the request made by the technical review; and
- (b) Encourage the Governments of Ethiopia, Kenya and Uganda to submit through WMO a project concept for the Board's consideration.

**(Recommendation PPRC.18/16)**

Kyrgyzstan, Tajikistan, Uzbekistan: Reducing vulnerabilities of populations in Central Asia region from glacier lake outburst floods in a changing climate (Project Pre-concept; United Nations Educational, Scientific and Cultural Organization (UNESCO); ASI/MIE/DRR/2015/1; US\$ 5,000,000)

99. The project sought to contribute to build capacities of responsible institutions/authorities to address immediate Glacier Lake Outburst Flood (GLOF) risks and enhance understanding of the formation, growth and dynamics of glacial lakes, identify populated areas vulnerable to flooding and assess the risks for the population, evaluate the potential losses due to flooding, and elaborate an early warning system.

100. Satisfaction was expressed with the project that dealt with an important issue, glacier lake outburst floods and water management. Its regional approach offers broader opportunities for cooperation between countries. However, it was noted that it would be important to assure the long-term effectiveness of the activities and to that end it might be useful to have a geographical pilot site. It would also be important to consider the expertise of other organizations working in the same field.

101. 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 Educational, Scientific and Cultural Organization (UNESCO) to the request made by the technical review; and

(b) Encourage the Governments of Kyrgyzstan, Tajikistan and Uzbekistan to submit through UNESCO a project concept for the Board's consideration.

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

Concept proposals

*Proposal from Regional Implementing Entity (RIE)*

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

102. The objective of the proposed project was to contribute to developing climate-smart agriculture in West Africa especially in terms of adaptation in order to strengthen the resilience of vulnerable populations.

103. It was observed that the project had been improved since it had been endorsed as a pre-concept, but significant gaps remained and the added value of a regional approach had not been reflected in the document. Questions were also raised about the sustainability and implementation of such a high volume of activities in the different countries. It was also asked how the non-governmental organizations (NGOs) would participate in the project and more information was needed on how the division of funding between the components would support concrete activities. Questions were also asked about the risks associated with activities for some of the targeted areas, although it was pointed out that the same issue had already been raised for another concept and it had been endorsed.

104. The representative of the secretariat said that questions had been raised about the regional approach of the project but those concerns had been addressed once the secretariat had looked at a map of the project which showed that the adjoining nature of the areas which shared similar ecosystems. He also said that the sustainability of the project would be assured by encouraging the local governments to commit resources for that. The participation of NGOs was explicitly foreseen in the second and third components of the project. In the budget, US\$ 8.2 million was being allocated to concrete activities, although it would only be with the fully-developed proposal that it would be possible to judge whether that would amount to business-as-usual development of adaption for climate change.

105. 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) Given that a number of other initiatives intersecting agriculture and adaptation are taking place in the region already, the concept should better explain what the gaps are that each proposed activity is aiming to fill;
  - (ii) The proposal should briefly explain how the project would be aligned with the identified climate change adaptation and sustainable development related strategies and plans in each country;
  - (iii) It appears the proponent has not conducted any consultations at the community level in two countries, Ghana and Togo for the purposes of this proposed project – it is necessary to do so even at the concept stage, and reflect the outcomes of the consultations in the proposal;
  - (iv) The proponent should conduct a more robust environmental and social risk screening, in light of the Adaptation Fund Environmental and Social Policy, and assign the project a risk category;
  - (v) The proponent should revise administrative costs of the proposal so that they remain below the limit of 20 per cent set for regional projects and programmes;
- (c) Not approve the Project Formulation Grant of US\$ 80,000; and
- (d) Request BOAD to transmit the observations under item (b) to the Governments of Benin, Burkina Faso, Ghana, Niger and Togo.

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

*Proposal from Multilateral Implementing Entity (MIE)*

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

106. The project sought 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.

107. It was asked whether the implementing entity should specify the roles the NIEs would play in the project. It was also suggested that in addition to the other stakeholders it had included in its proposal the proponents should also include a reference to the Global Water Partnership and the International Network of Basin Organizations (INBO). It was also asked what benefit there would be in knowing about the non-climate factors and how the small-grant programme would be linked to the small-grant programme implemented by UNDP in the region.

108. The representative of the secretariat explained that the proponent only had to explain the role of the NIE, if there was one. He also said that it was important to understand the impact of non-climate factors on a project as they could mask the effects of climate factors and also render the proposed activities to address climate factors unsustainable. He also said that it would be useful to look at the possible linkages between different small-grants schemes at the regional level.

