



ADAPTATION FUND

AFB/PPRC.20/31  
16 March 2017

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Adaptation Fund Board  
Project and Programme Review Committee  
Twentieth meeting  
Bonn, Germany, 14-15 March 2017

Agenda item 13

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

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

1. The meeting was opened at 9.15 a.m. on Tuesday, 14 March 2017, by the incoming Chair of the Project and Programme Review Committee (PPRC), Ms. Monika Antosik (Poland, Eastern Europe), who welcomed the new members of the PPRC: Mr. Ibila Djibril (Benin, Africa) and Mr. Victor Viñas (Dominican Republic, Latin America and the Caribbean). The members present at the meeting are listed in Annex I to the present report.

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

2. The Chair welcomed Mr. Mirza Shawkat Ali (Bangladesh, Asia) as the new Vice-Chair of the PPRC.

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

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

3. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.20/1) and the annotated provisional agenda (AFB/PPRC.20/2).

1. Opening of the meeting.
2. Transition of the Chair and the Vice-Chair.
3. Organizational matters:
  - a) Adoption of the agenda;
  - b) Organization of work.
4. Update on the funding status.
5. Report of the secretariat on the intersessional review cycle of readiness proposals.
6. Proposal clarifying the scope of application of the full cost of adaptation reasoning criteria.
7. Report by the secretariat on initial screening/technical review of project and programme proposals.
8. Review of project and programme proposals:
 

*Concepts:*

*Proposal from NIEs:*

*Small –size proposals:*

  - a) Federated States of Micronesia (1);

*Regular proposals:*

  - b) Armenia (1);
  - c) Armenia (2);
  - d) Dominican Republic;

*Proposals from RIEs:*

*Regular proposals:*

e) Ecuador;

*Proposals from MIEs:*

*Regular proposals:*

f) Suriname;

*Fully-developed project/programme documents:*

*Proposals from NIEs:*

*Regular proposals:*

g) Antigua and Barbuda;

h) Ethiopia;

i) Panama;

*Proposals from RIEs:*

*Regular proposals:*

j) Federated States of Micronesia (2);

k) Guinea-Bissau;

l) Peru;

*Proposal from MIEs:*

*Regular proposals:*

m) Fiji;

n) Honduras;

o) Paraguay;

p) Solomon Islands.

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

*Concepts:*

*Proposals from RIEs:*

a) Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama;

*Proposals from MIEs:*

b) Comoros, Madagascar, Malawi and Mozambique;

c) Cuba, Dominican Republic and Jamaica;

*Fully-developed project documents:*

*Proposal from RIE:*

d) Chile and Ecuador;

*Proposals from MIEs:*

e) Burundi, Kenya, Rwanda, Uganda, and the United Republic of Tanzania;

f) Colombia and Ecuador;

g) Ethiopia, Kenya and Uganda.

10. Intersessional review of project formulation assistance grant proposals under the Readiness Programme.
11. Options for post-implementation learning and impact evaluation of Adaptation Fund projects and programmes.
12. Other matters.
13. Adoption of the recommendations and report.
14. Closure of the meeting.

*(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. Victor Viñas (Dominican Republic, Latin America and the Caribbean) and

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

6. In response to a request for a clarification of the rules for establishing a conflict of interest, the representative of the Secretariat explained that they were to be found in the Rules of Procedure and the Code of Conduct of the Board. A member was considered to be in a possible conflict of interest if they would participate in board discussions on either a project, or an implementing entity, related to his or her country, as well as when that member felt that by their actions they might be in a conflict of interest.

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

7. At the request of the Chair, the representative of the secretariat reported on the funding status of the Adaptation Fund. He said that there had been US\$ 84 million in new pledges of support, of which US\$ 70 million had been received, and that as at 31 December 2016, the cumulative receipts stood at US\$ 639.1 million. The cumulative funding decisions for projects and programmes to date by the Board amounted to US\$ 357.8 million, so that US\$ 234.42 million remained available to support new funding decisions, of which US\$ 77.53 million was available to Multilateral Implementing Entities (MIEs) under their cap. Consequently, there were sufficient resources to support the proposals of the MIEs at the present meeting.

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

### **Agenda Item 5: Report of the secretariat on the intersessional review cycle of readiness proposals**

9. At the request of the Chair, the representative of the secretariat presented document AFB/PPRC.20/3 which contained an analysis of the second intersessional review cycle of the readiness proposals which had been prepared pursuant to decision B.28/30(e). He said that proposals submitted by National Implementing Entities (NIEs) during the second intersessional cycle totalled 12 proposals. Although the approved number of proposals for both the first and the second intersessional cycles have been the same (11), compared to the first intersessional cycle, the second intersessional cycle had received fewer proposals for South-South cooperation grants but received more applications for technical assistance grants. The decrease in South-South cooperation grant applications did not reflect a lack of demand, but a misunderstanding by countries seeking accreditation support on the country-driven nature of the application process. In order to address this, the secretariat had put together a list of all accredited NIEs that were eligible to apply for South-South cooperation grants and made that information available on the Fund's website. The effort by the secretariat would continue as part of the outreach activities of the Fund through the Readiness Programme. The high number of proposals for technical assistance grants indicated a high demand for institutional capacity building and support from accredited NIEs to enhance their compliance with the Fund's policies and procedures.

10. He said that the existence of the intersessional cycle for grants under the Readiness Programme evened out the workload of the PPRC and the secretariat, which had helped reduce workflow problems caused by accumulation of proposals. However, since not all NIEs had made use of this opportunity, the secretariat would seek to increase the uptake of readiness grants by increasing communication to all stakeholders about these opportunities.

11. In response to a question as to how the secretariat communicated with the NIEs, the representative of the secretariat explained that the secretariat first launched a call for grants and posted it on the Fund's website. It also issued a press release and further communicated with the NIEs at workshops and sent a notification to all stakeholders via the Fund's networks. He also clarified that during the review process, the proposals were circulated intersessionally for review and decision by the Board on a non-objection basis.

12. The representative of the secretariat also explained how the countries for which the grants were being requested had been listed in table 1 of the document and explained that the reason why the *Centre de Suivi Ecologique* had been mentioned three times in the list was because it had received three South-South cooperation grants to support three countries. He however agreed to present the information in separate tables for clarity in future.

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

### **Agenda Item 6: Proposal clarifying the scope of the application of the full cost of adaptation reasoning criterion**

14. At the request of the Chair, the representative of the secretariat presented document AFB/PPRC.20/4 which contained, *inter alia*, four options for defining the scope of application of the full cost of adaptation reasoning criterion which had been prepared pursuant to decision B.28/33. He brought to the attention of the PPRC that at its previous meeting one of the proposals sought to enhance capacity of Micro, Small and Medium agricultural Enterprises (MSMEs) and their resilience to climate change through the provision of financial and non-financial services. One of the

challenges with the proposal was that the activities, if funded by the Adaptation Fund, would have been highly dependent on the implementation and delivery of other adaptation activities from a co-financed component of the project.

