



ADAPTATION FUND

AFB/PPRC.19/36/Rev.1
7 October 2016

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

REPORT OF THE NINETEENTH MEETING OF THE PROJECT AND PROGRAMME REVIEW COMMITTEE

Agenda Item 1: Opening of the Meeting

1. The meeting was opened at 9.00 a.m. on Tuesday, 4 October 2016, by the 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. He also welcomed Mr. Chebet Maikut (Uganda, Least-Developed Countries) as a new member of the PPRC and drew his attention to the PPRC's terms of reference.

Agenda Item 2: Organizational matters

(a) *Adoption of the agenda*

2. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.19/1) and the annotated provisional agenda (AFB/PPRC.19/2).

1. Opening of the meeting.
2. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
3. Update on the funding status.
4. Report of the secretariat on the intersessional review cycle
5. Prioritization among regional project/programme proposals.
6. Report by the secretariat on initial screening/technical review of project and programme proposals.
7. Review of project and programme proposals:

Concepts:

Proposal from NIEs:

Small –size proposals:

 - a) Namibia (1);
 - b) Namibia (2);

Regular proposals:

 - c) Dominican Republic;
 - d) Indonesia;

Proposals from RIEs:

Regular proposals:

 - e) Ecuador;
 - f) Marshall Islands;
 - g) Togo;

Proposals from MIEs:

Regular proposals:

- h) Fiji;
- i) Solomon Islands;

Fully-developed project/programme documents:

Proposals from NIEs:

Regular proposal:

- j) Antigua and Barbuda;
- k) Ethiopia;
- l) India;
- m) Panama;

Proposals from RIEs:

Regular proposals:

- n) Micronesia (Federated States of);
- o) Peru;

Proposal from MIEs:

Regular proposals:

- p) Lao People's Democratic Republic;
- q) Paraguay.

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

Pre-concepts

Proposal from RIE:

- a) Benin, Burkina Faso and Niger;

Proposal from MIEs:

- b) Comoros, Madagascar, Malawi and Mozambique;

Concepts:

Proposals from RIEs:

- c) Benin, Burkina Faso, Ghana, Niger and Togo;
- d) Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama;

Proposals from MIEs:

- e) Colombia and Ecuador;
- f) Kyrgyzstan, Tajikistan and Uzbekistan;
- g) Mauritius and Seychelles;

*Fully-developed project documents:**Proposal from RIE:*

h) Chile and Ecuador;

Proposals from MIEs:

i) Burundi, Kenya, Rwanda, Tanzania (United Republic of) and Uganda;

j) Cambodia, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam;

k) Ethiopia, Kenya and Uganda.

9. Consideration of further study to deepen the Analysis of climate change adaptation reasoning in project and programme proposals approved by the Board.
10. Other matters.
11. Adoption of the recommendations and report.
12. Closure of the meeting.

3. During the discussion of the Agenda it was pointed out that it would be important to have a discussion of both the follow-up of projects and programmes, once they had been completed, including their post-implementation evaluation. The representative of the secretariat also said that the PPRC needed to consider both the intersessional approval of readiness grants, which would include those for South-South cooperation, and the cancellation of one already approved project formulation grant. During the discussion of agenda item 8 "The Review of proposals under the pilot programme for regional projects and programmes" it was also agreed that there was a need to clarify the scope of application of the full cost of adaptation reasoning criteria for innovative projects/programmes proposals that include co-financing. The four items were addressed under agenda item, 10 "Other matters".

(b) Organization of Work

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

Mr. Emilio L. Sempris Ceballos (Panama, Latin America and the Caribbean)

Mr. Chebet Maikut (Uganda, Least-Developed Countries)

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

Agenda Item 3: Update on funding status

6. At the request of the Chair, the representative of the secretariat reported on the funding status of the Adaptation Fund as at 1 September 2016. He said that there had been little change since the previous report. As at 30 March 2016, the cumulative receipts had stood at US\$ 543.45

million while at 1 September 2016 they stood at US\$ 546.91 million. Approximately half of the increase in the receipts came from the payment of a contribution by the Government of Wallonia of one million Euros and while the other half came from the proceeds of the sale of CERs by the trustee. The cumulative funding decisions for projects and programmes to date by the Board amounted to US\$ 356.18 million, so that US\$ 150.86 million remained available to support new funding decisions, of which US\$ 33.6 million was available to Multilateral Implementing Entities (MIEs) under their cap. One consequence of those available funds was that the MIEs were showing a renewed interest in the Fund with the submission of new proposals.

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

Agenda Item 4: Report of the secretariat on the intersessional review cycle

8. At the request of the Chair, the representative of the secretariat presented document AFB/PPRC.19/3 which contained an analysis of the recent intersessional review cycle and, as an annex, the initial screening/technical review of the project and programme proposals during the intersessional period (AFB/PPRC.18-19/1). He said that the recent intersessional review cycle had been the first to benefit from the more accommodating rules provided for by decision B.25/2; three of the five proposals that had been considered were fully-developed proposals that had already been endorsed by a regular meeting of the Board. While that number might appear low when compared with the large number of proposals being considered at the present meeting, it was important to remember that only eight of those seventeen proposals, and only five of the twelve proposals considered at the eighteenth meeting of the PPRC, would have been eligible for intersessional consideration.

9. In the discussion that followed it was asked whether it would be possible to consider completely new proposals during the intersessional period in order to increase the number of projects being considered. The other question was whether the eight projects being considered at the present meeting, which could have been considered intersessionally, had missed the deadlines for intersessional consideration.

10. The representative of the secretariat explained that all proposals had to be initially considered by the Board at one of its regular meetings; once that had occurred they could be reconsidered intersessionally, if that were necessary. The secretariat said it did not have the information from the proponents, why the eight proposals that would have had been eligible for intersessional consideration had not been submitted by the proponents but that few of them had been submitted both intersessionally and to the current meeting.

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

Agenda Item 5: Prioritization among regional project/programme proposals

12. At the request of the Chair of the PPRC the representative of the secretariat provided a review of the pilot programme on regional projects and programmes. Decision B.25/28 provided a budget of US\$ 30 million for projects and programmes in the thematic areas of: food security, disaster risk reduction and early warning systems, transboundary water management, and innovative approaches to financing. That budget window was to finance: one project or programme to be funded up to US\$ 14 million, three projects or programmes to be funded up to US\$ 5 million, and ten project formulation grants of up to US\$100,000 each. However, the budget window was

currently over-subscribed and twenty different project ideas had been submitted, nine of which had been endorsed at some level and five of which had been awarded project formulation grants.

13. Consequently, the PPRC had recommended at its eighteenth meeting that the Board temporarily close the call for new proposals and establish a pipeline for the pilot programme similar to that which had been established for the MIEs. However, the Board had not taken up that recommendation and instead had requested the secretariat to prepare a proposal for prioritization among regional project and programme proposals for consideration by the PPRC at its nineteenth meeting. That proposal was contained in document AFB/PPRC.19/5.

14. The secretariat suggested that the prioritization should reward swift development, aim for diversity among the four projects or programmes selected and establish a pipeline according to clear priority criteria. The pipeline should be funded from the resources available for the type of implementing entity that submitted the proposal, and the Board should temporarily discontinue the call for all new regional projects and programmes. The ten project formulation grants should be filled on a first come, first served basis and if a choice had to be made between simultaneously recommended proposals the choice should be made to increase the diversity in the sectors, regions and implementing entities being funded.

15. In the discussion that followed it was asked how the prioritization would apply to the twenty proposals already under consideration. While it was important to maximize the diversity of the projects it was also necessary to have a better understanding of what was meant by the thematic area of innovative finance. It was also pointed out that it would be important to consider the regional balance of the projects being approved and the possibility of a replenishment of the funding window, either annually or every three years. It would also be useful, in light of the demand, to enlarge the windows to finance two large and six medium-sized regional projects and programmes, and if a pipeline was created then there should be two of them to reflect the large and medium-sized proposals. US\$ 30 million could be allocated each year to then clear the pipeline. Others pointed out that the Board had only approved a pilot programme and that there was a need for further discussion of the results of the pilot programme before it could be extended. Given the demand it was difficult to close the call for proposals but until the Board took a decision of extending the programme, keeping the programme open to new submissions could only lead to disappointment when the proposals failed to be funded.

