



ADAPTATION FUND

AFB/PPRC.19/8
26 September 2016

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

Agenda Item 7 c)

PROPOSAL FOR THE DOMINICAN REPUBLIC

Background

1. The Operational Policies and Guidelines (OPG) for Parties to Access Resources from the Adaptation Fund (the Fund), adopted by the Adaptation Fund Board (the Board), state in paragraph 45 that regular adaptation project and programme proposals, i.e. those that request funding exceeding US\$ 1 million, would undergo either a one-step, or a two-step approval process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Programme Review Committee (PPRC) and would have to receive the endorsement of the Board. In the second step, the fully-developed project/programme document would be reviewed by the PPRC, and would ultimately require the Board's approval.

2. The Templates approved by the Board (OPG, Annex 4) do not include a separate template for project and programme concepts but provide that these are to be submitted using the project and programme proposal template. The section on Adaptation Fund Project Review Criteria states:

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

3. The first four criteria mentioned above are:

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

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

5. It is worth noting that since the twenty-second Board meeting, the Environmental and Social (E&S) Policy of the Fund was approved and consequently compliance with the Policy has been included in the review criteria both for concept documents and fully-developed project documents. The proposals template was revised as well, to include sections requesting demonstration of compliance of the project/programme with the E&S Policy.

6. In its seventeenth meeting, the Board decided (Decision B.17/7) to approve "Instructions for preparing a request for project or programme funding from the Adaptation Fund", contained in the Annex to document AFB/PPRC.8/4, which further outlines applicable review criteria for both concepts and fully-developed proposals. The latest version of this document was launched in conjunction with the revision of the Operational Policies and Guidelines in November 2013.

7. Based on the Board Decision B.9/2, the first call for project and programme proposals was issued and an invitation letter to eligible Parties to submit project and programme proposals to the Fund was sent out on April 8, 2010.

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

9. The following project concept document titled “Enhancing climate resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management and Rural Development Programme” was submitted by the Dominican Institute of Integral Development (IDDI), which is the National Implementing Entity of the Adaptation Fund for the Dominican Republic.

10. This is the first submission of the proposal. It was received by the secretariat in time to be considered in the twenty-eighth Board meeting. The secretariat carried out a technical review of the project proposal, assigned it the diary number DOM/NIE/Water/2016/1, and completed a review sheet.

11. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with IDDI, and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.

12. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25.15, the proposal is submitted with changes between the initial submission and the revised version highlighted.

Project Summary

Dominican Republic – Enhancing climate resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management and Rural Development Programme

Implementing Entity: Dominican Institute of Integral Development (IDDI)

Project/Programme Execution Cost: US\$ 796,000

Total Project/Programme Cost: US\$ 9,174,000

Implementing Fee: US\$ 780,000

Financing Requested: US\$ 9,954,000

Project Background and Context:

Though the human development index is as high as 0.715, many communities in Dominican Republic remain vulnerable with little adaptive capacities due to low socioeconomic development on rural areas and heavy dependence of local economies and livelihoods on rain-fed systems such as agriculture and forestry. The proposed project seeks to enhance the resilience and adaptive capacity of rural livelihoods to climate impacts and risks on water resources in San Cristóbal province. It proposes to intervene in water conservation and supply at community level, diversification of livelihoods and capacity building.

Component 1: Community level implementation of climate resilient water resource management activities (USD 6,100,000).

This component will focus on improving community level involvement in the planning and implementation of climate resilient water resource management activities. It will integrate community participation, particularly women, in planning and decision-making processes that is highly limited resulting in lack of transparency, inequity in access and distribution of water resources. The component will start with reviewing existing community structures/ institutions to improve their water supply management plans in each community to ensure that the optimal institutional arrangement is adopted. The component will subsequently support the implementation of the community water management plans by the provision of infrastructure and other physical interventions, together with training and technical support. This will include performing activities that mobilize community planning and implementation of practices that restore and preserve the natural character and functioning of the water system (as waterholes, dugouts, reservoir, dams, tanks, rain harvesting, irrigation systems, etc.).