15. It was pointed out that one of the strengths of the Adaptation Fund was that it did not require co-financing which was a concept that was not well understood by many countries. Co-financing was also difficult to achieve and making it a requirement could delay project implementation when the co-financing failed to materialize. Others were of the view that co-financing could be a good source of additional funds provided that the necessary safeguards were in place. New and innovative sources of funding were required. However, there was agreement that regardless of the divergent views on co-financing, any decision on the subject should be consistent with the ongoing discussion on the medium-term strategy of the Fund and should await the outcome of those discussions. It was also suggested that the issue could also be considered by the Ethics and Finance Committee (EFC).

16. The Chair said that it did not appear that there was agreement to change the current practice of the Fund and that there was agreement to request the secretariat to perform an analysis of the full costs of adaptation for consideration by the Board at its thirty-first meeting, once it had agreed on its medium-term strategy.

17. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board, in line with the Operational Policies and Guidelines (OPG), which stipulate 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 the lessons learned”:

(a) Reconfirm the definition of “full costs of adaptation” as stated in the Operational Policies and Guidelines (OPG); and

(b) Request the secretariat, taking into account the orientations provided by the medium-term strategy of the Fund, to perform an analysis and collect lessons learned on how the full costs of adaptation has been applied by the Fund and make recommendation on the way forward including potential further conceptual development of applying the full costs of adaptation, for consideration of the Project and Programme Review Committee (PPRC) at its twenty-second meeting.

**(Recommendation PPRC.20/1)**

#### **Agenda Item 7: Report of the secretariat on initial screening/technical review of the submitted projects and programme proposals**

18. 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.20/5 and AFB/PPRC.20/5/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) as well as several short-term consultants.

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

## Issues identified during the review process

20. During the review process the secretariat had noticed that the total funding for the four fully-developed project proposals submitted, under the pilot programme for regional projects and programmes, to the current meeting (US\$ 39,710,400) exceeded the US\$ 30 million allocated for the pilot programme established by decision B.25/28. Further, it was anticipated that, given the keen interest shown in the programme, by the thirty-first Board meeting there would be a number of regional project and programme proposals that had been technically cleared by the PPRC and would then need to be placed in a pipeline. It was also noted that the prioritization criteria for the projects and programme under the pilot programme had been clarified and a way forward for financing regional project and programme proposals beyond the pilot programme had been approved by the Board at its twenty-eighth meeting, under decision B.28/1.

21. Therefore, the PPRC might wish to recommend that the Board decide to make a provision in its work plan for fiscal year 2018 for an amount of US\$ 30 million to be provisionally set aside for the funding of regional project and programme proposals, beyond the pilot programme, and project formulation grants, as follows: up to three proposals requesting up to US\$ 5 million of funding; one proposal requesting up to US\$ 14 million of funding; up to five project formulation grant requests, of up to US\$ 100,000 each, for preparing project and programme concept documents, or fully-developed project documents, requesting up to US\$ 5 million of funding; and up to five project formulation grant requests, of up to US\$ 100,000 each, for preparing project and programme concept documents, or fully-developed project documents, requesting up to US\$ 14 million of funding.

22. It was pointed out that with that additional funding, the amount set aside for regional projects and programmes would now be US\$ 60 million, an amount which could go up to US\$ 90 million by fiscal year 2019.

23. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board include in its work plan for fiscal year 2018 (FY18) a program of work amounting to US\$ 30 million for the funding of regional project and programme proposals as follows:

(a) Up to three proposals requesting up to US\$ 5 million for funding;

(b) One proposal requesting up to US\$ 14 million of funding;

(c) Up to five project formulation grant (PFG) requests, of up to US\$ 100,000 each, for preparing project and programme concepts or fully-developed project documents requesting up to US\$ 5 million of funding;

(d) Up to five project formulation grant (PFG) requests, of up to US\$ 100,000 each, for preparing project and programme concepts or fully-developed project documents requesting up to US\$ 14 million of funding.

**(Recommendation PPRC.20/2)**

## Agenda Item 8: Review of project and programme proposals

24. At the request of the Chair the representatives of the secretariat presented the project and programme proposals for the consideration of the PPRC.

25. One member observed that in a number of cases the proposals had been reviewed by short-term consultants alongside secretariat co-reviewers.

### Concept proposals

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

##### *Small-size proposals:*

Federated States of Micronesia: Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federates States of Micronesia (Project Concept; Micronesia Conservation Trust (MCT); FSM/NIE/Multi/2016/2; US\$ 970,000)

26. The project sought to strengthen food security and reduce community vulnerability to climate change in the Federated States of Micronesia by the improved implementation of protected areas and the establishment of protected area management networks at the national and state level.

27. It was observed that the adaption reasoning was not clear in the proposal and it was asked how the equitable distributions of benefits would be established and whether the US\$ 30,000 for the PFG was a fixed amount.

28. The representative of the secretariat explained that the NIEs could ask for up to US\$ 30,000 as a PFG and while some had asked for less most asked for the full amount. He also explained that the Fund was looking at it as one of the principles of the Environmental and Social Policy, and did not impose a methodology to evaluate the equitable distribution of benefits. Instead it was for the proponent to explain how it had decided on the benefits and who would be the beneficiaries.

29. 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 Micronesia Conservation Trust (MCT) to the request made by the technical review;
- (b) Request the secretariat to transmit to MCT 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 further strengthen the adaptation reasoning, and the cohesion between the objective, expected outputs and expected outcomes of the project;
  - (ii) At the fully-developed project document stage, a further update on the status of policy frameworks (likely for Chuuk and Yap) for state-level protected areas networks should be provided;

- (iii) The fully-developed proposal should provide more information on the equitable distribution of benefits to vulnerable communities, households, and individuals;
  - (iv) A learning and knowledge management component to capture the lessons learnt of the project as a whole should be provided. The activities presented under the relevant section in the proposal should be reflected in existing outputs;
  - (v) The environmental and social risks table, based on the 15 Principles of the Adaptation Fund's Environmental and Social Policy (ESP), should be evidence and risk-based, and the activities envisaged to help manage those risks should be more explicit, hence demonstrating how the Adaptation Fund ESP requirements will be met;
- (c) Approve the Project Formulation Grant of US\$ 30,000;
  - (d) Request MCT to transmit the observations under item (b) to the Government of the Federated States of Micronesia; and
  - (e) Encourage the Government of the Federated States of Micronesia to submit through MCT a fully-developed project proposal that would address the observations under item (b) above.