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

- (a) With regard to the pilot programme approved by decision B.25/28:
 - (i) To prioritize the four projects and 10 project formulation grants as follows:
 - 1. If the proposals recommended to be funded in a given meeting of the PPRC do not exceed the available slots under the pilot programme, all those proposals would be submitted to the Board for funding;
 - 2. If the proposals recommended to be funded in a given meeting of the PPRC do exceed the available slots under the pilot programme, the proposals to be funded under the pilot programme would be prioritized so that the total number of projects and PFGs under the programme maximizes the total diversity of projects/PFGs. This would be done using a three-tier prioritization system: so that the

proposals in relatively less funded sectors would be prioritized as the first level of prioritization. If there are more than one proposal in the same sector: the proposals in relatively less funded regions are prioritized as the second level of prioritization. If there are more than one proposal in the same region, the proposals submitted by relatively less represented IE would be prioritized as the third level of prioritization;

- (ii) To request the secretariat to report on the progress and experiences of the pilot programme to the Project and Programme Review Committee at its twenty-third meeting; and
- (b) With regard to financing regional proposals beyond the pilot programme referred to above:
- (i) To continue considering regional proposals for funding, within the two categories originally described in document AFB/B.25/6/Rev.2: ones requesting up to US\$ 14 million, and others requesting up to US\$ 5 million, subject to review of the regional programme;
 - (ii) To establish two pipelines for technically cleared regional proposals: one for proposals up to US\$ 14 million and the other for proposals up to US\$ 5 million, and place any technically cleared regional proposals, in those pipelines, in the order described in decision B.17/19 (their date of recommendation by the PPRC, their submission date, their lower “net” cost); and
 - (iii) To fund projects from the two pipelines, using funds available for the respective types of implementing entities, so that the maximum number of or maximum total funding for projects and project formulation grants to be approved each fiscal year will be outlined at the time of approving the annual work plan of the Board.

(Recommendation PPRC.19/1)

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

17. At the request of the Chair of the PPRC, 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.19/4 and AFB/PPRC.19/4/Add.1; and presented an overview of the work undertaken by the secretariat in screening and reviewing the projects and programmes that had been submitted. In performing the review, the dedicated team of officials of the secretariat had been assisted by members of the technical staff of the Global Environment Facility (GEF).

Issues identified during the review process

18. It was reported by the secretariat that there were no particular issues identified during the review process.

19. However, in response to a question about the participation of civil society in the review process, the representative of the secretariat said the civil society had commented on two regional

proposals and that those comments had been addressed by the secretariat in its review of the proposals. He also reminded the PPRC that in addition civil society was also consulted during the preparation of all proposals by the proponents.

20. It was pointed out that it would be useful for the Board to have an idea of the total amount of funding being approved by PPRC. The representative of the secretariat reminded the PPRC that the tentative amount had been included in the letter sent by the head of the secretariat to the members of the PPRC. The Chair reminded the PPRC that it would be necessary to deduct from that amount any projects that were not approved at the present meeting.

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

Agenda Item 7: Review of project and programme proposals

22. At the request of the Chair the representatives of the secretariat presented the project and programme proposals for the consideration of the PPRC. Following the consideration of the first project for Namibia, the Vice-Chair, Ms. Monika Antosik (Poland, Eastern Europe) chaired the deliberations under the agenda item.

Concept proposals

Proposals from National Implementing Entities (NIEs)

Small-size proposals:

Namibia (1): Community-based Integrated Farming System for Climate Change Adaptation (Project Concept; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Agri/2015/2; US\$ 750,000)

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

24. It was observed that project proposed to use water from a river in Angola and that it would be necessary to be sure that an agreement to that effect existed between the two countries. It was asked what the phrase 'adequate categorization of the project following environmental and social risk assessment' meant. Concerns were also expressed at the scale of the project, whether sufficient resources had been requested for bush thinning activities over 200,000 hectares.

25. The representative of the secretariat explained that it was the secretariat's understanding that such an agreement existed between the countries. More information on whether there was duplication with the work being undertaken by other projects would be provided in the fully-developed project document. He also explained that the proponent needed to do more to adequately assess the environmental and social risks of the project.

26. It was observed that the scale of the resources was a concern and the issue needed to be flagged for the proponents to ensure that the project would not be abandoned for lack of resources.

27. 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 Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- (b) Request the secretariat to transmit to DRFN 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 elaborate on the adaptation reasoning of output 1.2., including activity 1.2.2;
 - (ii) The fully-developed project document should confirm that an adequate water use agreement has been established with the neighboring country for irrigation activities in the Kunene River in Angola;
 - (iii) The fully-developed project document should ensure that the costs related to the activities of bush thinning are not overestimated, as the targeted area covered 200,000 hectares;
 - (iv) The fully-developed project document should demonstrate the cost effectiveness of the project, with inclusion of the alternate options and their related costs;
 - (v) The fully-developed project document should demonstrate complementarities and synergies of the project with other relevant initiatives;
 - (vi) A comprehensive consultation process is expected at the fully-developed project document stage, in compliance with the relevant Adaptation Fund policies and guidelines;
 - (vii) The fully-developed project document should demonstrate that a proper environmental and social risk assessment has taken place, with adequate categorization of the project as a result of that process;
- (c) Approve the Project Formulation Grant of US\$ 30,000;
- (d) Request DRFN to transmit the observations under item (b) to the Government of Namibia; and
- (e) Encourage the Government of Namibia to submit through DRFN a fully-developed project proposal that would also address the observations under item (b) above.

(Recommendation PPRC.19/2)

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

28. The project sought to test the effectiveness of a system that will combine renewable energy with the needs of the water sector to improve resilience against climate change.

29. It was pointed out that the use of a desalinisation plant was innovative but if renewable energy was used then the project had mitigation benefits and it was asked whether that had been quantified. It was also asked whether gender issues should be included in the Environmental and Social Management Plan, and whether the materials to be used in for desalinisation would be sourced locally or imported, and if so from where would it be imported. That information would have an impact on the sustainability of the project. It was also asked whether the project had taken into account the need to remove fluoride from the water and it was asked whether the review of compliance with the ESP of the Fund was looking at that aspect.

30. The representative of the secretariat said that information on mitigation co-benefits was not usually requested but it had been provided by the proponent and had been estimated. But Information on the sourcing of materials was not usually provided at the concept stage and it had also had not been provided, although he agreed that it was an important consideration. He also explained that a second plant would also be installed to test two options: one with a low and one with a high level of fluoride.

31. 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 Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;
- (b) Request the secretariat to transmit to DRFN 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 explain how targeted training will be provided to different categories of stakeholders, depending on the role they can play to ensure the sustainability of the project's outcomes;
 - (ii) The fully-developed project document should include adequate budget for its component 4 on sensitization, which includes capacity building activities that are important for the sustainability of the project;
 - (iii) The fully-developed project document should demonstrate a comprehensive consultation process, following up on the consultation done during the concept development;
 - (iv) The fully-developed project document should provide a copy of the reports on the Environmental Impact Assessments for the two plants, to allow for a better review of the project's potential environmental and social impacts and the planned mitigation measures to minimise these impacts, if any;
 - (v) The fully-developed project document should include an Environmental and Social Management Plan for the whole project identifying key stakeholders and their respective roles in the implementation and monitoring of such plan, in compliance with the Environmental and Social Policy as well as the Gender Policy of the Fund, and should describe a grievance mechanism that would include NamWater in its quality as the national water company that will run the operations of the two plants;

- (c) Approve the Project Formulation Grant of US\$ 30,000;
- (d) Request DRFN to transmit the observations under item (b) to the Government of Namibia; and
- (e) Encourage the Government of Namibia to submit through DRFN a fully-developed project proposal that would also address the observations under item (b) above.

(Recommendation PPRC.19/3)

Regular proposals:

Dominican Republic: Enhancing climate resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management and Rural Development Programme
(Project Concept; Dominican Institute of Integral Development (IDDI); DOM/NIE/Water/2016/1; US\$ 9,954,000).

32. The project sought 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.

33. It was asked whether it was enough for the project to be aligned with national policies and programmes. While the project was community oriented, it was not clear that there were linkages to activities at the national level. It was also pointed out that there was little money for either capacity building or the subsequent upscaling of the project, and it was asked whether the proponents had the necessary capacity to measure the soil moisture through the forest cover, and whether they had the capacity to collect and quantify that information. It was also asked how the proponent was to understand what was meant by the phrase 'better articulation'. Vague terms such as 'better' were difficult for the proponents to understand, and the second stage evaluation should verify whether the recommendations were indeed clear to for proponents.

34. The representative of the secretariat said that linkages at the national level policies had not been an issue with the present proposal. He also said that the secretariat had raised the issue of the budget for the sustainability of the project in the initial review and that the question had been addressed, in part, in the final document. With respect to the capacity to measure soil moisture the proponent was working with a number of national technical agencies and it had not been asked whether those national agencies had that technical capacity as the proposal was only at the concept stage.

