



ADAPTATION FUND

AFB/PPRC.19/5
23 September 2016

Adaptation Fund Board
Project and Programme Review Committee
Nineteenth meeting
Bonn, Germany, 4-5 October 2016

Agenda item 5

PRIORITIZATION AMONG REGIONAL PROJECT/PROGRAMME PROPOSALS

Introduction

1. At its twenty-fifth meeting the Adaptation Fund Board, having considered the document “Issues Related to Regional Projects/Programmes” (AFB/B.25/6/Rev.2), decided to:

- (a) *Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*
- (b) *Set a cap of US\$ 30 million for the programme;*
- (c) *Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and*
- (d) *Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.*

(Decision B.25/28)

2. In accordance with subparagraph (c) of Decision B.25/28, the secretariat issued, on 5 May 2015, a call for regional project and programme proposals (the call and its annex describing the pilot programme are contained in Annex 1 of this document). The call was met with high interest, with 16 regional proposals having initially been submitted for the review cycle for the twenty-sixth Board meeting, eight for the twenty-seventh meeting and 12 for the twenty-eighth meeting, representing altogether 20 different regional project ideas. Regional project proposals had not been submitted to the intersessional review cycle between the twenty-seventh and the twenty-eighth meetings. As at the date of this document, the Board has not approved any regional projects as fully-developed project documents. The Board has endorsed one concept proposal and eight pre-concept proposals, and approved project formulation grants for five project ideas, as detailed in Table 1 below. The list of all the regional proposals that have been considered by the Board are included Annex 3.

3. At the twenty-sixth and twenty-seventh meetings, the Board discussed matters related to regional projects and programmes. The eighteenth meeting of the Project and Programme Review Committee (PPRC) directly preceding the twenty-seventh meeting of the Board decided to recommend to the Board to discontinue, for the time being, the call for new projects and programmes under the pilot programme for regional projects; to 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; to 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, and that once the first fully developed project or programme under the pilot was approved, the Board would request the secretariat to assess the lessons of the programme, and decide on whether to call for additional proposals for regional projects and programmes.

Table 1: Regional proposals (pre-concepts and concepts) endorsed as of September 2016.

Countries	Implementing Entity	Latest document reference	Funding request	Pre-concept endorsed	Pre-concept stage PFG	Concept endorsed	Concept stage PFG
"Large" proposals requesting more than US\$ 5,000,000 and up to US\$ 14,000,000							
Benin, Burkina Faso, Ghana, Niger and Togo	BOAD	AFB/PPRC.18/22	14,000,000	9-Oct-15	20,000	-	-
Chile and Ecuador	CAF	AFB/PPRC.18/16	13,910,400	18-Mar-16	-	-	-
Colombia and Ecuador	WFP	AFB/PPRC.18/18	14,000,000	18-Mar-16	20,000	-	-
Ethiopia, Kenya and Uganda	WMO	AFB/PPRC.18/20	6,800,000	18-Mar-16	-	-	-
Total, "large" proposals			48,710,400		40,000		0
"Medium" proposals requesting up to US\$ 5,000,000							
Burundi, Kenya, Rwanda, Tanzania and Uganda	UNEP	AFB/PPRC.18/23	5,000,000	9-Oct-15	20,000	18-Mar-16	80,000
Cambodia, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam	UNESCO	AFB/PPRC.18/17	4,898,775	18-Mar-16	-	-	-
Cuba, Dominican Republic and Jamaica	UNDP	AFB/PPRC.17/25	4,969,367	9-Oct-15	20,000	-	-
Kyrgyzstan, Tajikistan and Uzbekistan	UNESCO	AFB/PPRC.18/17	5,000,000	18-Mar-16	-	-	-
Mauritius and Seychelles	UNDP	AFB/PPRC.17/27	4,900,000	9-Oct-15	20,000	-	-
Total, "medium" proposals			24,768,142		60,000		80,000
Total, all endorsed proposals			73,478,542		100,000		80,000