**(Recommendation PPRC.20/3)**

Regular proposals

Armenia (1): Artik city closed stone pit wastes and flood management pilot project (Project Concept; Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of Armenia; ARM/NIE/Urban/2017/1; US\$ 1,385,380)

30. The project sought to prevent natural and agro landscape degradation through the elimination of anthropogenic adverse effects and to decrease the frequency and intensity of natural disasters conditioned by climate change, as well as increasing the level of adaptation of landscapes.

31. It was pointed out that there were a number of issues that still needed to be addressed; there were risks associated with property rights and it was unclear who owned the mine. The long-term sustainability of the project was also unclear, as was whether it would be possible to replicate the proposed actions at other sites. There was also a need to ensure that the project was aligned with national policies and legislation.

32. The representative of the secretariat said that information on trends in climate change for Armenia had been provided. No evidence on the cost-effectiveness of the proposal had been provided and although the implementing entity had only been recently accredited, it had not taken up the offer of a conference call with the secretariat to discuss the excessive (11.5 per cent) implementing fees that it was proposing. Much basic information was still missing from the proposal.

33. 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 Environmental Project Implementation Unit (EPIU) to the request made by the technical review;

- (b) Suggest that EPIU 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 adaptation reasoning of component 1 related to the reclamation and management of a closed mine site, and of component 2, which aims at creating a flexible system of flood management for Artik, needs to be better demonstrated;
  - (ii) The proposal should be presented following the Adaptation Fund proposal template and completing the relevant sections of the template, taking into account the instructions provided under Annex 5 of the Adaptation Fund Operational Policies and Guidelines;
- (c) Not approve the Project Formulation Grant of US\$ 27,000; and
- (d) Request EPIU to transmit the observations under item (b) to the Government of Armenia.

**(Recommendation PPRC.20/4)**

Armenia: Sustainable management of adjacent ecosystems of specially protected nature areas of the RA and capacity building in communities (Project Concept; Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of Armenia; ARM/NIE/Forest/2017/1; US\$ 2,483,000)

34. The project sought to enhance the adaptability of natural ecosystems under climate change conditions by strengthening capacities, decreasing anthropogenic pressure on ecosystems and by increasing the efficiency of management, especially protected natural areas.

35. It was observed that the project raised some of the same concerns that had been expressed during the discussion of the previous project for Armenia. The adaptation reasoning needed to be better explained and it was asked whether the objective of the project was really the protected areas or the resilience of the communities. The first component was called a capacity building component but really seemed to address investment and it was suggested that a focus on fewer activities could ensure that they would be cost effective. It was also questioned whether the project could be identified as being for forests under the current classification system being used by the secretariat, although it would be useful to enlarge the classification system to allow for such a designation.

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

- (a) Not endorse the project concept, as supplemented by the clarification responses provided by the Environmental Project Implementation Unit (EPIU) to the request made by the technical review;
- (b) Suggest that EPIU reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The fully-developed project document should clarify, and in particular with regard to the capacity building aspects under component 1, what the concrete adaptation activities of the project are and how these activities are related to concrete outputs, including how they contribute to climate resilience;
  - (ii) The relevant sections of the proposal template should be completed as per the instructions provided under Annex 5 of the Adaptation Fund's Operational Policies and Guidelines;
  - (iii) The fully-developed project document should clarify, in line with the Fund's Gender Policy, whether there are any existing vulnerabilities for women and if there are, whether it is intended that the project outputs and outcomes would address these;
  - (iv) The fully-developed project document should provide an initial identification of project environmental and social impacts taking into consideration (ii) and (iii) above, and also provides an initial assessment of whether the project is expected to be Category A, B, or C in accordance with the Fund's Environmental and Social Policy;
- (c) Not approve the Project Formulation Grant of US\$ 30,000; and
- (d) Request EPIU to transmit the observations under item (b) to the Government of Armenia.

**(Recommendation PPRC.20/5)**

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

37. The project sought to enhance the resilience and adaptive capacity of rural livelihoods to climate impacts and risks on water resources in San Cristóbal.

38. It was asked why the specific percentage of 51 per cent of the population had been used in the recommendation and not some other percentage, and it was also asked whether it would be useful to call upon countries to include information on their Nationally Designated Contributions (NDCs) in the project proposals submitted to the Adaptation Fund.

The representative of the secretariat said that while the level of information that had been provided might be adequate at the concept stage, more was required of the fully-developed project document. The results framework established a need for targets in a project and for that the proponent would need to establish baselines, which would be provided at the latest in the first project performance report. He said that the number of 51 per cent had been provided by the proponent but could be dropped as it was statistical information that was six years out of date.

39. The Chair explained that while countries could include adaptation activities in their NDCs they were not required to do so.

40. 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 Dominican Institute of Integral Development (IDDI) to the request made by the technical review;
- (b) Request the secretariat to transmit to IDDI 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 strengthen the demonstration of how the project's interventions beyond the water points/dams would improve the socio-economic situation of the population involved in livestock production in Cristobal, reduce their vulnerability and make them more adaptive to identified shocks of climate;
  - (ii) The full proposal should clarify the operations of the Provincial Climate Change Adaptation Monitoring Committee (PCCAMC), including how it would be funded beyond the project, or if it would be absorbed into the existing entities (Governance, local governments, Ministry of Economy, Planning and Development, Emergency Operations Centre, Ministry of Public Health, Ministry of Environment and Natural Resources, National Institute for Water Resources and National Institute for Drinking Water and Sewerage);
- (c) Approve the Project Formulation Grant of US\$ 30,000;
- (d) Request IDDI to transmit the observations under item (b) to the Government of Dominican Republic; and
- (e) Encourage the Government of Dominican Republic to submit through IDDI a fully-developed project proposal that would address the observations under item (b) above.

**(Recommendation PPRC.20/6)**

*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)

- 41. The project sought to strengthen the adaptive capacity of the local population in the Toachi – Pilatón water system, with a focus on the key drivers that will worsen the probable impact from climate change.
- 42. Surprise was expressed that the cost effectiveness of the project remained an issue even when the project was being proposed by a development bank.
- 43. The representative of the secretariat explained that Regional Implementing Entities (RIEs) were not eligible for PFGs for proposals that addressed a single country.
- 44. The PPRC may want to consider and recommend to the Board to:

- (a) Endorse the project concept, as supplemented by the clarification response provided by *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America) to the request made by the technical review;
- (b) Request the secretariat to transmit to CAF the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The fully-developed proposal should include more details on how outputs will be achieved and linked together during project implementation;
  - (ii) The fully-developed proposal should more extensively outline, detail, and quantify the benefits of the project, including a more thorough plan of how women and marginalized groups will be involved and will benefit from the project;
  - (iii) The fully-developed proposal should provide a more detailed analysis of the project's cost effectiveness, adaptation reasoning and how the sustainability of the project outcomes has been taken into account when designing the project;
  - (iv) The fully-developed proposal should include a brief plan for how gender considerations will be taken into account in the project;
- (c) Request CAF to transmit the observations under item (b) to the Government of Ecuador; and
- (d) Encourage the Government of Ecuador to submit through CAF a fully-developed project proposal that would address the observations under item (b) above.