35. 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 Dominican Institute of Integral Development (IDDI) to the request made by the technical review;
- (b) Suggest that IDDI 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 concept proposal should systematically clarify pressure points within the ecosystems in San Cristobal;
 - (ii) The concept 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, as specified in outputs under component 2;
 - (iii) The concept proposal should provide more information on how livestock rearing and involvement in activities related to reducing pressure on natural resources addresses adaptive capacity needs of communities in the project area;
 - (iv) The concept proposal should clarify the language regarding roles of envisaged partnerships to demonstrate cost-effectiveness of the project; and
 - (v) The concept proposal needs to demonstrate that the project activities align with clear cohesion of the components in a manner that clarifies and strengthens adaptation reasoning;
- (c) Not approve the Project Formulation Grant of US\$ 30,000; and
- (d) Request IDDI to transmit the observations under item (b) to the Government of Dominican Republic.

(Recommendation PPRC.19/4)

Indonesia: Building resilience of coastal and small islands villages and their communities to climate change and extreme climate. through applying smart adaptive measures. improvement on policy and institutional coordination (Project Concept; Partnership for Governance Reform in Indonesia (*Kemitraan*); IDN/NIE/Coastal/2016/1; US\$ 4,075,005)

36. The project sought to facilitate coastal communities affected by sea level rise by identifying and implementing strategy, technology and methods to improve livelihood and to reduce climate related risk.

37. It was pointed out that that there was a need for greater clarity on the overall objectives and goals of the project and that the activities needed greater elaboration. There were no clear distinctions between the two main project locations: some were cities and some large islands, and it was asked how they would be integrated into the project components. The meaning of the phrase 'innovative adaptation measures' also needed to be explained. Stronger links with regional governments were needed when scaling up of the project, especially with regards to research. Some of the recommendations were vague and it might not be clear to the proponent how it was to clearly demonstrate that the proposed measure was suited and adequate for the identified climate threats. Unlike the recommendations for the other projects and programmes under consideration, the present recommendations had been cast in terms of what the proponent had not done instead of what it should do.

38. The representative of the secretariat said overly prescriptive recommendations were to be avoided, as that would encourage the proponent to address only those issues. The secretariat wished for the proponent to think about the recommendation broadly when reviewing its proposal so that the burden was with the proponent to provide the necessary information. However, during the present review cycle, and because of the large number of proposals, the secretariat had used also sought the assistance of several outside reviewers who were not all familiar with the secretariat's drafting style which explained the stylistic differences found in some of the recommendations. He also said, in response to query about time-frame for the proposed research activities, that given the three-year time-frame for the project it was ambitious to have those research activities implemented in such a short time.

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 Partnership for Governance Reform in Indonesia (*Kemitraan*) to the request made by the technical review;
- (b) Suggest that *Kemitraan* 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 clearly demonstrate how the proposed measures are suited and adequate for the identified climate threats;
 - (ii) The proposal should clarify the goals of the proposed project, how the project design is coherent and focused enough and how all the project activities are necessary for fulfilling its objectives;
 - (iii) The proposal should provide information on the expected beneficiaries and the benefits to the vulnerable groups;
 - (iv) An initial consultative process among the key stakeholders (e.g. expected beneficiaries, regional or local government) or vulnerable groups should be carried out;
 - (v) The cost-effectiveness of the proposed approach or the sustainability of concrete outcomes of the project should be demonstrated;
 - (vi) The proposal should clarify the specific circumstances in the different project locations, and how the interventions would be applied differently in different locations;
 - (vii) The proposal should clarify whether the planned research activities can be carried out within the timeline of the project;
- (c) Not approve the Project Formulation Grant of US\$ 29,550; and

- (d) Request *Kemitraan* to transmit the observations referred to in sub-paragraph (b) to the Government of Indonesia.

(Recommendation PPRC.19/5)

Proposals from Regional Implementing Entities (RIEs)

Ecuador: Increasing adaptive capacity of local communities, ecosystems and hydroelectric systems in the Toachi – Pilatón watershed with a focus on Ecosystem and Community Based Adaptation and Integrated Adaptive Watershed Management (Project Concept; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); ECU/RIE/Rural/2016/1; US\$ 2,489,373)

40. The project sought to strengthen the adaptive capacity of the local population in the Toachi – Pilatón water system. The project focuses on key drivers that will worsen the probable impact from climate change.

41. It was pointed out that a large hydro project was planned in the same area as the project which had not been mentioned in the project and that it was not clear that the project would benefit marginalized groups in the area. Gender issues needed to be addressed as well, and clearer links had to be established between forest conservation and sustainable farming practices, although it was also asked whether such additional details were required and the concept stage.

42. The representative of the secretariat said that the hydro project was already identified in the project.

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

(a) Not endorse the project concept, as supplemented by the clarification response provided by the *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America) to the request made by the technical review;

(b) Suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The proposal should provide more detail about the activities in each project output and component to define the elements of the project design – in other words, including details of the “how” outcomes will be achieved in addition to “what” is being proposed;
- (ii) The proposal should provide a clearer link between the activities of conservation under component 1 and those related to sustainable farming under component 2;
- (iii) The proponent should more clearly outline how it will engage, involve and benefit women and other marginalized groups; and

- (iv) The proposal should provide additional detail on the environmental and social screening, which is partially reflected in the matrix that was provided with the revised concept, to comply with the Environmental and Social Policy and the Gender Policy of the Adaptation Fund.
- (c) Request CAF to transmit the observations under item (b) to the Government of Ecuador.

(Recommendation PPRC.19/6)

Republic of Marshall Islands: Climate Resilient Atolls for Food Security and Community Livelihoods in RMI (Project Concept; Secretariat of the Pacific Regional Environment Programme (SPREP)); MHL/RIE/Agri/2015/1; US\$ 7,484,872.5)

44. The project sought to support Republic of Marshall Islands (RMI) communities to progress their agricultural production and food security development goals, in the context of a changing climate.

45. In response to a query about duplication between the components of the project the representative of the secretariat explained that the proponent was being asked only to minimize duplication with the activities of other projects although it was admitted that the wording of the recommendation had been unclear. However, it was pointed out that the minimization of duplication meant accepting some level of duplication; duplication should be avoided and not simply minimized.

46. 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 Secretariat of the Pacific Regional Environment Programme (SPREP) to the request made by the technical review;
- (b) Suggest that SPREP 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 directly address the issues raised in the initial technical review by strengthening and reflecting the responses within the project document text;
 - (ii) The proponent should clearly outline the process by which issues will be resolved in the full proposal development process, namely the identification of project activities, selection of sites, and adherence to the Environmental and Social Policy and the Gender Policy of the Adaptation Fund;

- (iii) The proponent should ensure that each section is populated in accordance with the Adaptation Fund's review criteria, namely, the sections on cost-effectiveness, the full cost of adaptation reasoning, and project sustainability;
 - (iv) The proposal should ensure coherence and consistency between each of the project components, demonstrating a design that will build towards outcomes directly contributing to resilience, and seek to avoid duplication with other relevant initiatives; and
- (c) Request SPREP to transmit the observations under item (b) to the Government of Republic of Marshall Islands.

(Recommendation PPRC.19/7)

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)

47. The project sought 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.

48. Clarification was sought on the process of project classifications as the project seemed to be about water management but had been classified as an agricultural project. It was also asked how the components related with each other and whether the project was cost effective as it only had 115 households and 5,000 inhabitants as direct beneficiaries. The PPRC would also be discussing a regional proposal that also included Togo and it was asked whether there were any synergies or over-lapping elements with the proposal under consideration.

49. The representative of the secretariat explained that the classification was determined by the activities in the project and in this case the weight of the activities was skewed to agricultural activities, although several water management activities were also included. The cost-effectiveness of the project was to be found in the activities for infrastructure which formed the bulk of the project. The potential overlaps with the regional project would be considered in the fully -developed proposal as the regional project had not yet been presented to the Board and the Board had not yet taken a decision regarding that project.

50. 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;
- (b) Request the secretariat to transmit to BOAD a notification of the Board's decision;
- (c) Request BOAD to transmit the decision by the Board to the Government of Togo as stated in paragraph (a) above; and

(d) Encourage the Government of Togo to submit through BOAD a fully-developed project proposal that would consider the observations in the review sheet annexed to the notification of the Board's decision.

(Recommendation PPRC.19/8)

Proposals from Multilateral Implementing Entities (MIEs)

Fiji: Increasing the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks (Project Concept; United Nations Human Settlements Programme (UN-Habitat); FJI/MIE/Urban/2016/1; US\$ 4,200,000)

51. The project sought to increase the resilience of informal urban settlements in Fiji that are highly vulnerable to climate change and disaster risks.