4. Having discussed the above PPRC recommendation at its twenty-eighth meeting the Board took, however, a different approach. The discussion, summarized in the report of the twenty-seventh meeting of the Board (AFB/B.27/10/Rev.1; excerpt contained in Annex 2 of the current document), touched upon, *inter alia*, whether issues of fairness would need to be taken into account when deciding on the continuation or discontinuation of the pilot programme; the implications of the pilot nature of the programme; and timeline of approving regional proposals. Following the discussion the Adaptation Fund Board decided to:

- (a) Continue consideration of regional project and programme proposals under the pilot programme, while reminding the implementing entities that the amount set aside for the pilot programme is US\$ 30 million;
- (b) Request the secretariat to prepare for consideration by the Project and Programme Review Committee at its nineteenth meeting, a proposal for prioritization among regional project/programme proposals, including for awarding project formulation grants, and for establishment of a pipeline; and
- (c) Consider the matter of the pilot programme for regional projects and programmes at its twenty-eighth meeting.

(Decision B.27/5)

5. The current document has been prepared following the request made in Decision B.27/5, subparagraph (b).

Options for prioritizing among regional project/programme proposals

6. Prioritization among project proposals could essentially be done through consideration of aspects of project quality (Option 1), or through consideration of classifying factors such as sector, region, implementing entity, size, or order of approval (Option 2), or a combination of both (Option 3).

7. Option 1: Consideration of aspects of project quality. Considering aspects of project quality, such as cost-effectiveness, sustainability, or innovativeness (to name a few), can be done in two ways: either for each proposal individually (Option 1a) or through comparison of projects with one another (Option 1b). The review process of single-country proposals has consistently followed Option 1a, where each proposal has had to meet certain minimum criteria to qualify for funding. These minimum criteria have been codified, to a degree, in the annexes of the Operational Policies and Guidelines (OPG) approved by the Board, though there has by necessity always remained scope for assessment by the technical review conducted by the secretariat and by the PPRC. One reason for not attempting to make the review criteria too rigid has been the goal of accommodating projects in different sectors, following different approaches and catering to different country circumstances. All in all this approach has turned out to suit the Fund's needs very well, and it has also been relatively straight-forward to implement. Option 1b, in contrast, of comparing proposals with one another, would be very difficult to achieve in an objective way, and therefore would be prone to considerable risks. Such comparison would require setting very specific indicators for project quality, and then assessing the proposals against those indicators. Both steps would practically require significant subjective value determinations, and considering the large diversity of adaptation challenges and specific local circumstances, the process would likely be very time-consuming and laborious, and lead to a high risk of inadvertent bias among types of projects. It should also be noted that the Fund has never set criteria for comparing proposals with one another. For example, when the Board decided, at its seventeenth meeting, through decision B.17/19, to set up a pipeline for (single-country) proposals submitted by multilateral implementing entities (MIEs) that would have gone above the 50 per cent cap for such proposals established by decision B.12/9, and to determine prioritization criteria for projects in the pipeline, those criteria did not include indicators to compare the quality of proposals with one another:

[...]

(d) *Prioritize the projects/programmes in the pipeline by sequentially applying the following criteria:*

- (i) *Their date of recommendation by the PPRC;*
- (ii) *Their submission date; and*
- (iii) *The lower "net" cost.*

[...]

8. Option 2: consideration of classifying factors. The goal of the pilot programme, as stated in document AFB/B.25/6/Rev.2, is to "*pilot different regional approaches to implementing concrete climate change adaptation projects in vulnerable developing countries, and to compile lessons learned*". Therefore, the prioritization criteria could aim at ensuring the diversity of types of projects, with respect to relatively simple classification criteria, such as the sector (among the four priority sectors of the pilot programme), the region (in terms of United Nations regions) and the implementing entity. In such an approach, the projects to be selected would not be compared to

each other only individually but there would also be an endeavor to ensure that the set of projects would together represent a diverse group.

9. Option 3: Consideration of project quality and classifying factors. While ensuring the adequate quality of individual proposals (Option 1a) would be relatively easy, the difficulties of comparing proposals with one another in terms of any quality aspects (Option 1b) would remain even if classifying factors (Option 2) would be included in the project selection process. In contrast, applying the standard quality review process focusing on the individual proposals could be combined with a view to the diversity among proposals, if those proposals are considered as a set.