**(Recommendation PPRC.20/7)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Suriname: Urban Investments for the Resilience of Paramaribo: Building adaptive capacity of Paramaribo communities to climate change-related floods and sea level rise through strategic urban planning and sustainable infrastructure investments (Project Concept; Inter-American Development Bank (IDB); SUR/MIE/Urban/2017/1; US\$ 9,801,619)

45. The project sought to contribute towards increasing the adaptive capacity of communities living in Paramaribo city, and the adjacent metropolitan vulnerable areas, to cope with the observed and anticipated impacts of climate change.

46. It was suggested that the project should further demonstrate how the outcomes and outputs are linked with the expected beneficiaries. More information was also needed on how the components of the project worked together, how the municipal planning related to national goals and who the beneficiaries of the project really were. It was suggested that the city of Paramaribo

should be encouraged to join the Cities Alliance of cities and municipalities, if it was not already a member.

47. 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 Inter-American Development Bank (IDB) to the request made by the technical review;
- (b) Request the secretariat to transmit to IDB the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) During project development, a more comprehensive assessment of expected beneficiaries, linked with the expected outcomes and outputs, should be provided;
  - (ii) The fully-developed project document should further demonstrate the coherence and integration between its components;
  - (iii) The fully-developed project document should provide more information on how land management planning at the municipal level related to national goals;
  - (iv) The fully-developed project document should elaborate on the analysis that will be carried out to make sure that biodiversity benefits are maximized, and potential impacts on local vegetation minimized;
  - (v) The fully-developed proposal should demonstrate that further consultations have taken place in order to ensure that the communities fully support and feel ownership over the adaptation effort, including the measures selected; the comprehensive consultation process should cover key issues that were not discussed before, such as inundation, climate change and gender;
  - (vi) During the fully-developed proposal preparation stage, a more elaborate plan for ensuring sustainability of the infrastructure should be provided, including the perspectives from the communities consulted;
  - (vii) At the fully-developed project document stage, an Environmental and Social Management Plan should be prepared as required, including all subprojects or activities identified during project development;
- (c) Request IDB to transmit the observations under item (b) to the Government of Suriname; and
- (d) Encourage the Government of Suriname to submit through IDB a fully-developed project proposal that would address the observations under item (b) above.

**(Recommendation PPRC.20/8)****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)

48. The project sought to enhance the resilience of Antigua and Barbuda's North-west McKinnon's watershed, including a combination of ecosystem-based adaptation, innovative finance and capacity-building activities.

49. In response to requests for clarification of the innovative nature of the financing of the project, representative of the secretariat explained that it consisted of the revolving nature of the small loans being provided to help the communities improve their homes. He also said that the proposal had been reviewed by a consultant and that the lessons learnt from the project would be distributed to the Organization of Eastern Caribbean States, among others.

50. 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 Department of Environment of Antigua and Barbuda (ABED) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,970,000 for the implementation of the project, as requested by ABED; and
- (c) Request the secretariat to draft an agreement with ABED as the National Implementing Entity for the project.

**(Recommendation PPRC.20/9)**

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\$ 9,987,910)

51. The project sought to increase the resilience to recurrent droughts in seven agro-ecological landscapes in Ethiopia.

52. It was pointed out that in this instance the country had included the project in its NDC.

53. 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 Ministry of Finance and Economic Cooperation (MOFEC), Ethiopia to the request made by the technical review;
- (b) Approve the funding of US\$ 9,987,910 for the implementation of the project, as requested by MOFEC; and
- (c) Request the secretariat to draft an agreement with MOFEC as the National Implementing Entity for the project.

**(Recommendation PPRC.20/10)**

Panama: Adapting to climate change through integrated water management in Panama (Fully-developed Project Document; *Fundación Natura*; PAN/NIE/Water/2016/1; US\$ 9,967,559)<sup>1</sup>

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

55. It was asked how the proponents had demonstrated the compliance of the programme with the latest relevant national policies and plans and whether they had explained the “water-food-climate-energy nexus” approach. It was also asked whether the concerns over the cost-effectiveness of the project had been addressed and how the future of the hydro-meteorological equipment would be secured.

56. The representative of the secretariat explained that the proposal contained an extensive list of relevant plans and strategies including an integrated management plan. The implementing entity had responded to the questions about the “water-food-climate-energy nexus” approach in the document, as well as the issue of cost-effectiveness and the sustainability of the equipment.

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

- (a) Approve the project document, as supplemented by the clarification response provided by *Fundación Natura* to the request made by the technical review;
- (b) Approve the funding of US\$ 9,967,559 for the implementation of the project, as requested by *Fundación Natura*; and
- (c) Request the secretariat to draft an agreement with *Fundación Natura* as the National Implementing Entity for the project.

**(Recommendation PPRC.20/11)**

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<sup>1</sup> An advance version of the report included a typo in the amount of requested funding, which has been corrected.

*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)

58. The fully-developed proposal 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.

59. In response to queries about the conditional nature of the approval of the project the representative of the secretariat explained that there was already a precedent for this where the missing elements could easily be corrected before the implementation of the project. However, the PPRC was in agreement that the condition should be changed from “prior to the inception of the project” to “prior to the signing of the agreement”.

60. 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 Secretariat of the Pacific Regional Environment Programme (SPREP) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,000,000 for the implementation of the programme, as requested by SPREP;
- (c) Request the secretariat to draft an agreement with SPREP as the Regional Implementing Entity for the project, following confirmation from SPREP that the following issues have been addressed:
  - (i) The safeguard conditions which were imposed by the Kosrae Island Resource Management Authority (KIRMA) when approving the road infrastructure development component of the project should be integrated in the project environmental and social management plan (ESMP); and
  - (ii) KIRMA should confirm that the approval applies to the final alignment of the road and that the permit conditions are adequate, as KIRMA’s approval was based on a plan and an Environmental Impact Assessment (EIA) for which the current final alignment was considered only as an alternative alignment.

**(Recommendation PPRC.20/12)**

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

61. The project sought to strengthen practices and capacities in climate-smart agriculture in the project region and at the institutional level. Through the project's activities food security and livelihoods will be strengthened at the household level while at the same time increasing capacities in climate risk management and adaption planning at all levels of governance.