52. It was pointed out that the project addressed the issue of informal urban settlements which raised the issues of land tenure and security. Informal settlements were on the border between legal and illegal settlements and it was asked how those distinctions had been addressed. The proposal was also working on regulatory frameworks and it was asked how those would benefit the informal settlements. The title of the third component appeared to be concerned with enhancing the resilience of the ecosystem components but the planned activities were for capacity building for the relevant stakeholders; and it was unclear how would that be done in an informal settlement. It was also asked whether there were any synergies between the project and the project for the Solomon Islands.

53. The representative of the secretariat said that the Environmental and Social Policy of the Adaptation Fund ensured that despite being informal, settlements should not be put at risk by the projects of the Adaptation Fund. Those in informal settlements were among the most vulnerable and the fact that the settlements were informal should not preclude assistance being provided to them. Different approaches from those used when working with formal settlements might be required. As the proposal was a concept it provided little information on that but it was important to remember that it was being proposed by one of the leading agencies of the United Nations working with informal settlements. The linkages between Fiji and the Solomon Islands projects were interesting and could be explored if both were approved, and their might be opportunities for the projects to learn from each other. In response to a query on the involvement of civil society, he said that community participation in construction activities would reduce the costs of construction by 30 per cent and generate other community co-benefits.

54. 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 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 provide the full scale of asset portfolio of informal communities in terms of human, physical, financial, social, natural and knowledge assets;

- (ii) The language in the full proposal related to land tenure insecurity in informal settlements should recognize the full potential risks on the beneficiaries and investments;
 - (iii) The full proposal should recognize that low risk of resettlements in the project area does not imply no risk at all, and therefore, should provide tangible mitigation measures;
 - (iv) The full proposal needs to recognize that focus group discussions for rapid vulnerability assessment in communities in themselves are not a consultative process nor can they substitute consultations with communities and other participants whose roles need to be recognized and specified;
- (c) Request UN-Habitat to transmit the observations under item (b) to the Government of Fiji; and
- (d) Encourage the Government of Fiji to submit through UN-Habitat a fully-developed project proposal that would address the observations under item (b) above.

(Recommendation PPRC.19/9)

Solomon Islands: Enhancing urban resilience to climate change impacts and natural disasters: Honiara (Project Concept; United Nations Human Settlements Programme (UN-Habitat); SLB/MIE/Urban/2016/1; US\$ 4,400,000).

55. The project sought to enhance urban resilience to climate change impacts and natural disasters in Honiara, the capital city of the Solomon Islands.

56. It was asked why the project had been classified as urban development when it could have been classified as disaster reduction. Both projects would also benefit from the language of the IPCC from its 2014 report on climate risks as that would clarify the risks and address three components: hazards, vulnerability and exposure, all of which related to these settlements, and to urban planning generally. Such an approach would bring the climate risks into focus and it was suggested that the PPRC would benefit from hearing a presentation by the IPCC on the subject.

57. The representative of the secretariat explained that during the initial review of the proposal the secretariat tried to assess which issue the largest number of activities being proposed were addressing and classified the project accordingly.

58. 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 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 needs to clarify how the proposed approach is cost effective in comparison to alternative approaches as per the Fund's guidelines;
 - (ii) The full proposal needs to clearly state the lessons from identified projects and show how they have informed its design beyond the complementarity potential; and
 - (iii) The full proposal needs to include specific roles of participants in the consultations under each administration level: community; ward and city-ward;
- (c) Request UN-Habitat to transmit the observations under item (b) to the Government of Solomon Islands; and
- (d) Encourage the Government of Solomon Islands to submit through UN-Habitat a fully-developed project proposal that would address the observations under item (b) above.

(Recommendation PPRC.19/10)

Fully-developed proposals

Proposals from National Implementing Entities (NIEs)

Regular proposals:

Antigua and Barbuda: An integrated approach to physical adaptation and community resilience in Antigua and Barbuda's northwest McKinnon's watershed (Fully-developed Project Document; Department of Environment, Ministry of Health and the Environment; ATG/NIE/Multi/2016/1; US\$ 9,970,000)

59. The fully-developed proposal sought to enhance the resilience of Antigua and Barbuda's northwest McKinnon's watershed, including a combination of ecosystem-based adaptation, innovative finance, and capacity building activities.

60. 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 Antigua and Barbuda Department of Environment to the request made by the technical review;
- (b) Suggest that the Antigua and Barbuda Department of Environment 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 is requested to strengthen the integration across components within the project relative to the ways in which environmental and social risks are addressed;

- (ii) With respect to the selection of loan activities and new subjects to the list of acceptable activities, the proponent is requested to add additional detail and strengthen the means or mechanisms through which the project will ensure compliance with the Fund's Environmental and Social Policy and Gender Policy;
 - (iii) The proponent should further address the disproportionate impacts on marginalized and vulnerable groups, as well as issues of resettlement for livelihoods impacts; and
- (c) Request the Antigua and Barbuda Department of Environment to transmit the observations under item (b) to the Government of Antigua and Barbuda.

(Recommendation PPRC.19/11)

Ethiopia: Climate Smart Integrated Rural Development Project (Fully-developed Project Document; Ministry of Finance and Economic Cooperation of Ethiopia (MOFEC); ETH/NIE/Rural/2016/1; US\$ 9,975,486)

61. The project sought to manage the risks from recurring droughts both from current risks and under future climate change - through an integrated water, agriculture and natural resource management approach.

62. It was asked why one of the components would seek to facilitate access to markets when the project was generally focused on water security. The representative of the secretariat explained that although there were different activities in the proposal, it was a large project so that it was possible to include elements such as diversification of livelihoods and support to market access, which were feasible within the budget.

63. 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 Ministry of Finance and Economic Cooperation (MOFEC), Ethiopia to the request made by the technical review;
- (b) Suggest that MOFEC 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 focusing the project by including a clear project objective statement with a limited number of outcomes that link directly to its expected achievement, and review its targets that should correspond to indicators;
 - (ii) The distribution of project resources should be reconsidered so that they better reflect what the project plans to achieve, and so that scope of activities is realistic to have a true impact;

- (iii) It would be necessary to focus on sustainability of project outputs, including the institutional arrangements that will continue to support the diversification of livelihoods, and also including monitoring and mitigation of climate risks to ground water to ensure the sustainability of the infrastructure for water supply management;
 - (iv) The proposal should elaborate on the mechanisms to ensure replication of the project outputs, and on financial resources available for replication; and
- (c) Request MOFEC to transmit the observations under item (b) to the Government of Ethiopia.

(Recommendation PPRC.19/12)

India: Building Adaptive Capacities of Communities, Livelihoods and Ecological Security in the Kanha-Pench Corridor of Madhya Pradesh (Fully-developed Project Document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Forests/2015/1; US\$ 2,556,093)

64. The project sought to build the adaptive capacity of the community in the backdrop of declining productivity of the land and ecosystem and contributed to by climate change.

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

- (a) Approve the project document, as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Approve the funding of US\$ 2,556,093 for the implementation of the project, as requested by NABARD; and
- (c) Request the secretariat to draft an agreement with NABARD as the National Implementing Entity for the project.

(Recommendation PPRC.19/13)

Panama: Adapting to climate change through integrated water management in Panama (Fully-developed Project Document; *Fundación Natura*; PAN/NIE/Water/2016/1; US\$ 9,964,859)

66. The programme 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.

67. It was pointed out that the structure of the proposal was hard to follow and it would be useful to have a table of contents. The budget for the proposal seemed high for the proposed interventions and the target populations might be in vulnerable areas. There was a need to highlight the role of indigenous peoples and how the proponent would engage with them. While the project aimed at an integrated climate water energy nexus it was unclear how those elements were integrated in the project design and whether there would be conflicts between the different water users.

68. The representative of the secretariat said that specific policies could be referred such as the Intended Nationally Determined Contribution of the country. In terms of the budget there were no signs of over-budgeting or under-budgeted. The secretariat had also drawn the attention of the proponents to the issue of the contribution of indigenous peoples and the fact that while there were no indigenous territories indigenous peoples still lived there and that the ESP principle 7 was referring to people, not territories. The secretariat had drawn the proponent's attention of the United Nations Declaration on the rights of Indigenous Peoples and the need for free, prior and informed consent by the indigenous peoples and the need to include them in both the design and implementation of the project.

69. 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 *Fundación Natura* to the request made by the technical review;
- (b) Suggest that *Fundación Natura* 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 the implementation arrangements that the programme will follow, and demonstrate their cost-effectiveness and efficiency;
 - (ii) The proposal should demonstrate further compliance with the Environmental and Social Policy Principle 7 on Indigenous Peoples;
 - (iii) The proposal should further explain the "water-food-energy-climate nexus" approach that the programme would follow;
 - (iv) The proposal should further demonstrate compliance of the programme with the relevant latest national policies and plans; and
- (c) Request *Fundación Natura* to transmit the observations under item (b) to the Government of Panama.