10. It should be noted that even with relatively neutral classifying factors such as region or implementing entity, the selection of prioritized projects may include subjective considerations, and therefore forming a pipeline, as referred to in Decision B.27/5, may be a useful solution to balance expectations of proponents with the financing possibilities of the Board.

Proposal for prioritization among regional project/programme proposals

11. The proposal by the secretariat for prioritization among regional project/programme proposals is based on Option 3, more specifically the combination of Options 1a and 2. It takes into consideration the following elements:

- (a) Awarding swift project development: approving the four projects to be funded under the pilot programme as soon as ones are technically cleared by the technical review process;
- (b) Aiming at diversity among the four projects to be funded under the pilot programme, in terms of region, sector and implementing entity;
- (c) Setting up a pipeline for projects that have been technically cleared but were not funded as part of the initial four funded projects, and prioritizing them in a clear and straightforward manner;
- (d) Financing the pipeline projects from the same resources that are available for single-country projects, depending on the type of implementing entity; and
- (e) Managing the number of proposals in the pipeline by deciding on the number of regional projects to be approved from the pipeline per unit time, and by deciding on temporarily discontinuing the call for completely new regional proposals¹.

12. Approving four projects under the pilot programme. It is proposed that the four “slots” for projects under the pilot programme be filled through a combination of a “first come, first serve” approach and a diversity-oriented approach. If, during a given review cycle, the number of technically cleared fully-developed regional proposals does not exceed the available slots, then all of those projects can be funded as part of the pilot programme. If the number of technically cleared fully-developed regional proposals exceeds the available slots, then the proposal(s) will be selected to fill the available slots so that total set of funded proposals includes the highest number of sectors, regions and implementing entities – in this order – possible.

¹ Completely new proposals are ones that have not been received by the secretariat as of the twenty-eighth meeting of the Board.

13. Approving project formulation grants for 10 project ideas under the pilot programme. It is proposed that the Board continue financing PFG activities from the funds tentatively set aside in the pilot programme as described in document AFB/B.25/6/Rev.2. The same criteria as described for the selection of the projects to be funded in the four slots above will be used to finance PFGs from the 10 slots. As noted above in Table 1, five out of the 10 slots have been allocated already.

14. It is further proposed that technically cleared proposals exceeding the four proposals funded under the pilot programme, will be placed in two pipelines: one for “large” proposals and the other for “medium” proposals. The order of priority among proposals in both pipelines would be according to the same criteria as were set for the MIE project pipeline through decision B.17/19 and specified through decision B.19/5: their date of recommendation by the PPRC; their submission date; and the lower “net” cost.

15. Recalling that the pilot programme, as described in document AFB/B.25/6/Rev.2, was decided to be funded outside of the MIE cap established through decision B.12/9, it is proposed that going forward, the proposals to be funded from the pipelines will be funded from the same pools of funds as single-country proposals proposed by the same implementing entities: i.e. regional MIE proposals from the funds available under the 50 per cent MIE cap, and regional RIE proposals from the funds available for single-country RIE proposals².

16. It is further proposed that the Board set a target for the maximum number of or funding amount for regional proposals to be funded from the pipelines per unit of time, e.g. annually. This target level would need to be set with a view to the demand for regional projects and the available funds. For example, the Board could decide to approve up to 2 “large” regional proposals and 6 “medium” regional proposals per year, using the same project size categories as in the pilot programme.

17. It is further proposed that the Board consider discontinuing to receive completely new regional proposals, for the time being, and revisiting the possibility of inviting such proposals e.g. annually, based on the situation of the pipeline.