Specific expected outputs from Component 1 include:

1. Community water supply and management plans developed for municipalities to incorporate climate change-related risks
2. Water supply increased for multiple uses and users in communities during period of shortages under climate impacts (as droughts, heat stress etc.)
3. Small scale irrigation systems installed and operating in communities and water users associations to manage irrigation systems established and/or strengthened to improve efficiency and effectiveness of water usage under conditions of climate induced water pressures
4. Measures for water conservation under climate impacts (as catchment/river bank, re-forestation schemes) implemented in communities utilizing coffee, fruits trees, wood trees and others.

Component 2: Diversification of livelihoods of rural communities under climate change (USD 2,100,000).

This component will focus on assisting with the diversification of livelihoods into sectors that are not dependent completely on rain-fed agricultural systems. This will be crucial for the resilience of rural livelihoods in targeted communities. The component will seek to expand climate change adaptation for those people that are most vulnerable by diversifying their livelihoods and increasing their income. The improvement of accessibility to water has the potential to enhance the resilience of livelihoods of communities by providing opportunities for diversification. This will be achieved through activities such as the establishment of tree seedling nurseries, fisheries, tourism, construction, river transportation, etc. which could be used by local communities as sources of household incomes.

Communities, especially women will be supported by the Programme in the engagement in market activities such as market gardening, flowers, and handicrafts. Participation of women and other vulnerable community members (especially identified young leaders) will be particularly promoted. Specific expected outputs of the component include:

1. Improve infrastructure (i.e., canals, pipes etc.) for water distribution for adaptation and use in agricultural systems installed in municipalities;
2. Dry-season gardening activities, agricultural processing schemes (as honey, orchids or handcraft) by women, improved for climate change adaptation in communities;
3. Tree nurseries and wood lots for climate risks management (i.e., for rehabilitating floodplains, watersheds etc.) are established and managed by communities; and
4. Demonstrative fish farms are established and supported in communities.

Component 3: Capacity building and capacity development in key institutions and communities to manage long-term climate change-related risks (USD 178,000).

Dominican Republic still faces significant challenges in terms of the amount and quality of data, information and technical capacity to implement climate change adaptation at community level. Despite progress made, and increasing number of scientific, technical and economic studies elaborated so far, important gaps remain with regards to climate impacts, socio-climatic vulnerability, and effectiveness of climate adaptation actions and planning (at national, provincial, municipal, and community level). This component will therefore, focus on building technical and institutional capacity for climate change adaptation planning for vulnerable communities; both long-term perspectives on adaptive capacity building/policy development and near-term climatic risk management. Particularly this will include participative development of on-site water-management adaptation actions and the development of contingency plans, early warning systems, and climate-risk management. Specific expected outputs of the component include:

1. A set of manual and other materials on best practices for water management and resilient livelihood are developed, including a website fully operational;
2. A Provincial Climate Change Adaptation Monitoring Committee (PCCAMC) fully established in San Cristóbal; and
3. Learning platforms and systems for integrating climate change-related risks into community management of water resources and diversified livelihood activities institutionalized.

An innovative aspect of this component is the establishment of a Provincial Climate Change Adaptation Monitoring Committee (PCCAMC) for the Province of San Cristobal. This committee will be responsible for program long-term sustainability, including early warning, development aid, climate finance, microcredit and public funding. PCCAMC it will be composed of 10 members (5 of them will be female), 5 will be farmers/producers, and 5 will be local young leaders.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Regular-sized Project Concept

Country/Region: **Dominican Republic**
 Project Title: **Enhancing climate resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management and Rural Development Programme**
 AF Project ID: **DOM/NIE/Water/2016/1**
 IE Project ID: Requested Financing from Adaptation Fund (US Dollars): **9,954,000**
 Reviewer and contact person: **Andrew Chilombo** Co-reviewer(s): **Mikko Ollikainen, Christian Severin**
 IE Contact Person: **David Luther**