62. It was asked why a project that was addressing climate smart agriculture was mentioning fertilizers and pesticides and it was suggested that alternative solutions are needed. It was asked how the branding of the project as one being funded by the Adaptation Fund could be assured when there was also such large amount of parallel funding, and clarification was also sought to the role of the non-governmental organisation associated with the project and what was meant by an unidentified subproject approach.

63. The representative of the secretariat said that there had been no comment by civil society on the project or on any of the projects being considered by the PPRC. He also explained that the unidentified subprojects approach denoted an arrangement where smaller activities in the project were identified during project implementation, usually through a participative bottom-up process. The implication of that approach from the environmental and social risk management perspective was that as the subprojects were not yet fully identified at the project approval stage, also their related risks could not yet be fully understood. This led to a need to include in the project environmental and social management plan, at the project approval stage, a description of the process and criteria that would be used for identification and addressing of such risks.

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

- (a) Not approve the project document, as supplemented by the clarification response provided by *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank) to the request made by the technical review;
- (b) Suggest that BOAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The proposal should clarify the environmental and social risk management arrangements in the project, taking into account the specific requirements of the unidentified subproject (USP) approach, and also specifically the risk of relocation of livelihood activities as a consequence of the project, the risk of water retention structures limiting water availability downstream, as well as the implementing entity's role in environmental and social risk management;
  - (ii) The project to be implemented by BOAD with financing of approximately US\$ 10 million from the Green Climate Fund, with a focus on livestock resilience in the Northwest and Northeast of Guinea-Bissau should be explained in more detail, and the synergies and lack of overlap with the proposed project should be elaborated;

- (iii) The sustainability of the institutional arrangements should be elaborated for managing: fertilizer and pesticide inputs, the possible alternatives to them, and agricultural equipment, during and beyond the project, including the role of the non-governmental organization and earlier experiences of such a model in Guinea-Bissau; and
- (c) Request BOAD to transmit the observations under item (b) to the Government of Guinea-Bissau.

**(Recommendation PPRC.20/13)**

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)

65. The project sought to reduce vulnerability and increase adaptive capacity to respond to the impacts of climate change on highland Andean indigenous communities.

66. 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 *Banco de Desarrollo de America Latina* (CAF; Development Bank of Latin America) to the request made by the technical review;
- (b) Approve the funding of US\$ 2,941,446 for the implementation of the project, as requested by CAF; and
- (c) Request the secretariat to draft an agreement with CAF as the Regional Implementing Entity for the project.

**(Recommendation PPRC.20/14)**

*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 (Fully-developed Project Document; UN-Habitat; FJI/NIE/Urban/2016/1; US\$4,200,000)

67. The programme sought to increase the resilience of informal urban settlements in Fiji that were highly vulnerable to climate change and disaster risks.

68. It was asked how the vulnerable groups were to be engaged in the planning process and how the informal settlements could be protected in their holdings. There was a risk that the fund would invest in the project only to find that the communities would be resettled, which was a general problem for informal settlements in many countries. Another comment related to the question of how the components were broken down into hard and soft activities.

69. The representative of the secretariat said that the breakdown into hard and soft activities would be made clear in the budget as would be the cost-effectiveness of those activities. The legal

status of the informal communities, and the safeguards for them, had been addressed in Annex 4 of the proposal.

70. 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 UN-Habitat to the requests made by the technical review;
- (b) Suggest that the UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) Provide more substantial and specific information on the assets to be developed by the project and how they are integrated into the project design;
  - (ii) Clarify the cost-effectiveness reasoning in the case of this specific project, including comparison to alternative solutions;
  - (iii) Ensure that a specific, comprehensive and informed consultation process has taken place, and informed the project design process through documented feedback. This consultation should include vulnerable groups and take into account gender considerations;
  - (iv) Further detail the project budget;
  - (v) Elaborate on how gender considerations are taken into account in the setting of targets for concrete adaptation interventions; and
- (c) Request the UN-Habitat to transmit the observations referred to in item (b) above to the Government of Fiji.

**(Recommendation PPRC.20/15)**

Honduras: Ecosystem-Based Adaptation at Communities of the Central Forest Corridor in Tegucigalpa (Fully-developed Project Document; UNDP; HND/MIE/Multi/2016/1; US\$ 4,379,700)

71. The project sought to increase climate resilience of the most vulnerable communities in the Central Forest Corridor and the adaption capacity of its municipalities.

72. 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 United Nations Development Programme (UNDP) to the request made by the technical review;
- (b) Approve the funding of US\$ 4,379,700 for the implementation of the project, as requested by UNDP; and

- (c) Request the secretariat to draft an agreement with UNDP as the Multilateral Implementing Entity for the project.

**(Recommendation PPRC.20/16)**

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)

73. The project sought to reduce vulnerability of the population of the Chaco Region of Paraguay to the impacts of climate change on food security.

74. 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 United Nations Environment Programme (UNEP) to the request made by the technical review;
- (b) Approve the funding of US\$ 7,128,450 for the implementation of the project, as requested by UNEP; and
- (c) Request the secretariat to draft an agreement with UNEP as the Multilateral Implementing Entity for the project.

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

Solomon Islands: Enhancing urban resilience to climate change impacts and natural disasters: Honiara (Fully-developed Project Document; United Nations Human Settlements Programme (UN-Habitat); SLB/MIE/Urban/2016/1; US\$ 4,395,877)

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

76. It was asked whether it would not be better to write that many of the issues had been addressed in the final technical review rather than most of the issues given that significant issues remained outstanding such as land tenure and the adaptation reasoning behind some of the activities. It was also asked how waste management was connected to climate change and further clarification was sought on the links between the project and national plans and policies.

77. The representative of the secretariat said that the proposal had addressed the link between waste management and climate change but needed to provide clarity on whether new laws and regulations would be forthcoming on waste management.

78. 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 Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) Suggest that UN-Habitat reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:
  - (i) The proposal should clarify how the waste management activities, and their related outputs, will be sustained in the future to prevent the current waste situation re-occurring again, and clarify if there will be new laws or regulations on waste management and the improper disposal of waste;
  - (ii) The proposal should demonstrate that land tenure considerations have been taken into account as it relates to the type of adaptation infrastructure interventions that can be taken on lands which have different tenure arrangements and licenses to occupy;
  - (iii) The proposal should provide clear information as to whether there will be co-operation and linkages with the World Bank project “Community Resilience to Climate and Disaster Risk in the Solomon Islands”; and
- (c) Request UN-Habitat to transmit the observation under item (b) to the Government of Solomon Islands.

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

### **Agenda Item 9: Review of proposals under the pilot programme for regional projects and programmes**

Concept proposals

*Proposal from Regional Implementing Entity (RIE)*

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\$ 5,000,000)

79. 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.