Recommendation

18. The PPRC may want to consider issues related to regional projects and programmes, and decide to recommend to the Board to:

- (a) Approve the prioritization criteria for the funding of the four projects or programmes under the pilot programme for regional projects and programmes so that:
 - i. If the regional proposals recommended to be funded by the PPRC in a given meeting do not exceed the available funding slots under the pilot programme, all those proposals are submitted to the Board for funding;
 - ii. If the regional proposals recommended to be funded by the PPRC in a given meeting exceed the available funding slots under the pilot programme, proposals that maximize the total diversity of proposals funded

^{2 2} As at the twenty-eighth meeting of the Board, there is no cap for single-country RIE and NIE proposals.

under the pilot programme in terms the number of sectors, regions and implementing entities (in this order) are submitted to the Board for funding;

- (b) Continue providing project formulation grant financing for up to 10 regional proposals as described in the document AFB/B.25/6/Rev.2. Same criteria as described under (a) above would apply to selection of PFG grants.
- (c) Establish two pipelines for technically cleared regional proposals: for proposals up to US\$ 14 million and for ones up to US\$ 5 million, respectively, and to place any technically cleared regional proposals that have not been funded as part of the four projects or programmes mentioned under (a) above, in those pipelines;
- (d) Fund projects from the two pipelines, using funds available for the respective types of implementing entities. The Board will decide annually the funding ceiling to be allocated to projects from each of the two pipelines, with the understanding that the funding for such regional projects and programmes will be outside of the country cap of the participating countries; and
- (e) Temporarily close the call for new project proposals, and to revisit the decision at the [thirtieth] meeting.

Annex 1: Call for regional project and programme proposals



ADAPTATION FUND

1818 H Street, NW
MSN P4-400
Washington, DC 20433 USA
Tel: 202.458.7347
Fax: 202.522.3240/3245
E-mail: afbsec@adaptation-fund.org

Ref: 2015/36

5 May 2015

To Parties' Designated Authorities for the Adaptation Fund, and Multilateral and Regional Implementing Entities accredited by the Adaptation Fund Board

Re: Invitation to submit project and programme proposals for funding under the pilot programme for regional projects and programmes of the Adaptation Fund

The Adaptation Fund Board (AFB) wishes to invite eligible Kyoto Protocol Parties to submit proposals for regional (multi-country) projects and programmes, using the services of accredited multilateral (MIE) and regional (RIE) implementing entities, and involving national implementing entities (NIEs) when possible, and/or other national institutions, in implementation arrangements. Proposals submitted will be considered under the pilot programme for regional projects and programmes of the Adaptation Fund (AF).

The AF, established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC), is mandated to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol and to allow direct access to the Fund by those Parties. During 2010-2015, the AF has committed US\$ 312 million in 49 countries. Until now, all AF projects and programmes have focused on individual countries. In its twenty-fourth meeting in October 2014, the AFB decided to launch a pilot programme for regional projects and programmes, not to exceed US\$ 30 million. In its twenty-fifth meeting in April 2015, the AFB approved the pilot programme (attached), and requested the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting. While links to further information on the pilot programme are provided in the attached document ("List of selected references"), it is important to note here that the projects and programmes funded under the pilot programme are not subject to the previous caps set by the AFB, i.e. the cap of 50 percent for projects submitted by MIEs, and the cap per country of US\$ 10 million.

The deadline for submitting proposals for consideration in the twenty-sixth meeting of the AFB is 4 August 2015. The proposals should be submitted in English, using the attached template, with a maximum length of 5 pages (Parts I-III). The AFB secretariat is ready to answer any questions regarding the process and criteria. The secretariat cannot, however, pre-screen proposals before the deadline.

Kindly address your submissions to the AFB secretariat: afbsec@adaptation-fund.org.

Sincerely,

Marcia Levaggi
Manager
Adaptation Fund Board secretariat

Annex I to Invitation to submit project and programme proposals for funding under the pilot programme for regional projects and programmes of the Adaptation Fund

List of selected references

Definition of regional projects and programmes	AFB/B.25/6/Rev.2, para. 21
Goal of the pilot programme	AFB/B.25/6/Rev.2, para. 22
The proposal process	OPG ³ , OPG Annex 3, para. 28-35, and AFB/B.25/6/Rev.2, para. 23-24
Thematic focal areas	AFB/B.25/6/Rev.2, para. 25-26
Funding windows structure	AFB/B.25/6/Rev.2, para. 27-28
Maximum level for administration costs	AFB/B.25/6/Rev.2, para. 30
Review criteria for regional projects and programmes	OPG, OPG Annex 3, ESP guidance document, OPG Annex 4, and AFB/B.25/6/Rev.2, para. 31-32
Learning; cooperating with NIEs	OPG Annex 4 (Part II G) AFB/B.25/6/Rev.2, para. 33-35
Timeline for submissions	AFB/B.25/6/Rev.2, para. 36 ⁴

³ Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (amended in October 2014), available at https://www.adaptation-fund.org/policies_guidelines

⁴ The deadline for submissions to be considered by the Board in its twenty-sixth meeting, is 4 August 2015. The subsequent submission deadlines will be recorded in the meeting reports of the Board and on the AF website.