(Recommendation PPRC.19/14)

Proposals from Regional Implementing Entities (RIEs)

Regular proposals:

Federated States of Micronesia: Enhancing the climate change resilience of vulnerable island communities in Federated States of Micronesia (Fully-developed Project Document; Secretariat of the Pacific Regional Environment Programme (SPREP); FSM/RIE/Coastal/2015/1; US\$ 9,000,000)

70. The project sought to reduce the vulnerability of the selected communities to risks of water shortage and increase adaptive capacity of communities living in Woleai, Eauripik, Satawan, Lukunor, Kapingamarangi, Nukuoro, Utwe, Malem to drought and flood-related climate and disaster risks.

71. In response to a question about the recommendation, the representative of the secretariat explained that some of the supporting documents were inconsistent with respect to the alignment of the road being proposed by the proponent and that information provided in those documents should be consistent with the proposal.

72. 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 Secretariat of the Pacific Regional Environment Programme (SPREP) to the request made by the technical review;
- (b) Suggest that SPREP 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 issue:
 - (i) The proposal should provide consistent information throughout the proposal and supporting documents with respect to the final alignment of the road planned by the project, and provide a final environmental and social impact assessment and environmental and social management plan consistent with such final alignment.
- (c) Request SPREP to transmit the observations under item (b) to the Government of the Federated States of Micronesia.

(Recommendation PPRC.19/15)

Peru: AYNINACUY: Strengthening the livelihoods for vulnerable highland communities in the provinces of Arequipa, Caylloma, Condesuyos, Castilla and La Union in the Region of Arequipa, Peru (Fully-developed Project Document; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); PER/RIE/Rural/2015/1; US\$ 2,941,446)

73. The project sought to reduce vulnerability and increase adaptive capacity to respond to the impacts of climate change of the highland Andean indigenous communities in the provinces of Arequipa, Caylloma, Condesuyos, Castilla and La Union in the Region of Arequipa, Peru.

74. In response to a query as to how it was possible that the fully-developed proposal had not yet selected the exact locations for the project, the representative of the secretariat said that although such a situation was to be avoided it did sometimes happen; for example sometimes there was a need for a selection process that could only occur once the funding had been awarded.

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 *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America) to the request made by the technical review;

(b) Suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:

- (i) While additional detail has been provided on a number of issues relative to the selected sites, the proposal should further clarify how activities will be reviewed, selected and finalized following project inception. The Environmental and Social Policy (ESP) requires risks identified to be assessed for impacts in a way commensurate to the risks identified. If exact locations are not yet known, the project will require a mechanism as part of the Environmental and Social Management Plan (ESMP) to review project activities to identify risks and impacts during project implementation,
- (ii) The proposal should provide additional information on the lessons learned and products of other projects that the activities will build or draw on,
- (iii) The baselines for the results frameworks should be provided or approximated, and
- (iv) The proponent should revise the Environmental Management Plan to comply with the Adaptation Fund ESP by developing an ESMP that is organized around the ESP principles for which risks have been identified.

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

(Recommendation PPRC.19/16)

Proposals from Multilateral Implementing Entities (MIEs)

Regular proposals:

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

76. 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”.

77. 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 United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;

- (b) Approve the funding of US\$ 4,500,000 for the implementation of the project, as requested by UN-Habitat; and
- (c) Request the secretariat to draft an agreement with UN-Habitat as the Multilateral Implementing Entity for the project.

(Recommendation PPRC.19/17)

Paraguay: Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco region of Paraguay (Fully-developed Project Document; United Nations Environment Programme (UNEP); PRY/MIE/Food/2012/1; US\$ 7,128,450)

78. The project sought to reduce the vulnerability of the population (selected family agriculture producers and indigenous communities) of the Chaco Region of Paraguay to the impacts of climate change on food security.

79. It was also asked whether the proponents had adjusted the activities in proposal to reflect the changed economic situation since the proposal was last considered by the PPRC in 2012.

80. The representative of the secretariat said that budget for the proposal was close to that in its previous version but that there had been some changes to the target area. The previous version had been a concept and so had not been as detailed as the current proposal. Consequently the secretariat had considered the current proposal on its own merits and had not attempted to judge at the cost-effectiveness of the current proposal against the previous version. However, the submission of the proposal was evidence of the renewed interest by the MIEs in the Fund.

81. 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 *United Nations Environment Programme* (UNEP) to the request made by the technical review;
- (b) Suggest that UNEP 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 substantiate the basic problem analysis and justification by strengthening the framework of the project document with a clear, achievable objective, defined outcomes and components that address the problem analysis. This should be done with a view to what can be achieved;
 - (ii) The results framework of the project would need to be further strengthened;
 - (iii) The proposal should provide more comprehensive information on baselines at the community level;

- (iv) The proposal should clarify the institutional roles and contribution to the project, including coordination during and responsibilities after the project;
 - (v) The proposal should clarify what it would do to put incentives and disincentives in place;
 - (vi) The proposal should further strengthen the link between the training component and the rest of the project or the achievement of its objectives;
 - (vii) The proposal should further improve the design of the activity on weather monitoring; and
- (c) Request UNEP to transmit the observations under item (b) to the Government of Paraguay.

(Recommendation PPRC.19/18)

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

Pre-concept proposals

Proposal from Regional Implementing Entity (RIE)

Benin, Burkina Faso and Niger: Integration of Climate Change Mitigation and Adaptation Measures in the Concerted Management of the W Transboundary Parc: Adapt-W Project (Project Pre-concept; Sahara and Sahel Observatory (OSS); AFR/RIE/DRR/2016/1; US\$ 5,000,000)

82. The project sought to strengthen the resilience of ecosystems and to improve the W-Arly-Pendjari (WAP) Complex populations' livelihoods facing climate change through the establishment of a Multi-Risk Early Warning System (MREWS) and the implementation of other concrete adaptation measures.

83. It was observed that the title of the project referred to the integration of climate change mitigation and adaptation measures and while some climate change mitigation co-benefits were observed in the proposal there had been no real integration of mitigation measures. It was suggested that the proponents would need to either explain how those mitigation measure would be integrated or change the title of the proposal.

84. The representative of the secretariat said that it would be important to understand what mitigation meant in the context of the proposal and how it would be integrated into the project.

85. 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 Sahara and Sahel Observatory (OSS) to the request made by the technical review;

- (b) Request the secretariat to transmit to OSS 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 pay close attention to what is achievable, should address the risk of allocating resources over a too large number of activities;
 - (ii) The proposal should strengthen the focus on concrete adaptation activities and the transboundary approach;
 - (iii) The proposal should further elaborate on the innovative solutions it plans to promote, and the consistence with national strategies and plans, as well as the project's sustainability;
 - (iv) At the concept stage, the proposal should further clarify which institutions will be involved in its management arrangements;
 - (v) At the concept stage, the proposal should clarify how it would integrate adaptation and mitigation as suggested by the title of the project;
- (c) Request OSS to transmit the observations under item (b) to the Governments of Benin, Burkina Faso and Niger; and
- (d) Encourage the Governments of Benin, Burkina Faso and Niger to submit through OSS a project concept that would also address the observations under item (b) above.

(Recommendation PPRC.19/19)

Proposal from Multilateral Implementing Entity (MIE)

The Comoros, Madagascar, Malawi and 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\$ 13,544,055)

86. The project sought to: (i) to develop capacities and establish conditions to adapt to the adverse effects of climate change in vulnerable cities and towns of the Comoros, Madagascar, Malawi and Mozambique; and (ii) to promote inter-country experience sharing and disseminate lessons learned for building urban climate resilience in south-eastern Africa.

87. It was pointed out that the Technical Centre for Disaster Risk Management, Sustainability and Urban Resilience (DiMSUR) would administer the project funds and assurance was sought that the funds would not be used to fund the organization's operations. More information was also sought on the tools to be developed and the sites to be selected, and it was asked what the added value of the regional approach was beyond shared experiences.

88. The representative of the secretariat said that DiMSUR was a not-for-profit organization that was funded by UN-Habitat, as well as other organizations. It would function as a coordinating regional Executing Entity (EE) and share the execution costs with the other, country-specific EEs.

Site selection had been a concern; originally twelve sites had been proposed which had been later reduced to eight and then to one city per country. The pre-concept had not made clear how the sites selected would address transboundary challenges but there might be some economies of scale from bundling the four sites together.