80. In light of the discussion under agenda item 6 above, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- a) Defer further consideration of this project until the twenty-second meeting of the Project and Programme Review Committee; and
- b) Request the secretariat to communicate the decision under item (a) to the Central American Bank for Economic Integration (CABEI);
- c) Request CABEI to communicate to the governments of Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Dominican Republic the decision of the Board.

**(Recommendation PPRC.20/19)**

*Proposal from Multilateral Implementing Entity (MIE)*

The Comoros, Madagascar, Malawi and Mozambique: Building Urban Climate Resilience in South-eastern Africa (Project Concept; United Nations Human Settlements Programme (UN-Habitat); AFR/MIE/DRR/2016/1; US\$ 13,544,055)

81. The project sought 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 to promote inter-country experience sharing and disseminate lessons learned for building urban climate resilience in south-eastern Africa.

82. It was pointed out that although the proposal was still a concept there was a need for more work, during the development of a fully-developed project document, on the outcomes to be expected of component 2 and for more capacity building at the local level to ensure a bottom up approach. More information was also required on the transboundary activities and clarification was sought as to the number of cities and towns being addressed and whether they could use the Cities Alliance network to raise awareness of the project.

83. The representative of the secretariat explained that the number of participating cities and towns had originally been twelve but that number had been reduced because of concerns that the financing per city and town would be too low to enable effective action. The number had been reduced from nine to four, which represented one city or town for each country in the project. He also said that the transboundary issue had been raised previously, and although the countries were not adjacent to each other the proponent had explained that the bundling of the four cities together would allow for economies of scale to be achieved when implementing the project, and the use of the City Resilience Action Planning (CityRAP) Tool would enable local governments of small and medium sized cities to understand risks and progressively build urban resilience. More detail was expected in the fully-developed project document.

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

- (a) Endorse the project concept, as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;

- (b) Approve the Project Formulation Grant of US\$ 80,000; and
- (c) Encourage the Governments of the Comoros, Madagascar, Malawi and Mozambique to submit through UN-Habitat a fully-developed project document for the Board's consideration.

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

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

85. The project sought to up-scale the function of the local Risk Reduction Management Centres (RRMC) in Caribbean municipalities to deliver climate risk information services, preparedness and response measure to the most vulnerable segments of the population.

86. 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 United Nations Development Programme (UNDP) to the request made by the technical review;
- (b) Suggest that UNDP 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 ensure that community level consultations have taken place in all participating countries;
  - (ii) The proposal should provide information on the main activities planned to be carried out for each output, in particular to highlight the concrete adaptation actions;
  - (iii) The proposal should explain how drawing on lessons from earlier projects would be carried out in the scope of this project, and how those lessons would be applied;
  - (iv) The proposal should identify communities and their vulnerabilities during the design stage, and to design interventions accordingly;
- (c) Not approve the Project Formulation Grant of US\$ 80,000; and
- (d) Request UNDP to transmit the observations under item (b) to the Governments of Cuba, Dominican Republic and Jamaica.

**(Recommendation PPRC.20/21)**

## 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)

87. 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.

88. It was asked how the regional approach had been reflected in the document and it was observed that this was the fourth time that the project was being considered by the PPRC; it was surprising that a development Bank, such as the CAF, was unable to adequately respond to requests for technical information. With respect to the project, it was still unclear who the beneficiaries of the project were to be and it was suggested that as it would be important to have the input of technical people, such as engineers, in the design and implementation of the project, it would also be important to include them in any capacity building activities as well. It was also pointed out that one of the sites was prone to earthquakes, which would have an impact on the design of any structures.

89. The representative of the secretariat said that although the countries were not adjacent the proponents had claimed that there were significant economies of scale to be achieved by implementing the project in the two countries and at the three locations. He also said that one of the problems with the project had been that the proponent had submitted too many documents, many of them electronically and in formats that could not be accessed by the secretariat. The project document with its main annexes was over a thousand pages long, which did not even represent all the documents that had been submitted by the proponent. He said that it was a useful suggestion to extend training to the technical staff such as the engineers. He also said that the question of landslides, one of the consequences of an earthquake, had been addressed in the project document.

90. Several members said that proponents should be encouraged to produce an executive summary of their proposals and that a page, or word, limit should be imposed on the submissions to prevent poorly thought out and poorly drafted proposals that emphasized length over quality and were difficult to read.

91. It was also pointed out that often the difference between successful and unsuccessful proposals turned on how comprehensive the consultations had been with vulnerable groups concerned.

92. 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 explain whether vulnerable groups have been involved in interviews and meetings that have represented the main interaction with the community, and present a list of the participants and their specific feedback;
  - (ii) Information on technical designs and specifications should be presented in an accessible format, duly integrated and referenced in the main text of the proposal, with the key information provided in English;
  - (iii) The environmental and social risk identification should provide supporting evidence, and it should be ensured that the stakeholder analysis is up to date, especially with regard to vulnerable groups;
  - (iv) The proposal should provide a comprehensive, evidence-based impact assessment commensurate with the risks;
  - (v) The proposal should explain how technical staff, such as engineers, would be integrated into the project and be included in any training programmes;
  - (vi) The proposal should clarify how the proponent (CAF) would apply its Environmental and Social Management System to ensure compliance with the national and Adaptation Fund policy requirements;
  - (vii) The proposal should elaborate on the financial and project risk mitigation measures of the project; and
- (c) Request CAF to transmit the observations under item (b) to the Governments of Chile and Ecuador.

**(Recommendation PPRC.20/22)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Burundi, Kenya, Rwanda, Tanzania, 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)

93. The project sought to reduce vulnerability and build resilience of the Lake Victoria Basin countries to climate change impacts by strengthening institutional capacity through a variety of measures.

94. 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) The fully developed project document should provide appropriate identification of potential risks or impacts that the project could generate, following the 15 Principles of the Environmental and Social Policy (ESP) of the Adaptation Fund. For principles requiring further assessment for compliance, adequate mitigation measures should be provided for the risks or impacts identified;
  - (ii) The fully-developed project document should describe the process for overall ESP risk management and the implementation of the Environmental and Social Management Plan (ESMP), with a strong emphasis on the identification and management of unidentified subproject risks. The risks should be organised according to the 15 principles of the ESP and include the risks identified during the screening process;
  - (iii) The grievance redress mechanism should be more specific and include independent channels for receiving complaints and grievances; and
- (c) Request UNEP to transmit the observations under item (b) to the Governments of Burundi, Kenya, Rwanda, Tanzania and Uganda.

**(Recommendation PPRC.20/23)**

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

95. 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.