Annex II to Invitation to submit project and programme proposals for funding under the pilot programme for regional projects and programmes of the Adaptation Fund



ADAPTATION FUND

**PILOT PROGRAMME ON REGIONAL
PROJECTS/PROGRAMMES**

Introduction

19. This document presents the Adaptation Fund Pilot Programme for Regional Projects and Programmes, adopted by the Adaptation Fund Board (the Board) in its twenty-fifth meeting on 8-9 April 2015. The background and rationale of the programme is more fully explained in the document AFB/B.25/6/Rev.2, available at the Adaptation Fund website under Meeting Documents.

20. In its twenty-fifth meeting, the Board decided to:

- (a) *Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*
- (b) *Set a cap of US\$ 30 million for the programme;*
- (c) *Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and*
- (d) *Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.*

(Decision B.25/28)

The programme

Definition of regional projects and programmes

21. The definition for regional projects and programmes is as follows:

“Regional projects and programmes in the context of the Adaptation Fund are understood to be such projects and programmes that are implemented by Multilateral and Regional Implementing Entities in two or more countries in the same United Nations region, or adjacent regions, particularly countries that share a common border and/or similar adaptation challenges in the sector or sectors that the proposed project or programme targets.”

Goal of the pilot programme

22. The overall goal of the pilot programme is to pilot different regional approaches to implementing concrete climate change adaptation projects in vulnerable developing countries, and to compile lessons learned. Such lessons learned inform the Board’s later decisions on whether to make such a modality a more regular part of Adaptation Fund operations.

The proposal process

23. To enable oversight and support by the Board to the development of regional project ideas, the pilot programme follows a three-step project preparation process, consisting of an optional pre-concept stage, followed by a concept stage and a fully-developed project/programme document stage. The optional pre-concept stage is a completely new feature of the pilot programme that enables early funding decisions deemed critical by implementing entities. The concept and fully-developed proposal stages largely correspond to those in the regular project cycle, with certain additional features. Also the proposal submission timelines with respect to Board meetings or intersessional review cycles are similar to those of regular projects and programmes.

24. The Board opens a structured call for MIEs and RIEs to submit pre-concepts for regional projects and programmes. The optional pre-concepts are very brief proposals of maximum 5 pages that explain the proposed regional adaptation project/programme. The pre-concepts are screened and technically reviewed by the secretariat, and subsequently reviewed by the PPRC. Together with the pre-concept, the proponent can submit a Phase I PFG request, up to the maximum level of US\$ 20,000. While endorsing the pre-concept, the Board can also approve the Phase I PFG request. The endorsement of the pre-concept does not create an obligation for the Board for later funding. As the next step, the proponent submits a concept, and with it the proponent can submit a Phase II PFG request. The maximum level of the Phase II PFG is US\$ 80,000 for proposals that had been previously granted Phase I PFG, and US\$ 100,000 for proposals that bypassed the optional pre-concept stage. While endorsing the concept, the Board can also approve the Phase II PFG request. The endorsement of the concept does not create an obligation for the Board for later funding, as it is the case for national projects, too. The final stage of the proposal process is the submission of the fully-developed regional project document.

Thematic focal areas

25. The pilot programme for regional projects and programmes has the following thematic focal areas, in which proposals are welcome:

- (a) Food security;
- (b) Disaster risk reduction and early warning systems; and
- (c) Transboundary water management.

26. In addition to the three specified thematic focal areas, as a cross-cutting fourth theme the pilot programme seeks to support activities that represent innovation in adaptation finance towards transformational impact. The programme encourages MIEs and RIEs to develop innovative solutions to climate change adaptation, including new approaches, technologies and mechanisms. It is required that the proposal describe the innovation aspects of the project/programme.