Review Criteria	Questions	Comments on 29 August 2016	Comments on 12 September 2016
Country Eligibility	1. Is the country party to the Kyoto Protocol?	Yes	
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes. Dominican Republic is not only the world's third most exposed country to multiple hazards, it also ranks eleventh country most vulnerable to climate change impacts. Being in the Caribbean, it is in the heart of the Atlantic hurricane belt, and the occurrence of hurricanes is strongly linked to El Niño and to La Niña events.	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes. Dated August 1, 2016.	

	<p>2. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?</p>	<p>The PCD has identified climate related challenges that Dominican Republic faces. It is silent on non-climatic challenges. It has also identified possible intervention areas to remedy the challenges, emphasising the preponderance of agriculture in alleviating poverty and increasing the resilience of communities.</p> <p>Please, provide information on non-climatic problems that the country faces in general, and San Cristobal in particular. CR1</p> <p>Please, provide information about the major pressure points within the ecosystems in San Cristobal that need to be addressed through the process of adapting to climate change. CR2</p> <p>From the proposed range of activities, please clarify:</p> <ul style="list-style-type: none"> -How the suite of investments in a multitude of sectors will enhance the resilience and adaptive capacity of rural livelihoods to climate impacts and risks on water resources in San Cristobal Province; and -A clear strategy to identify how component 1 investments will be supported by the suggested diversification of livelihood opportunities in component 2, given that the project has strong focus on potable water availability. <p>What needs to be changed in the way the ecosystem is managed to increase water availability, linking that to increasing the carrying capacity of the ecosystem through</p>	<p>CR1: Addressed</p> <p>CR 2: Not addressed. The additional information provided has not systematically identified pressure points within the ecosystems in San Cristobal.</p> <p>CR3: Partially addressed. The response to the request has not clarified what needs to be changed in the way the ecosystem is managed to increase water availability, linking that to increasing the carrying capacity of the ecosystem through</p>
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		<p>lowering the irrigation pressure (2.1), improving the opportunity and skills around dry season farming (2.2), lowering siltation of water systems and increasing the soil moisture content through increased forest cover (2.3). CR3</p> <p>With the proposed intervention, provide addition information regarding how many irrigation systems will be installed, and by how much water deficit for irrigation will be reduced; how many re-afforestation schemes will be introduced; how many communities will be using coffee, fruit trees and wood trees; and how many fish dams are envisaged in the 20 communities. CR4</p> <p>Please, provide additional information to clarify how livestock keeping and other activities related to reducing pressure on natural resources will assist in addressing adaptive capacity. CR5</p> <p>Please, clarify how PCCAMC will sustain itself after the project closes, and justify why working with established structures/institutions to strengthen their capacities instead of creating new ones whose life span is limited to the project life would not be an option. CR6</p>	<p>lowering the irrigation pressure (2.1), improving the opportunity and skills around dry season farming (2.2), lowering siltation of water systems and increasing the soil moisture content through increased forest cover (2.3) has not been addressed.</p> <p>CR4: Addressed</p> <p>CR5: Not addressed. The response has not given a better and convincing articulation of how livestock keeping and other activities related to reducing pressure on natural resources will address the adaptive capacity in the project area.</p> <p>CR6: Not addressed. While the rationale for establishing Provincial Climate Change Adaptation Monitoring Committee (PCCAMC) begs for further justification, the explanation has not clarified the sustainability of PCCAM after the project comes to an end.</p>
	3. Does the project / programme	The overall observation is that the information provided is not adequate to	CR7: Addressed