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

- (a) Not approve the project document, as supplemented by the clarification response provided by the World Food Programme (WFP) to the request made by the technical review;
- (b) Suggest that WFP reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The fully-developed project document needs to acknowledge its inherent environmental and social risks. The risks identification should be compliant with the Environmental and Social Policy of the Fund, and the subsequent categorisation of the project should be justified;
  - (ii) An adequate Environmental and Social Management Plan (ESMP) should be provided, including appropriate arrangements for unidentified subprojects (USPs) risk identification and management; and
- (c) Request WFP to transmit the observations under item (b) to the Governments of Colombia and Ecuador.

**(Recommendation PPRC.20/24)**

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

97. The project sought 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.

98. It was asked why the Food and Agriculture Organisation of the United Nations (FAO) was participating in the project as an executing entity and what effect that would have on the branding of the project as one being financed by the Adaptation Fund. Large organizations such as FAO and WMO had their own websites where they listed their projects and assurance was sought that the logo of the Adaptation Fund would also appear when the project was listed on another organization's website or in any of its publications. Assurance was also sought that the total management fees for the executing entities would remain within the cap established by the Board.

99. Instead of the WMO using another international organization as an executing entity it should be encouraged to work with national agencies, and it was asked whether the designated national authorities had even agreed to allow the FAO to function in the role of executing entity.

100. The representative of the secretariat explained that the FAO had a particular expertise related to its field schools, as well as a presence in the horn of Africa, but that it was not accredited as an implementing entity with the Fund. In order to leverage its expertise, it had been included by the WMO as one to the executing entities, which also included the NIE of a country where possible. While nothing precluded the participation of a multilateral organization as an executing entity in the regional projects, the WMO had also included national organizations as well. The letters signed by the designated national authorities made it clear that they had been aware of the role of the FAO. He also said that the total fees for both the implementing and executing entities were under the threshold that had been set for regional projects.

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

- (a) 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) Approve the funding of US\$ 6,800,000 for the implementation of the project, as requested by WMO; and
- (c) Request the secretariat to draft an agreement with WMO as the Multilateral Implementing Entity for the project.

**(Recommendation PPRC.20/25)**

**Agenda Item 10: Intersessional review of project formulation assistance grant proposals under the readiness programme**

102. The representative of the secretariat presented document AFB/PPRC.20/29 which contained a background on project formulation assistance (PFA) grants including a presentation of the decision by the Board at its twenty-seventh meeting to set aside PFA grants as small grants of up to US\$ 15,000 that could be disbursed at the instruction of the Board as direct transfers from the resources of the Adaptation Fund Trust Fund. The PFA grants would be additional small grants on top of project formulation grants (PFGs) for NIEs that needed funding to undertake a specific technical assessment.

103. It was observed that it would be important to ensure that there was no duplication of funding to a single NIE that might result in the NIE receiving readiness funds from a number of different Funds for the same project. It was also asked what was meant by a flat rate of up to US\$ 20,000 in PFA grants for each project.

104. The representative of the secretariat explained that the phrase flat rate was meant to indicate that when an amount of less than US\$ 20,000 had been requested the NIE could not return later and ask for the difference between that sum and the US\$ 20,000 that it could have originally requested. He also confirmed that the NIE had to submit a fully-developed project document for Board approval within twelve (12) months of the grant being disbursed, which was in line with requirements for the PFGs.

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

- (a) That Project Formulation Assistance (PFA) grants of up to US\$20,000 for each project, could be provided for accredited national implementing entities (NIEs) seeking project formulation assistance, on the understanding that the amount is inclusive of the management fee, which cannot exceed 8.5 per cent of the grant amount, and that if an NIE has initially sought, and been granted less than the maximum amount, it is precluded from later seeking the difference between the amount that had been granted and the maximum grant of US\$ 20,000;

(b) That PFA grants will only be made available for projects submitted through accredited NIEs for projects going through the two-step project approval process, and can only be awarded when a project concept is presented and endorsed by the Adaptation Fund Board. A request for a PFA grant should be made at the same time as the submission of a project concept to the secretariat using the PFA grant application form contained in Annex I of document AFB/PPRC.20/29;

(c) To request the secretariat to review PFA Grant proposals for submission at regular meetings of the Board, and during an intersessional period of more than 24 weeks between two consecutive Board meetings; and

(d) That once a PFA grant is disbursed, a fully developed project document should be submitted to the Board for approval within 12 months.

**(Recommendation PPRC.20/26)**

**Agenda Item: 11: Options for post-implementation learning and impact evaluation of Adaptation Fund projects and programmes**

106. The representative of the secretariat recalled that the PPRC had discussed the importance of the follow-up of projects and programmes, once they had been completed, at its nineteenth meeting, and that based on that discussion, and the recommendation of the PPRC, the Board had decided to request the secretariat to present options for how post-implementation learning and impact evaluation could be arranged to the PPRC at its twentieth meeting (decision B.28/32). The three options were contained in document AFB/PPRC.20/30.

107. In the discussion that followed concern was raised on the independence of the consultants under option three when no such concern was being raised under option two in the paper. It was also pointed out that option two was problematic as it allowed the implementing entities to select the evaluators for the projects they were implementing and did not provide for a sufficiently common approach to allow for a meta-analysis of the projects. Although both options one and three avoided those problems there was a general preference expressed for option three. Notwithstanding that, it was agreed that more information was needed to decide on which was the most cost effective option.

108. It was also pointed out that the issue of the evaluation function of the Fund was still being discussed by the EFC. Some thought that it would be good to wait for the outcome of those discussions before taking a decision on the options. In any case, if the Board did take up the third option, there would be a need to provide the external third party with guidance so that they would not overlook any essential elements.

109. The representative of the secretariat explained that under option three the Board would be contracting an external third party institution and therefore that could affect their independence, while under option two it would be the implementing entity that selected the evaluator and therefore there would not be direct link with the Board or the secretariat. The EFC was considering the issue of evaluation at the level of the Board while the PPRC was considering the projects approved by the Board. A meta-analysis could take place at the portfolio, or global, level but that would only take place every three or four years. At the project level it would be difficult to undertake such a meta-analysis of the ex-post evaluations. He also explained that although the third option seemed

cost effective, that issue needed further analysis. Regarding the evaluation function of the Fund, the EFC had not yet given a recommendation on the way forward. Consequently, it might be better to wait until the twenty-second meeting of the PPRC to further consider the matter, once the EFC had finished considering the issue.

110. Several members said that institutional aspects of the evaluation were also something that should be considered by the PPRC.

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

- (a) Undertake a revised analysis of the implications of options one and three for the ex-post assessment or evaluations of completed projects/programmes, as contained in document AFB/PPRC.20/30, taking into account;
  - (i) The cost-effectiveness of the two options;
  - (ii) The discussions during the twentieth and twenty-first meetings of the Ethics and Finance Committee on the evaluation function of the Adaptation Fund; and
- (b) Present the revised analysis to the Project and Programme Review Committee for its consideration at its twenty-second meeting.