Funding windows structure

27. The pilot programme has the following indicative structure, to allow for a diversified approach in terms of project/programme sizes:

- (a) One project/programme up to US\$ 14 million;
- (b) Three projects/programmes up to US\$ 5 million; and
- (c) A number of project formulation grants, with a total value of up to US\$ 1 million.

28. The pilot programme can provide project formulation grants up to 10 different project/programme ideas (10 x US\$ 100,000 = US\$ 1,000,000). While this may create an excess of project proposals compared to the available funds under the pilot programme, it also fosters positive competition among proponents, supports building of capacities in countries during the proposal development process, and yields in project ideas that can be funded outside of the pilot programme.

29. As defined by decision B.24/30 (b), the pilot programme on regional projects and programmes is outside of the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) and the country cap.

30. In the pilot programme, regional project proposals and project formulation grant requests are allowed a higher and more flexible maximum level for administration costs, to help ensure regional cooperation. The maximum level for the implementing entity management fee (for regular projects capped at 8.5 per cent of the total project cost) and execution costs (for regular projects capped at 9.5 per cent of the total project cost) together is maximum 20 per cent of the total project cost. As with single-country projects, proposals for regional projects/programmes need to provide budgets for these two categories.

Review criteria for regional projects and programmes

31. In reviewing regional project concepts and fully-developed proposals, the review criteria of single-country projects apply *mutatis mutandis*, with the scope of consideration expanded from the local and national level to the regional level, and taking into account the proposal above on administrative costs. In addition, a few specific review criteria are applied:

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

The criterion for regional projects and programmes:

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

- (b) The regular criterion for single-country projects:
Is the project / programme cost-effective?

The criterion for regional projects and programmes:

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

- (c) The regular criterion for single-country projects:
Is there adequate arrangement for project management?

The criterion for regional projects and programmes:
Is there adequate arrangement for project / programme management at the regional and national level, including coordination arrangements within countries and among them? Has the potential to partner with national institutions, and when possible, national implementing entities (NIEs), been considered, and included in the management arrangements?

- (d) A criterion for regional projects and programmes (entirely new criterion):
Does the project promote new and innovative solutions to climate change adaptation, such as new approaches, technologies and mechanisms?

32. Pre-concepts are reviewed according to the same broad areas of criteria as concepts but the expected level of detail in their information is not as high, also taking into account the five-page limit. The process of review of pre-concepts is similar to concepts and fully-developed project documents.

Learning in the pilot programme for regional projects and programmes

33. It is expected that results from the pilot programme will inform later Board decisions on whether to make such modality a more regular part of Adaptation Fund operations. Learning in the programme at the Fund level is facilitated through the same mechanisms that are available for single-country projects, i.e. reporting through regular project reports (annual project performance reports, mid-term reviews, and final evaluations) and compiled at the Fund level as the annual performance report, and portfolio monitoring missions conducted by the secretariat for a strategic sample of the projects approved by the Board. At the project level, the regular requirement for a knowledge management component applies.

34. To facilitate learning in the context of regional projects and programmes, involving NIEs when possible, and/or other national institutions, in implementation arrangements is strongly encouraged. This is also reflected in the review criterion on management arrangements.

35. To facilitate building synergies with other institutions under the UNFCCC supporting regional activities in climate change adaptation, such as the CTCN, the pilot programme should seek to build specific content links between web-based knowledge management systems.

Timeline of pre-concept submissions

36. Multilateral and regional implementing entities are invited to submit their pre-concepts, concepts and fully-developed proposals for regional projects and programmes following the same deadlines as regular projects and programmes. Therefore, the PPRC and the Board can consider the first pre-concepts of regional projects and programmes in their seventeenth and twenty-sixth meetings, respectively.



ADAPTATION FUND

PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:

Countries:

Thematic Focal Area¹:

Choose an item.

Type of Implementing Entity:

Implementing Entity:

Executing Entities:

Amount of Financing Requested:

(in U.S Dollars Equivalent)

Project / Programme Background and Context:

(Provide brief information on the problem the proposed project/programme is aiming to solve, including both the regional and the country perspective.)