	<p>provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?</p>	<p>assess compliance with the review criterion. Please, in line with the Fund's guidelines, provide additional information to clarify further how much the project will contribute to these identified social, economic and environmental benefits, including the mechanisms. CR7</p>	
	<p>4. Is the project / programme cost effective?</p>	<p>Please, clarify how an agro-ecosystem based approach is cost-effective. Also clarify how this approach fits into the broad rationale of the project, and the different specific activities of the project components. CR8</p> <p>Please, clarify how workshops with stakeholders and held in Spanish (p. 29) will ensure project cost effectiveness. CR9</p> <p>Clarify how partnerships will make the project cost-effective CR10</p>	<p>CR8: Addressed.</p> <p>CR9: Not addressed. While the additional information adds value to the project design, the response has not clarified how <i>'the integration of the community is a key factor towards empowerment and ownership of the projects'</i> constitutes cost effectiveness.</p> <p>CR10: Not addressed. The additional information has not identified and clarified the 'other resources and economical resources' to justify and demonstrate how partnerships will make this project cost effective.</p>

	5. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	Beyond the National Development Strategy, it is not clear if there are no agricultural and rural development policies and development plans that this project is aligned with. Please, clarify. CR11	CR11: Addressed
	6. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund??	Please clearly identify national standards applicable to the project, including the authorizing or clearing institution, including codes where applicable. Please, use a table. CR12	CR12: Partially addressed. The response to the request has not included the authorizing or clearing institution.
	7. Is there duplication of project / programme with other funding	From the 4 identified projects, please indicate the lessons from them and how they have informed the design of the current proposed project. CR13	CR13: Addressed

	sources?		
	8. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	Please, include the outreach mechanism of knowledge products to relevant audiences and how that will work beyond the life of the project. CR14	CR14: Addressed
	9. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations?	<p>Please, add more information to demonstrate that representatives especially from communities represent community views rather than their personal ones. CR15</p> <p>Please, include a more developed consultative process that indicates all consultations, stakeholders with their specific roles (including communities and NGOs), objectives of the consultations, outcomes and any decisions that have been taken. CR16</p>	<p>CR15: Not addressed at this stage</p> <p>CR16: Not clearly addressed. The response has not clearly and systematically included stakeholders' specific roles including those of communities and NGOs.</p>
	10. Is the requested financing justified on the basis of full cost of adaptation reasoning?	Please, provide more information as requested in CR1, CR2 and CR3 to facilitate an adequate assessment of compliance with the review criterion. CR17	CR17: Not addressed. The response has not satisfactorily justified the full cost adaptation reasoning by not fully addressing what needs to be changed in ecosystem management vis-à-vis the carrying capacity of the ecosystem through lowering the irrigation pressure, improving the opportunity and skills around dry season farming, lowering siltation of water systems and increasing the soil moisture content through increased forest cover.

	11. Is the project / program aligned with AF's results framework?	<p>Please, clarify with additional information to ensure that the project activities align and demonstrate the cohesion of the components. CR18</p> <p>Please, provide additional information to distinguish "business-as-usual" scenario from the proposed project. CR19</p>	<p>CR 18: Partially addressed. The response to the request has not fully addressed and strengthened the clear logic and coherence of water management, livelihoods and capacity building.</p> <p>CR19: Addressed.</p>
	12. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	<p>Please, address the question of sustainability that goes beyond repairs and maintenance. Additional information is required to demonstrate how project outputs will be sustained beyond the project life. CR20</p>	CR20: Addressed
	13. Does the project / programme provide an overview of environmental and social impacts / risks identified?	<p>Please, provide additional information after further consultations as indicated in the proposal. CR21</p>	CR21: Partially addressed. The concept proposal has not done additional consultations to provide a more informed overview of environmental and social impacts and risks.
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	Yes	
	2. Is the Implementing Entity Management Fee	Yes, it is at 8.5%	