89. 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 Human Settlements Programme (UN-Habitat) to the request made by the technical review; and
- (b) Encourage the Governments of the Comoros, Madagascar, Malawi and Mozambique to submit through UN-Habitat a project concept for the Board's consideration.

(Recommendation PPRC.19/20)

Concept proposals

Proposals from Regional Implementing Entities (RIEs)

Benin, Burkina Faso, Ghana, Niger and 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)

90. The project sought to contribute to developing climate-smart agriculture in West Africa, especially in terms of adaptation, in order to strengthen the resilience of vulnerable populations by: 1) the dissemination of best practices, 2) the mainstreaming of climate change adaptation in agriculture in strategies, plan and projects and 3) the knowledge management related to climate change adaptation in agriculture within a transboundary zone with agro-ecological coherence in terms of vulnerability.

91. It was observed that the amount allotted for the dissemination of agricultural best practices for climate change adaptation seemed high, although that amount made more sense when the number of activities was considered. However, it would be important to address the sustainability of the project. Concern was expressed at the number of monitoring stations being established and assurance was sought that the data would be used effectively and not simply be collected and stored.

92. The representative of the secretariat said that a cautious approach was taken when reviewing proposals that suggested installation of weather monitoring stations, and the proponents had frequently been asked whether the activities were necessary. It would be important to understand how the data would be used and linked to other information systems and more information was required on the project risks that had been identified.

93. 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;
- (b) Request the secretariat to transmit to BOAD the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) At the fully-developed project document stage, the proponent should describe in more detail the risks, including environmental and social risks, and their related mitigation measure;
 - (ii) At the fully-developed project document stage the proposal should elaborate on the observation systems planned to be developed through the project, including the intended use of the data produced by those systems, the capacity to operate the systems, and the sustainability of the systems;
- (c) 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.19/21)

Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama: Productive Investment Initiative for Adaptation to Climate Change (Project concept; Central American Bank for Economic Integration (CABEI); LAC/RIE/Inno/2016/1; US\$ 5,994,625)

94. The project sought to enhance capacity of Micro, Small and Medium agricultural Enterprises (MSMEs) from Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Dominican Republic to implement adaptation measures in order to increase their resilience to climate change, ensuring the provision of financial and non-financial services to support ecosystems and agricultural production, as well as providing technical assistance in the adaptation planning processes and incentives to define specific alternatives of resilience and investment management.

95. The representative of the secretariat explained that one of the challenge with the project was that the proposal presented some issues related to the mandate of the Fund, and to the necessary arrangements for this type of projects with co-financing. The instructions of the Adaptation Fund on financing the full-cost of adaptation imply that "the AF project should be able to deliver its outcomes and outputs regardless of the success of other project(s). In the present proposal the activities funded by the Adaptation Fund would be highly linked to the implementation of other activities from a co-financed component of the project so that there was a need to explore ways to address this issue.

96. It was observed that more information was needed on the added value of the regional approach being proposed and on how the exchange of information between countries would take place. In response to a query as to whether there was any flexibility in the application of the Operational Rules and Guidelines of the Fund, the representative of the secretariat explained that the OPG states that the Board may provide further guidance on financing priorities, including

through the integration of information based on further research on the full costs of adaptation and on lessons learned.

97. The Vice-Chair asked PPRC to approve the present recommendation and to consider making a separate recommendation to the Board that would request the secretariat to prepare a proposal clarifying the scope of the application of the full cost of adaptation reasoning found in Annex 5 of the Operating Policies and Guidelines of the Fund, which would be considered under agenda item 10 'Other matters'.

98. 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 Central American Bank for Economic Integration (CABEI) to the request made by the technical review;
- (b) Suggest that CABEI 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 describe the criteria that would be used to select both the Intermediary Financial Institutions (IFIs) and Micro, Small and Medium Enterprises (MSMEs) that would benefit from the project;
 - (ii) The proposal should address the question of potential conflict of interest due to the fact that CABEI will be implementing, executing, monitoring and evaluating its own work;
 - (iii) The proposal should address the criteria of full cost of adaptation reasoning;
 - (iv) The proposal should identify any relevant technical standards that would apply to the project, and demonstrate compliance of the proposal with such standards;
 - (v) The proposal should provide further evidence of consultations with key stakeholders;
 - (vi) The proposal should demonstrate further the sustainability of the programme; and
- (c) Request CABEI to transmit the observations under item (b) to the Governments of Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

(Recommendation PPRC.19/22)

Proposals from Multilateral Implementing Entities (MIEs)

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

99. 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.

100. Satisfaction was expressed with the observations in the recommendation which provided clarity to the proponents as to how they should respond to the observations.

101. 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 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 issues:
 - (i) During the development of the fully-developed project document, further consultation should be held with binational commissions to better identify their needs and added value to the project;
 - (ii) Although it is explained that climate information and traditional knowledge that will be gathered during the project will help shape the outputs under component 3, in the fully-developed proposal, activities described under that component should be more specifically linked with current climate threats identified for the region;
 - (iii) The fully-developed project document should include a description of the relevant projects or initiatives currently undertaken to address non-climatic drivers that could hamper the project's results;
 - (iv) The fully-developed project document should include a detailed screening of the environmental and social risks that may potentially arise as a consequence of the project and categorize the project accordingly, following the Environmental and Social Policy of the Fund and its related principles;
- (c) Approve the Project Formulation Grant of US\$ 80,000;
- (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 fully-developed project document that would also address the observations under item (b) above.

(Recommendation PPRC.19/23)

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

102. The five “main objectives” of the project were to: have the necessary comprehensive knowledge base established for adaptation planning, strengthen the capacities of responsible institutions and authorities to address immediate risks of glacier lake outburst floods, develop and implement sustainable adaptation strategies, which directly engage and enable local communities, to better understand and respond to such risks, implement pilot early warning systems, and to encourage the exchange of information among practitioners

103. While the proposal addressed a priority topic, some questions remained. There needed to be further elaboration on how community consultations would take place and doubts were raised about the effectiveness of a social media campaign to address that. It was also pointed out that it would be useful for the proponent to be given a project formulation grant (PFG) to help them prepare a revised proposal.

104. The representative of the secretariat explained that pursuant to the Operational Policies and Guidelines a PFG could only be awarded once a proposal had been endorsed. Although the proponents had originally submitted a pre-concept, which had been endorsed, they had not requested a PFG for the pre-concept at that time. He also said that the proponents proposed to establish observation systems in remote areas where there appeared to be little capacity to maintain them. The proponent needed to provide more information on how the maintenance of those systems would be arranged.

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 United Nations Educational, Scientific and Cultural Organization (UNESCO) to the request made by the technical review;
- (b) Suggest that UNESCO 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 better describe the characteristics of the project sites, and the gaps and bottlenecks that it would hope to address, how it would represent concrete adaptation, and how it would bring about economic, social and environmental benefits. This would also enable better screening of environmental and social risks;
 - (ii) The proposal should clarify the planned execution arrangements, including the use of European universities as preselected subcontractors;

- (iii) The proposal should elaborate on the recent or on-going GLOF-related activities in the target countries;
 - (iv) The proposal should elaborate on the sustainability from the financial and personnel capacity perspective;
 - (v) Even for the concept-level proposal, community consultations should take place and inform the project design and risk consideration;
- (c) Not approve the project formulation grant of US\$ 78,000; and
- (d) Request UNESCO to transmit the observations under item (b) to the Governments of Kyrgyzstan, Tajikistan and Uzbekistan

(Recommendation PPRC.19/24)

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

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

107. It was pointed out that the proposal was a good example of the importance of taking a regional approach to transboundary problems. The project would help to provide a better understanding of the challenges associated with coral reef restoration and there should be a mechanism to share that knowledge with other Small Island States and other countries in the region so that the rehabilitation of coral reefs could be scaled up. The proposal also demonstrated the relevance of the Fund to the work of other conventions such as the Convention on Biological Diversity. However, it was asked how the environmental regulations of the national authorities would be addressed and more information was needed on effects of the proposal on the livelihoods of the local communities. It was also pointed out that experience had shown how difficult that consultation process could be when addressing the issue of coral reef restoration.

108. The representative of the secretariat said that local environmental regulations would be taken into account and the PFG foresaw a wider consultation process. Several non-governmental organizations had been identified to work with the local communities during the early consultation process.