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

- (a) Endorse the project 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) The proposal should further explain how the non-climatic factors identified will be addressed either through the project or other initiatives;
  - (ii) The fully-developed project document should provide more details on the estimated scope of activities under the project, especially the concrete adaptation actions and the small grants programme (SGP) under outputs 3.1 and 3.2 and 4.1;
  - (iii) In relation with the SGP, the proposal should explain how it will seek complementarity with existing Global Environment Facility SGPs implemented in the countries covered by the project;
  - (iv) The fully-developed project document should be more explicit about the linkages between this and the project Planning for Resilience in East Africa through Policy, Adaptation Research and Economic Development

(PREPARED) and the project Strengthening Institutions for Trans-boundary Water Management in Africa (SITWA);

- (v) The fully-developed project document should demonstrate that a comprehensive consultation process has been undertaken, covering the target countries and sites, including key regional stakeholders;
  - (vi) Given the number of unidentified subprojects, the fully-developed project document should include the description of an environmental and social risks screening system for such subprojects and an environmental and social management plan for the whole project;
  - (vii) The fully-developed project document should describe which role, if any, the Adaptation Fund National Implementing Entities in the target countries will play in the project;
- (c) Approve the Project Formulation Grant of US\$ 80,000;
  - (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 fully-developed project document that would meet the review criteria and address the observations under item (b) above.

**(Recommendation PPRC.18/19)**

**Agenda Item 9: Experience gained by the PPRC in operationalizing decision B.25/15 (tracking changes made to the previous versions of proposals)**

110. The representative of the secretariat reminded the Committee of the changes introduced following decision B.25/15 and informed it of how the decision had been applied so far. The committee members were invited to exchange their own experiences in using the system for tracking changes made to previous versions of proposals.

111. It was observed that while the tracking made it easier to track the changes the different types of tracking and the different colours being used for that purpose were confusing. The inclusion of the response table was also useful and it was asked why it had not been provided for all the documents. The secretariat was also asked if the tracking could be simplified and whether it would be possible to provide a table of contents for the proposals.

112. The representative of the secretariat explained that the changes to the documents were tracked using at least three different methods: tracked changes, highlighting the changes or indicating the changes with different colours. The secretariat would try to standardize the approach and ask the proponents to just highlight the changes in colours. He also explained that the response tables had been attached to all the revised proposals but did not exist for new proposals. As the Board members were principally interested in the most recent changes to the documents it might also be possible to simplify the process and only track those changes.

113. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board requests the secretariat to provide to proponents, for harmonization purposes, with technical guidance on the tracking of changes in the proposals.

**(Recommendation PPRC.18/20)**

**Agenda Item 10: Request for project revision and budget change: UNDP (Maldives)**

114. The Committee was informed that UNDP had submitted to the Board, on 20 February 2015, a request for a revision to its budget for its project in the Maldives (MDV/MIE/Water/2010/6, US\$ 8,989,225). The Ethics and Finance Committee (EFC) reviewed the request at its sixteenth meeting and at its twenty-fifth meeting, having considered the comments and recommendation of the EFC, the Board requested UNDP to provide a the necessary budgetary information so that the secretariat could conduct a full review of the revised project.

115. In light of the information provided by UNDP the secretariat conducted a full review of the project and found that UNDP had provided adequate reasoning for the changes made in the project design and budget.

116. It was observed that it was important to remember that the proponent was not asking for additional resources and that it was not unusual for the priorities of a project to change and that could entail the shifting of resources between different components of a project. Assurance was sought that such a shifting of resources would not adversely impact the other components of the programme. It was also asked whether the modification had been approved by national authorities.

117. The representative of the secretariat said that the involvement of national authorities was evident from the signed document annexed to the proposal and that the principal impact of the changes was that instead of rainwater being the primary source of drinking water, with desalinated water as a secondary source, desalinated water was now an important source of drinking water.

118. The Project and Programme Review Committee (PPRC) decided to recommend that the Adaptation Fund Board approve revised project document for the project "Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island", as requested by the United Nations Development Programme (UNDP) including the budget changes made in that document.

**(Recommendation PPRC.18/21)**

**Agenda Item 11: Other matters**

119. No other matters were raised by the members of the Committee.

**Agenda Item 12: Adoption of the report**

120. The present report was adopted based on the draft report of the committee contained in document AFB/PPRC.18/L1 as orally amended.

**Agenda Item 13: Closure of the meeting**

121. The meeting was closed at 8:00 pm on the 16<sup>th</sup> of March 2016.

## **Annex I**

### **Project and Programme Review Committee Eighteenth Meeting Bonn, 15-16 March, 2016**

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

- Mr. Yerima Peter TARFA (Chair, Nigeria, Africa)
- Mr. Ahmed WAHEED (Maldives, Asia)
- Mr. Albara E. TAWFIQ (Saudi Arabia, Asia)
- Ms. Monika ANTOSIK (Vice-Chair, Poland, Eastern Europe)
- Ms. Ardiana SOKOLI (Albania, Eastern Europe)
- Mr. Lucas DI PIETRO (Argentina, Latin America and the Caribbean)
- Ms. Yuka GREILER (Switzerland, Western European and Others Group)
- Mr. Marc-Antoine MARTIN (France, Western European and Others Group)
- Mr. Markku KANNINEN (Finland, Annex I Parties)
- Ms. Aida Velasco MUNGUIRA (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)

PPRC 18 Funding Recommendations March 17, 2016)