Project / Programme Objectives:

(List the main objectives of the project/programme.)

Project / Programme Components and Financing:

(Fill in the table presenting the relationships among project components, outcomes, outputs and countries in which activities would be executed, and the corresponding budgets.)

Project/Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)
1.				
2.				
3.				
4.				
5.				
6. Project/Programme Execution cost				
7. Total Project/Programme Cost				
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)				
Amount of Financing Requested				

Project Duration: *(In years and months)*

¹ Thematic areas are: Food security; Disaster risk reduction and early warning systems; Transboundary water management; Innovation in adaptation finance.

PART II: PROJECT / PROGRAMME JUSTIFICATION

(Provide a brief description of the proposed regional project/programme including, as a minimum², the following aspects:

- The project / programme components, particularly focusing on the concrete adaptation activities, how these activities would contribute to climate resilience, and how they would build added value through the regional approach, compared to implementing similar activities in each country individually.*
- How the project would promote new and innovative solutions to climate change adaptation, such as new approaches, technologies and mechanisms.*
- The cost-effectiveness of the proposed project / programme, explaining how the regional approach would support cost-effectiveness.*
- How the project / programme would be consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist. If you wish and if applicable, you can also refer to regional plans and strategies where they exist.*
- The learning and knowledge management component to capture and disseminate lessons learned.*
- The consultative process, planned to be undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund.*
- How the sustainability of the project/programme outcomes would be taken into account when designing the project / programme.)*

(You may also want to provide brief information on the following aspects:

- How the project / programme would provide economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations, and how it would avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund.*
- How the project / programme would meet relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and comply with the Environmental and Social Policy of the Adaptation Fund.*
- Duplication of project / programme with other funding sources.*
- Justification for funding requested, focusing on the full cost of adaptation reasoning.*
- The environmental and social impacts and risks identified as being relevant to the project / programme.)*

² Please note that subsequent proposal stages (concept and fully-developed proposal) would require further information on these criteria, as well as additional criteria.

PART III: IMPLEMENTATION ARRANGEMENTS

(At the pre-concept stage, this section should only briefly explain which organizations would be involved in the proposed regional project/programme at the regional and national/sub-national level, and how coordination would be arranged. The involvement of national institutions, and when possible, national implementing entities (NIEs), partnering in the project should be explained.)

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government⁷ *Provide the name and position of the government official and indicate date of endorsement for each country participating in the proposed project/programme. Add more lines as necessary. The endorsement letters should be attached as annexes to the project/programme proposal.*

<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>
<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>
<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>

B. Implementing Entity certification *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

<p>I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans <u>(.....list here.....)</u> and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p>	
<p><i>Name & Signature</i> Implementing Entity Coordinator</p>	
<i>Date: (Month, Day, Year)</i>	<i>Tel. and email:</i>
<i>Project Contact Person:</i>	
<i>Tel. And Email:</i>	

Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

Annex 2: Excerpt of the report of the twenty-seventh meeting of the Board (AFB/B.27/10/Rev.1)

Funding for proposals under the pilot programme for regional activities

31. During the discussion of the report of the PPRC, questions were raised about the recommendation of the Committee on the pilot programme. It was asked whether the option of providing more resources for the programme had also been discussed. It seemed unfair to some to discontinue the programme when the Fund was still accrediting new implementing entities. While the suggestion of the need for a pipeline if there were too many applicants was understood, that too would effectively close the programme to new applicants and their new proposals. Discontinuing the call for proposals would close the door to those proposals. If the call for proposals was to be discontinued, then a date had to be set for it to reopen. The Board should await the outcome of the discussion on its resources before taking such a decision. It was also suggested that even if the call for projects was discontinued, it should remain possible to award project formulation grants (PFGs) for proposals that were endorsed.