	at or below 8.5 per cent of the total project/programme budget before the fee?		
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	Yes, it is at 8.7%	
Eligibility of IE	4. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes, it has been submitted through the Dominican Institute of Integral Development	
Implementation Arrangements	1. Is there adequate arrangement for project / programme management?	n/a (Not required at the project concept stage.)	
	2. Are there measures for financial and project/programme risk management?	n/a (Not required at the project concept stage.)	
	3. Are there	n/a (Not required at the project concept	

	measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy of the Fund?	stage.)	
	4. Is a budget on the Implementing Entity Management Fee use included?	n/a (Not required at the project concept stage.)	
	5. Is an explanation and a breakdown of the execution costs included?	n/a (Not required at the project concept stage.)	
	6. Is a detailed budget including budget notes included?	n/a (Not required at the project concept stage.)	
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators?	n/a (Not required at the project concept stage.)	
	8. Does the M&E Framework include a breakdown of how implementing	n/a (Not required at the project concept stage.)	

	entity IE fees will be utilized in the supervision of the M&E function?		
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	n/a (Not required at the project concept stage.)	
	10. Is a disbursement schedule with time-bound milestones included?	n/a (Not required at the project concept stage.)	

Technical Summary	<p>With three components focused on 1) community level implementation of water resource management activities; 2) rural development through diversification of livelihoods; and 3) capacity building and capacity development to manage climate-related risks, the proposed project will seek to enhance the resilience and adaptive capacity of rural livelihoods to climate impacts and risks on water resources in San Cristóbal province.</p> <p>As it was presented, the initial technical review observed that the proposal did not meet the requirements of the Adaptation Fund. Information was missing in important sections, and the review requested for clarification on important specifics of proposed activities and how they tie together in the general project design as a whole. In addition, the initial review also requested that the proponent clarify how the suite of Adaptation Fund investments will enhance the adaptive capacities of communities and how the proposed components were aligned together to respond to the objectives outlined in the proposal. Other concerns that the initial technical review raised included anticipated economic, social and environmental benefits of the proposed; demonstration of cost-effectiveness; lessons learned from other projects and projects; and sustainability strategy of the proposed project.</p>
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This technical review has found that some of the clarification requests (CRs) and corrective action requests (CARs) were addressed, while others were either not addressed or partially addressed. Thus, this technical review makes the following:

(A) Observations and recommendations that need to be addressed while developing the full proposal:

- The proposal should provide additional detail to better articulate how keeping livestock and engaging in other activities related to reducing pressure on natural resources address adaptive capacity needs in the project area;
- The proposal should clarify further how *'the integration of the community is a key factor towards empowerment and ownership of the projects'* constitutes cost effectiveness;
- The proposal should provide additional information regarding the authorizing or clearing institutions of relevant national technical standards; and
- The proposal should clearly and systematically include stakeholders' specific roles, including those of communities and NGOs.

(B) Observations and recommendations that need to be addressed before the concept can be endorsed:

- In addition to systematically identifying pressure points within the ecosystems in San Cristobal, the proposal should clarify what needs to be changed in the way the ecosystem is managed to increase water availability, linking that to increasing the carrying capacity of the ecosystem through lowering the irrigation pressure, improving the opportunity and skills around dry season farming, lowering siltation of water systems and increasing the soil moisture content through increased forest cover;
- The proposal should convincingly justify the proposal to establish the Provincial Climate Change Adaptation Monitoring Committee (PCCAMC), and clarify its sustainability beyond the life of the project;
- The proposal should clarify and identify the 'other resources and economical resources' to justify and demonstrate how partnerships will make this project cost effective;
- The proposal should justify the full cost of adaptation reasoning by fully addressing what needs to be changed in ecosystem management vis-à-vis the carrying capacity of the ecosystem through lowering the irrigation pressure, improving the opportunity and skills around dry season farming, lowering siltation of water systems and increasing the soil moisture content through increased forest cover; and
- The proposal should fully address and strengthen the clear logic and coherence of water management, livelihoods and capacity building in the project area.

Date:

12 September 2016.