109. 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 Development Programme (UNDP) to the request made by the technical review;

- (b) Request the secretariat to transmit to UNDP the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue :
- (i) The fully-developed project document should further expand on how the approach taken in Mauritius will be done in synergy with other conservation measures, such as the establishment of Marine Protected Areas, which are said to have more potential for contributing to natural reef recovery, provided that some active reef restoration is undertaken at the same time ;
 - (ii) The fully-developed project document should include a better description of the business oriented approach proposed in the two countries, and particularly in Seychelles;
 - (iii) The fully-developed project document should ensure that, although rated as low, the risks identified during UNDP's Social and Environmental Safeguard Policy screening and requiring further assessment and management are reflected in the table and other sections provided in the Adaptation Fund proposal template;
- (c) Approve the Project Formulation Grant of US\$ 80,000; and
- (d) Encourage the Governments of Mauritius and Seychelles to submit through UNDP a fully-developed project document that would also address the observations under item (b) above.

(Recommendation PPRC.19/25)

Fully-developed proposals

Proposals from Regional Implementing Entities (RIEs)

Chile and Ecuador: Reducing climate vulnerability in urban and semi urban areas in cities in Latin America (Fully-developed Project Document; *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America); LAC/RIE/DRR/2015/1; US\$ 13,910,400)

110. The project sought to reduce vulnerability to climate-related floods, mudflows and landslides in three coastal cities by mainstreaming a risk-based approach to adaptation, building collaboration and networking, and developing a culture of adaptation .

111. It was observed that fifty per cent of the funding was dedicated to infrastructure which presented its own risks as civil engineering projects were often delayed and over budget; mechanisms needed to be identified to keep those risks under control. Concerns had also been expressed at the eighteenth meeting of the PPRC over the regional approach undertaken and it was asked how the urban areas had been selected. Assurance was sought that the Fund's resources were not being used to support well-off populations instead vulnerable populations and that the infrastructure being developed was being used to address climate change issues.

112. The representative of the secretariat explained that the proposal had previously been submitted as a pre-concept and that at that time less detail about the measures being proposed had been required. The urban areas being addressed included some of the wealthier ones in the region and the secretariat had asked why more vulnerable areas had not been selected. He said that the government was also investing in the infrastructure, although the specific outputs of that investment were not clearly outlined. He also said that the region, which had usually only had low rainfall, was now being subjected to heavy rainfall which suggested that climate change issues were being addressed. He also said that the NIE from Chile would participate in the board meetings but not as an EE.

113. 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 *Banco de Desarrollo de America Latina* (CAF) to the request made by the technical review;
- (b) Suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should clarify why cities with relatively low vulnerability have been chosen as project sites, as opposed to other, more vulnerable cities;
 - (ii) The proposal should provide additional information related to the regional government investment to allow a meaningful side-by-side comparison of what that investment would cover and what the proposed project would cover, and how the two initiatives would work together; the proposal should also further clarify why a loan project component that originally included some of the activities now proposed for the Adaptation Fund project, was withdrawn;
 - (iii) The proposal should further elaborate how the regional approach can be fostered by various project activities;
 - (iv) The proposal should also elaborate on the activities and lessons or other results from ongoing or past initiatives, and on the avoidance of overlap with them;
 - (v) The proposal should elaborate on how representative the consultations have been of vulnerable groups, especially at the planned project site for which the consultation took place in another city;
 - (vi) The proposal should broaden the focus on environmental and social risks to cover also other activities than the ones aimed at developing hard

infrastructure works, include an environmental and social management plan, and explain the grievance mechanism to be used;

(vii)The proposal should also elaborate the inter-institutional management arrangements in the project; and

(c) Request CAF to transmit the observations under item (b) to the Governments of Chile and Ecuador.

(Recommendation PPRC.19/26)

Proposals from Multilateral Implementing Entities (MIEs)

Cambodia, the Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam: Groundwater resources in Greater Mekong Sub-region: Collaborative management to increase resilience (Fully-developed Project Document; United Nations Educational, Scientific and Cultural Organization (UNESCO); ASI/MIE/Water/2015/1; US\$ 4,898,775)

114. The project sought to develop and implement targeted vulnerability reduction measures (VRM) for sustainable use of resources as an adaptation response to protect people, food production, health, livelihoods and ecosystems in the Greater Mekong Sub-region.

115. It was asked how the project could better describe the non-climatic drivers of the issues identified in the project, to justify it in terms of climate change. To illustrate, it was pointed out that at least 10 dams had been built in the Greater Mekong sub-region and another 20 were being planned which would have a significant effect on ground water. It was also asked how risks that were unidentified could be addressed in the proposal.

116. In response, the representative of the secretariat agreed that some aspects of ground water security in the sub-region were not related to climate change and that the proponents should address that as well. He also explained that it often occurred that provision needed to be made for unforeseen and future risks. The proponent was not being asked to address those risks but only to establish a mechanism that would screen for environmental risks as they arose.

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

- (a) Not approve the fully-developed project document, 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) Suggest that UNESCO 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 non-climatic factors driving groundwater scarcity in the sub-region, related to transboundary water management, including potential effects of

large dams, should be further explained in the fully-developed project document;

- (ii) The estimate number of beneficiaries of the project in the four pilot areas needs to be provided, and the economic benefits of the project should be explained. Also, the description of the vulnerable groups should clarify which groups are considered the most vulnerable according to each country circumstance;
- (iii) The fully-developed project document should demonstrate a more comprehensive consultation of potential beneficiaries, including vulnerable groups and groundwater users;
- (iv) The proposal should substantiate the project categorization for environmental and social risks as there may be potential risks involved in the examples of activities provided, such as targeted vulnerability reduction measures, groundwater supply quality improvement measures, and identification and protection of strategic groundwater reserves;
- (v) The proposal should describe a mechanism to be put in place for screening environmental and social risks for areas and activities that are unidentified at the time of the proposal submission, and clearly define the roles and responsibilities for monitoring and mitigating the risks at national and regional levels; and

- (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.

(Recommendation PPRC.19/27)

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

118. The project seeks 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 30-60 years.

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

- (a) Not approve the fully-developed project document, as supplemented by the clarification response provided by the World Meteorological Organization (WMO) to the request made by the technical review;

- (b) Suggest that WMO reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
- (i) As it is not an accredited implementing entity of the Fund, please clarify whether the role of the Food and Agriculture Organisation (FAO) as an executing entity for the project is proposed to be combined with that of an implementing entity;
 - (ii) Please include at least one of the five Adaptation Fund core indicators as approved by Board Decision B23/19; and
- (c) Request WMO to transmit the observations under item (b) to the Governments of Ethiopia, Kenya and Uganda.

(Recommendation PPRC.19/28)

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

120. 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.

121. In response to a query about why the USAID-funded project was referred to in the recommendation to the Board, the representative of the secretariat explained that the project proposal included outputs and activities that were very depending on the results of the Vulnerability, Impacts and Adaptation Assessment (VIA) under preparation through the USAID-funded Policy, Adaptation Research and Economic Development (PREPARED) project.

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

- (a) Not approve the fully-developed project document, as supplemented by the clarification response provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- (b) Suggest that UNEP 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) Taking stock of the results of the Vulnerability, Impacts and Adaptation Assessment (VIA) under preparation through the Policy, Adaptation Research and Economic Development (PREPARED) project, the proposal should provide more details to the description of outputs and activities of the

project, especially in its components 3 and 4, including a description of target sites and communities;

- (ii) The proposal should describe how non-climatic factors affecting the management of the Lake Victoria Basin are expected to be addressed through other initiatives, specifying how the said initiatives seek to address those factors and which factors they are trying to address;
- (iii) The environmental and social risk identification should be improved to better demonstrate compliance with the principles of the Environmental and Social Policy, and the principles should be considered in the way specified in the Policy;
- (iv) The proposal should better describe the process of selection and implementation of the small-scale projects and the specific roles the national teams and local government authorities will play in that process;
- (v) The proposal should provide a comprehensive risk identification and safeguarding framework that is required for projects with unidentified sub-projects, as well as an environmental and social management plan (ESMP); and

- (c) Request UNEP to transmit the observations under item (b) to the Governments of Burundi, Kenya, Rwanda, Tanzania and Uganda.

(Recommendation PPRC.19/29)

Agenda Item 9: Consideration of further study to deepen the Analysis of climate change adaptation reasoning in project and programme proposals approved by the Board

123. The Chair reminded the PPRC that at its 26th meeting the Board had considered an analysis of climate adaptation reasoning in project and programme proposals approved by the Board, as presented in document AFB/PPRC.17/5, and had approved the document intersessionally between the twenty-sixth and twenty-seventh meetings.