32. However, it was also pointed out that the pilot programme had only been created to fund a limited number of pilot projects. While the programme could be replicated and scaled-up based on the lessons learned, the Board had never intended to provide sufficient funding for all the projects proposed. The PPRC had discussed whether to close or discontinue the call for proposals and had considered: the limited scope of the programme, the demand for funding, the need for a better definition of what a regional programme was, and whether MIEs were using the programme to bundle together projects to get round their cap. In the end, it had only decided to recommend temporarily discontinuing the call so that the Board would have time to review the projects already before it. If the call remained open, then a pipeline would have to be created and political pressure would mount to clear that pipeline, as had been the case with the pipeline of projects proposed by MIEs.

33. The Board was reminded that the resources set aside for the pipeline had been set at US\$ 30 million and that from the surveys undertaken among the stakeholders it appeared that the demand for the programme exceeded US\$ 200 million, which was more than the current resources available to the Fund for funding projects. The Board had before it, for endorsement, the first concept presented under the programme, and it was likely that a fully-developed project would be presented to the Board for its approval at either its twenty-eighth or twenty-ninth meeting. Once project PFGs were awarded, it was expected that the proponents would develop fully-developed proposals, and if all the PFGs were awarded there would be ten fully-developed proposals for the Board to consider, which would undoubtedly have a combined value of more than the US\$ 30 million of funding available under the programme. However, the first approval of a fully-developed proposal would also trigger the application of paragraph (d) of Recommendation PPRC.18/1 of the PPRC's report, so that reopening the call for proposals could be reconsidered by the Board.

34. It was suggested that it would be useful to have a summary of the total amount of funding needed for the projects and programmes recommended for approval so that it would be clear to the board that the approvals would be within the amount of funding available. It would also be useful to have a more informative description of the projects in the report of the PPRC. It was suggested that the recommendation be modified to specify that the maximum amount for the programme was US\$ 30 million so that applicants would not be caught by surprise when they were subsequently told of the lack of funds available to fund all the applications.

35. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided to:

- a) Continue consideration of regional project and programme proposals under the pilot programme, while reminding the implementing entities that the amount set aside for the pilot programme is US\$ 30 million;
- b) Request the secretariat to prepare for consideration by the Project and Programme Review Committee at its nineteenth meeting, a proposal for prioritization among regional project/programme proposals, including for awarding project formulation grants, and for establishment of a pipeline; and
- c) Consider the matter of the pilot programme for regional projects and programmes at its twenty-eighth meeting.

(Decision B.27/5)

Annex 3: Active pipeline of regional proposals

Active pipeline of regional proposals considered by the Adaptation Fund Board				
Country	Agency	Sector	Financing requested	Stage
RIE proposals				
Benin, Burkina Faso, Niger	OSS	DRR	\$5,000,000	Pre-concept
Benin, Burkina Faso, Ghana, Niger, Togo	BOAD	Food	\$14,000,000	Concept
Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama	CABEI	Innovation	\$5,000,000	Concept
Chile, Ecuador	CAF	DRR	\$13,910,400	Fully-developed
Total, RIEs			\$37,910,400	
MIE proposals				
Cuba, Dominican Republic and Jamaica	UNDP	DRR	\$4,969,367	Pre-concept
The Comoros, Madagascar, Malawi and Mozambique	UN-Habitat	DRR	13,544,055	Pre-concept
Colombia and Ecuador	WFP	Food	\$14,000,000	Concept
Kyrgyzstan, Tajikistan and Uzbekistan	UNESCO	DRR	\$5,000,000	Concept
Mauritius and Seychelles	UNDP	Food	\$4,900,000	Concept
Burundi, Kenya, Rwanda, Tanzania and Uganda	UNEP	Water	\$5,000,000	Fully-developed
Cambodia, Lao PDR, Myanmar, Thailand and Vietnam	UNESCO	Water	\$4,898,775	Fully-developed
Ethiopia, Kenya and Uganda	WMO	Food	\$6,800,000	Fully-developed
Total, MIEs			\$59,112,197	
Total, all IEs			\$97,022,597	

Note: The above list contains regional projects that have been considered by the Adaptation Fund Board. It does not include projects that were received by the secretariat but were either withdrawn by the proponent or were considered ineligible due to unresolved issues. There have been altogether seven such proposals with a total funding request of US\$ 42,000,000.