**(Recommendation PPRC.20/27)**

**Agenda Item 12: Other matters**

112. No other matters were raised.

**Agenda Item 13: Adoption of the report**

113. To present report was adopted on the basis of the draft report of the PPRC as contained in documents AFB/PPRC.20/L.3.

**Agenda Item 14: Closure of the meeting**

114. The Chair declared the meeting closed at [to be completed] on Thursday, 16 March 2017.

## **Annex I**

### **Project and Programme Review Committee Twentieth Meeting Bonn, 14-15 March, 2017**

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

Mr. Ibila Peter DJIBRIL (Benin, Africa)

Mr. Ahmed WAHEED (Maldives, Asia)

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

Mr. Mirza Shawkat ALI (Vice-Chair, Bangladesh, Asia)

Ms. Monika ANTOSIK (Chair, Poland, Eastern Europe)

Ms. Ardiana SOKOLI (Albania, Eastern Europe)

Mr. Lucas DI PIETRO (Argentina, Latin America and the Caribbean)

Mr. Victor VINAS (Dominican Republic, Latin America and the Caribbean)

Mr. Chebet MAIKUT (Uganda, Least Developed Countries)

Mr. Marc-Antoine MARTIN (France, Annex I Parties)

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

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

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

PPRC 20 Funding Recommendations (March 17, 2017)									
	Country/Title	IE	Document Ref	Project	NIE	RIE	MIE	Set-aside Funds	Decision
<b>1. Projects and Programmes: Single-country</b>									
	Antigua and Barbuda	ABED	AFB/PPRC.20/12	9,970,000	9,970,000			9,970,000	Approved
	Ethiopia	MOFEC	AFB/PPRC.20/13	9,987,910	9,987,910			9,987,910	Approved
	Panama	Fundación Natura	AFB/PPRC.20/14	9,967,559	9,967,559			9,967,559	Approved
	Guinea-Bissau	BOAD	AFB/PPRC.20/15	9,979,000		9,979,000			Not approved
	Micronesia (Fed. Sts of)	SPREP	AFB/PPRC.20/16	9,000,000		9,000,000		9,000,000	Approved
	Peru	CAF	AFB/PPRC.20/17	2,941,446		2,941,446		2,941,446	Approved
	Fiji	UN-HABITAT	AFB/PPRC.20/18	4,200,000			4,200,000		Not approved
	Honduras	UNDP	AFB/PPRC.20/19	4,379,700			4,379,700	4,379,700	Approved
	Paraguay	UNEP	AFB/PPRC.20/20	7,128,450			7,128,450	7,128,450	Approved
	Solomon Islands	UN-HABITAT	AFB/PPRC.20/21	4,395,877			4,395,877		Not approved
<b>Sub-total</b>				<b>71,949,942</b>	<b>29,925,469</b>	<b>21,920,446</b>	<b>20,104,027</b>	<b>53,375,065</b>	
<b>2. Project Formulation Grants: Single country</b>									
	Micronesia (Fed. Sts of)	MCT	AFB/PPRC.20/6/Add.1	30,000	30,000			30,000	Approved
	Armenia (1)	EPIU	AFB/PPRC.20/7/Add.1	27,000	27,000				Not approved
	Armenia (2)	EPIU	AFB/PPRC.20/8/Add.1	30,000	30,000				Not approved
	Dominican Republic	IDDI	AFB/PPRC.20/9/Add.1	30,000	30,000			30,000	Approved
<b>Sub-total</b>				<b>117,000</b>	<b>117,000</b>			<b>60,000</b>	
<b>3. Concepts: Single-country</b>									
	Micronesia (Fed. Sts of)	MCT	AFB/PPRC.20/6	970,000	970,000				Endorsed
	Armenia (1)	EPIU	AFB/PPRC.20/7	1,385,380	1,385,380				Not endorsed

	Armenia (2)	EPIU	AFB/PPRC.20/8	2,483,000	2,483,000				Not endorsed
	Dominican Republic	IDDI	AFB/PPRC.20/9	9,954,000	9,954,000				Endorsed
	Ecuador	CAF	AFB/PPRC.20/10	2,489,373		2,489,373			Endorsed
	Suriname	IDB	AFB/PPRC.20/11	9,801,619			9,801,619		Endorsed
<b>Sub-total</b>				<b>27,083,372</b>	<b>14,792,380</b>	<b>2,489,373</b>	<b>9,801,619</b>		
<b>4. Projects and Programmes: Regional</b>									
	Chile, Ecuador	CAF	AFB/PPRC.20/25	13,910,400		13,910,400			Not approved
	Burundi, Kenya, Rwanda, Tanzania, Uganda	UNEP	AFB/PPRC.20/26	5,000,000			5,000,000		Not approved
	Colombia, Ecuador	WFP	AFB/PPRC.20/27	14,000,000			14,000,000		Not approved
	Ethiopia, Kenya, Uganda	WMO	AFB/PPRC.20/28	6,800,000			6,800,000	6,800,000	Approved
<b>Sub-total</b>				<b>39,710,400</b>		<b>13,910,400</b>	<b>25,800,000</b>	<b>6,800,000</b>	
<b>5. Project Formulation Grants: Regional Concepts</b>									
	Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Dominican Republic	CABEI	AFB/PPRC.20/22/Add.1	100,000		100,000			Deferred
	Madagascar, Malawi, Mozambique and Union of Comoros	UN-HABITAT	AFB/PPRC.20/23/Add.1	80,000			80,000	80,000	Approved
	Cuba, Dominican Republic and Jamaica	UNDP	AFB/PPRC.20/24/Add.1	80,000			80,000		Not approved
<b>Sub-total</b>				<b>260,000</b>		<b>100,000</b>	<b>160,000</b>	<b>80,000</b>	
<b>6. Concepts: Regional</b>									
	Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Dominican Republic	CABEI	AFB/PPRC.20/22	5,000,000		5,000,000			Deferred

	Madagascar, Malawi, Mozambique and Union of Comoros	UN-HABITAT	AFB/PPRC.19/24	13,544,055			13,544,055		Endorsed
	Cuba, Dominican Republic and Jamaica	UNDP	AFB/PPRC.20/24	4,969,367			4,969,367		Not endorsed
<b>Sub-total</b>				<b>23,513,422</b>		<b>5,000,000</b>	<b>18,513,422</b>		
<b>7. Total (7 = 1 + 2 + 3 + 4 + 5+6)</b>				<b>162,634,136</b>	<b>44,834,849</b>	<b>43,420,219</b>	<b>74,379,068</b>	<b>60,315,065</b>	