124. At the request of the Chair, the representative of the secretariat said that the Board had requested at its twenty-sixth meeting the secretariat to present to the Board opportunities for further study of how projects were reducing vulnerabilities through concrete adaptation activities. He said that four possible areas of investigation had been identified in the document: the lessons learned and the changes made to projects; interviews with stakeholders to determine the sustainability of project outcomes; the social and economic benefits accruing as a result of adaptation activities; and the actual replication and scaling up of activities. He also recalled that while Phase 1 of the evaluation of the Fund had examined the Fund as a whole, Phase 2 would focus, *inter alia*, on the adaptation projects and could address some of the opportunities mentioned above.

125. The goal of Phase 2 would be to assess the progress made across the fund's active portfolio of projects and programmes, analyse the extent to which the Fund's project and programmes were

aligned with its mandate to finance concrete adaptation projects and analyse the long-term outcomes and impacts and the sustainability of interventions. The representative of the secretariat said that looking at those goals it could be seen that evaluation would touch on most of the areas to be investigated, with the exception of sustainability as the Fund's portfolio was not yet mature. The terms of reference or that evaluation were being prepared and the evaluation would start during the current year. The secretariat had looked at how the evaluation could address the opportunities mentioned above. It was expected that the evaluation would be finalised during 2017.

126. It was observed that the new approach of the IPCC put risk at the centre of the analysis and that the projects and programmes should be examined to see how they were aligned with that new thinking. As the evaluation would not be completed until 2017, the Fund should start to share its experience as soon as possible and should proceed to work with universities or relevant institutions to develop the concept, through the Fund's practices, in order to demonstrate the Fund's innovative thinking about adaptation. That could involve a synthesis of the thinking of the IPCC and the experience of the Fund and that of others. It was also suggested that such an activity could be included as a pilot programme within the Knowledge Management Strategy of the Fund.

127. It was also asked whether the report had been updated since it had last been considered by the PPRC. It would be useful to compile the Fund's experience with adaptation once the evaluation had been completed which would be useful for the other bodies working with adaptation. It was also asked whether tools existed to track down the impact of the projects and programmes of the Fund.

128. The representative of the secretariat explained that the study contained in document AFB/PPRC.17/5 had been an ad hoc study; it had not been updated as it already addressed the new approach to adaptation being proposed by the IPCC. He said that it was expected that Phase 2 of the Evaluation would take approximately ten months to complete and it would be better to wait for the outcomes of that evaluation, which would include interviews and perhaps site visits. The terms of reference for the evaluation were still under consideration and they could be adjusted if necessary.

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

Agenda Item 10: Other matters

Intersessional review of grants for projects under the Readiness Programme

130. The representative of the secretariat presented document AFB/PPRC.19/34 which contained a report on the intersessional review of grants under the readiness programme. He reminded the PPRC that at its twenty-second meeting the Board had set aside funds to enhance capacities for NIE accreditation and to help countries comply with the Fund's Environmental and Social Policy. Those funds had been made available through small grants under the Readiness Programme. At its twenty-seventh meeting the Board had integrated the Readiness Programme into the Fund's core work programme and budget, and consequently it was foreseen that the secretariat would continue to receive readiness grant proposals and that there would be a need for continued review and approval of those grants intersessionally and annually.

131. In response to a question on the financial implications of the proposal, the representative of the secretariat said that there were no financial implications to the recommendation. He also

explained that the recommendation was being proposed to ensure that the requests for grants under the readiness programme could continue to be reviewed intersessionally.

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

- (a) Request the secretariat to continue to review readiness grant proposals annually, during an intersessional period of less than 24 weeks between two consecutive Board meetings ;
- (b) Notwithstanding the request in paragraph (a) above, recognize that any readiness grant proposal can be submitted to regular meetings of the Board ;
- (c) Request the PPRC to consider intersessionally the technical review of such readiness grant proposals as prepared by the secretariat and to make intersessional recommendations to the Board ;
- (d) Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure; and
- (e) Request the secretariat to present, in the twentieth meeting of the PPRC, and annually following each intersessional review cycle, an analysis of the intersessional review cycle .

(Recommendation PPRC.19/30)

Cancellation of the Readiness Project and Grant for Burundi

133. The representative of the secretariat introduced document AFB/PPRC.19/35 which contained the request by the Designated Authority (DA) of Burundi to cancel the implementation of its Readiness Project and Grant by the Ministry of Natural Resources of Rwanda (MINIRENA) and to transfer that implementation to the *Centre de Suivi Ecologique* (CSE) of Senegal. He said that pursuant to section 13.02 of the Agreement between the Board and MINIRENA, the Agreement had been automatically terminated by the action of the DA. Consequently, the PPRC would need to make a recommendation to the Board on the readiness grant,

134. It was pointed out that the Board and the PPRC had spent a great deal of time considering the proposal and that it set a bad precedent to cancel it so abruptly, especially as that might mean that the country might not benefit from South-South cooperation. It was asked whether any funds had already been disbursed or whether any activities had been initiated.

135. The representative of the secretariat explained that no activity had been implemented yet and that although several attempts had been made to initiate the project by both MINIRENA and the government of Burundi, that had not been possible. Due to the long period that had passed since the grant had been approved by the board, the request for cancellation had been by mutual agreement between MINIRENA and Burundi, and it was expected that all the funds would be returned to the Board.

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

- (a) Cancel the grant to support National Implementing Entity Accreditation in Burundi originally approved for implementation by the Board through decision B. 24-25/7;
- (b) Request the secretariat to notify the Ministry of Natural Resources of Rwanda (MINIRENA) and the Government of Burundi of the cancellation of the readiness grant; and
- (c) Request the secretariat to notify MINIRENA that the grant, including any net investment income earned therefrom, is to be returned to the Adaptation Fund Trust Fund, through the trustee. MINIRENA should first notify the secretariat of the amount to be returned, with copy to the trustee.

(Recommendation PPRC.19/31)

Impact evaluation of completed projects

137. It was pointed out that the Fund had no process for the longer-term evaluation of completed projects. Once a project was closed the knowledge about the sustainability of the project, as well as the knowledge it could generate about adaptation, would be lost. One solution would be to encourage the IEs, with a small grant, to undertake a medium-term post-completion assessment.

138. There was general support for the proposal, and different time periods were proposed for that post-completion evaluation. However, it was also pointed out that the IEs did not want to keep the projects open once they were completed as that often had budgetary implications for them. The issue was one of knowledge management and could be addressed in the Knowledge Management Strategy of the Board or in Phase 2 of the Evaluation of the Board. The IEs should be encouraged to look at the lessons learned, but that would require a budget for those activities.

139. The representative of the secretariat reported that the Ethics and Finance Committee was discussing the development of an evaluation function for the Fund. The civil society organizations had also already developed tool for the evaluation of the projects post implementation and another option would be to award any grants for such evaluations to civil society.

140. The Project and Programme Review Committee (PPRC) decided to recommend that the Adaptation Fund Board request the secretariat to propose, at the 20th meeting of the PPRC options for how post-implementation learning and impact evaluation could be arranged for Adaptation Fund projects and programmes, taking into account on-going discussions on the evaluation function of the Fund.

(Recommendation PPRC.19/32)¹

Reconsideration of the funding of the full-cost of adaptation reasoning

141. The Vice-Chair reminded the PPRC that during the discussion of the proposal for Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama (LAC/RIE/Inno/2016/1) it was agreed that it would be necessary to make a recommendation to the

¹ During the discussion of the recommendation by the Adaptation Fund Board at its twenty-eighth meeting the Chair of the Ethic and Finance Committee suggested that the recommendation be modified to include a reference to Phase 2 of the evaluation of the Adaptation Fund.

Board to reconsider the implications that may represent the current content of the OPG related to full-cost of adaptation, and as the issue was overarching, it was agreed to take that decision under agenda item 10 'Other matters'.

142. The Project and Programme Review Committee (PPRC), having considered the implications that may represent the current content of the Annex5 of the Operational Policies and Guidelines of the Fund for innovative projects/programmes proposals that include co-financing decided to recommend that the Adaptation Fund Board request the secretariat to prepare a proposal for consideration by the PPRC at its twentieth meeting clarifying the scope of application of the full cost of adaptation reasoning criteria.

(Recommendation PPRC.19/33)

Agenda Item 11: Adoption of the report

143. The present report was adopted on the basis of the draft report of the PPRC as contained in documents AFB/PPRC.19/L.1 and AFB/PPRC.19/L.1/Add.1.

Agenda Item 12: Closure of the meeting

144. The Chair declared the meeting closed at 9.00 am on Friday, 7 October 2016.

Annex I

Project and Programme Review Committee Nineteenth Meeting Bonn, 4-5 October, 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)
Mr. Emilio L. SEMPRIS CEBALLOS (Panama, 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. Chebet MAIKUT (Uganda, Least Developed Countries)
Mr. Paul Elreen PHILLIP (Grenada, Small Island Developing States)
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)