	Country/Title	IE	Document Ref	Project	NIE	RIE	MIE	Set-aside Funds	Decision
<b>1. Projects and Programmes: Single-country</b>									
	Peru (2)	PROFONANPE	AFB/PPRC.18/13	6,950,239	6,950,239			6,950,239	Approved
	Niger	BOAD	AFB/PPRC.18/14	9,911,000		9,911,000			Not approved
	Albania	WB	AFB/PPRC.18/15	6,000,000			6,000,000		Not approved
	<b>Sub-total</b>			<b>22,861,239</b>	<b>6,950,239</b>	<b>9,911,000</b>	<b>6,000,000</b>	<b>6,950,239</b>	
<b>2. Project Formulation Grants: Single country</b>									
	Federated States of Micronesia	MCT	AFB/PPRC.18/4/Add.1	30,000	30,000				Not approved
	Antigua and Barbuda	ABED	AFB/PPRC.18/7/Add.1	30,000	30,000				Not approved
	Panama	Fundación Natura	AFB/PPRC.18/8/Add.1	30,000	30,000			30,000	Approved
	<b>Sub-total</b>			<b>90,000</b>	<b>90,000</b>			<b>30,000</b>	
<b>3. Concepts: Single-country</b>									
	Federated States of Micronesia	MCT	AFB/PPRC.18/4	1,000,000	1,000,000				Not endorsed
	Antigua and Barbuda	ABED	AFB/PPRC.18/7	10,000,000	10,000,000				Not endorsed
	Panama	Fundación Natura	AFB/PPRC.18/8	9,952,121	9,952,121				Endorsed
	Guinea Bissau	BOAD	AFB/PPRC.18/9	9,979,000		9,979,000			Endorsed
	Peru (1)	CAF	AFB/PPRC.18/10	2,236,925		2,236,925			Endorsed
	Togo	BOAD	AFB/PPRC.18/11	10,000,000		10,000,000			Not endorsed
	Lao People's Democratic Republic	UN-Habitat	AFB/PPRC.18/12	4,500,000			4,500,000		Endorsed
	<b>Sub-total</b>			<b>47,668,046</b>	<b>20,952,121</b>	<b>22,215,925</b>	<b>4,500,000</b>	<b>0</b>	
<b>4. Project Formulation Grants: Regional Concepts</b>									
	Benin, Burkina Faso, Ghana, Niger, Togo	BOAD	AFB/PPRC.18/22/Add.1	80,000		80,000			Not approved
	Burundi, Kenya, Rwanda, Tanzania, Uganda	UNEP	AFB/PPRC.18/23/Add.1	80,000			80,000	80,000	Approved
	<b>Sub-total</b>			<b>160,000</b>	<b>0</b>	<b>80,000</b>	<b>80,000</b>	<b>80,000</b>	
<b>5. Concepts: Regional</b>									
	Benin, Burkina Faso, Ghana, Niger, Togo	BOAD	AFB/PPRC.18/22	14,000,000		14,000,000			Not endorsed
	Burundi, Kenya, Rwanda, Tanzania, Uganda	UNEP	AFB/PPRC.18/23	5,000,000			5,000,000		Endorsed
	<b>Sub-total</b>			<b>19,000,000</b>	<b>0</b>	<b>14,000,000</b>	<b>5,000,000</b>	<b>0</b>	
<b>6. Project Formulation Grants: Regional Pre-concepts</b>									
	Colombia, Ecuador	WFP	AFB/PPRC.18/18/Add.1	20,000			20,000	20,000	Approved
	<b>Sub-total</b>			<b>20,000</b>	<b>0</b>	<b>0</b>	<b>20,000</b>	<b>20,000</b>	
<b>7. Pre-concepts: Regional</b>									
	Chile, Ecuador	CAF	AFB/PPRC.18/16	13,910,400		13,910,400			Endorsed
	Cambodia, Lao People's Democratic Republic, Myanmar, Thailand, Viet Nam	UNESCO	AFB/PPRC.18/17	4,542,250			4,542,250		Endorsed
	Colombia, Ecuador	WFP	AFB/PPRC.18/18	14,000,000			14,000,000		Endorsed
	Comoros, Madagascar, Malawi, Mozambique	UN-Habitat	AFB/PPRC.18/19	15,088,553			15,088,553		Not endorsed
	Ethiopia, Kenya, Uganda	WMO	AFB/PPRC.18/20	6,800,000			6,800,000		Endorsed
	Kyrgyzstan, Tajikistan, Uzbekistan	UNESCO	AFB/PPRC.18/21	5,000,000			5,000,000		Endorsed
	<b>Sub-total</b>			<b>59,341,203</b>	<b>0</b>	<b>13,910,400</b>	<b>45,430,803</b>	<b>0</b>	
<b>8. Total (8 = 1 + 2 + 3 + 4 + 5+6+7)</b>									
				<b>149,140,488</b>	<b>27,992,360</b>	<b>60,117,325</b>	<b>61,030,803</b>	<b>7,080,239</b>	