



ADAPTATION FUND

AFB/PPRC.22/27  
21 March 2018

---

Adaptation Fund Board  
Project and Programme Review Committee  
Twenty-second meeting  
Bonn, Germany, 20-21 March 2018

## **REPORT OF THE TWENTY-SECOND MEETING OF THE PROJECT AND PROGRAMME REVIEW COMMITTEE**

**Agenda Item 1: Opening of the meeting**

1. The meeting was opened at 10.00 a.m. on Tuesday, 20 March 2018, by Ms. Aida Velasco Munguira (Spain, Western European and Other Group), incoming Vice-Chair of the Project and Programme Review Committee (PPRC) who welcomed the new member of the PPRC, Ms, Barbara Schäfer (Germany, Western European and Others Group) and drew her attention to the terms of reference of the PPRC. She also welcomed the new member of the secretariat, Ms. Saliha Dobardzic, the new senior climate change specialist.
2. The members present at the meeting are listed in Annex I to the present report.

**Agenda Item 2: Transition from the Chair and the Vice-Chair**

3. The incoming Vice-Chair was elected at the opening of the thirty-first meeting of the Adaptation Fund Board which took place immediately before the opening of the present meeting. The Chair position was still vacant at the time of the present meeting.

**Agenda Item 3: Organizational matters***(a) Adoption of the agenda*

4. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.22/1) and the annotated provisional; agenda (AFB/PPRC.22/2).
  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. Request for change of programme output, outcome and related indicators: Jamaica (PIOJ).
  7. Report of the secretariat on initial screening/technical review of project and programme proposals.
  8. Review of project and programme proposals:
    - a) Armenia;
    - b) Lesotho;
    - c) Mozambique;
    - d) Uganda;
    - e) Federated States of Micronesia;
    - f) Cook Islands;
    - g) Togo;
    - g) Cameroon;
    - h) Iraq;
    - i) Mongolia;
    - j) Chad;
    - k) Cambodia;
    - l) Côte d'Ivoire;
    - m) Mongolia.
  9. Review of regional project and programme proposals:

- a) Albania, the Former Yugoslav Republic of Macedonia and Montenegro;
  - b) Belize and Guatemala;
  - c) Chile, Colombia and Peru;
  - d) Argentina and Uruguay;
  - e) Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali and Togo;
  - f) Côte d'Ivoire and Ghana;
  - g) Chile and Ecuador.
10. Update on the scope of application of the full cost of adaptation reasoning.
  11. Cost-effectiveness of options for arranging post implementation learning and impact evaluation of Adaptation Fund projects and programmes.
  12. Other matters.
  13. Adoption of the report.
  14. Closure of the meeting.

*(b) Organization of work*

5. The PPRC adopted the organization of work proposed by the Vice-Chair.
6. The following member declared a conflict of interest:

Mr Ibila Djibril (Benin, Africa);

Mr Chebet Maikut (Uganda, Least Developed Countries).

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

7. At the request of the Vice-Chair, the representative of the secretariat reported on the funding status of the Adaptation Fund. He said that according to the latest Financial report of the Trustee (AFB/EFC.22/6) as at 31 December 2017, the cumulative receipts of the Adaptation Fund were US\$ 724.42 million and the cumulative funding decisions for all projects and programmes by the Board amounted to US\$ 462.5 million. After subtracting the cumulative operating expenses and the operational reserve, the funding available for new commitments as of 31 December 2017 was US 216.98 million, of which US\$ 88.2 million was available to MIEs under their 50 per cent cap.

8. In response to an intervention on the need to provide further information on the reasons why projects had not been approved the representative of the secretariat explained that those reasons were contained in the reports of the meetings of the PPRC which were public and were posted on the website of the Fund.

9. The PPRC took note of the presentation by the secretariat.

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

10. At the request of the Vice-Chair, the representative of the secretariat presented document AFB/PPRC.22/3, which contained an analysis of the review cycle, and which had been prepared as a follow-up to decision B.28/30 paragraph (e). He said that following decision B.29/36, the secretariat had sent out a call for readiness proposals which had been launched at the fifth annual climate finance readiness seminar for National Implementing Entities (NIEs), held from 26-28 July 2017 at Puntarenas, Costa Rica, with the deadline for applications being set at 28 September 2017.

11. Four proposals had been received during the intersessional review cycle which was a decrease of eight from the first intersessional review cycle. One of the reasons for that was that technical assistance grants for the gender policy were only available to the six national implementing entities (NIES) that had previously received a technical assistance grant for the environmental and social policy before the gender policy had been approved by the Board.

12. A further 13 out of the 28 accredited NIEs had already received a technical assistance grant for the environmental and social policy and the gender policy, while all new NIEs and existing NIEs were not expected to need the grants as they had already been assessed for compliance with the environmental and social policy at accreditation and re-accreditation respectively. Demand for south-south cooperation grants, however, was expected to remain strong given the strong interest expressed by Parties in accessing such grants.

13. In response to questions about the lack of demand for readiness assistance the representative of the secretariat explained that the readiness programme had been established, in part, to assist those NIEs accredited before the Fund had established its environmental and social policy and its gender policy to comply with those policies, and the number of applications had fallen in line with the smaller number of NIEs requiring such assistance. He also said that all Board members could participate in such annual events as the climate finance readiness seminar that had been held in Puntarenas, and that Board members were invited to participate when regional workshops were held in their country.

14. The secretariat was requested to circulate a list of all the grants for technical assistance and south-south cooperation that had been awarded so that the PPRC would have a global view of the demand for those grants. The secretariat was also asked to consider inviting Board members to attend regional workshops when those workshops were held in their regions.

15. The PPRC took note of the presentation by the secretariat.

**Agenda Item 6: Request for change of programme outcome, outputs and related indicators: Jamaica (PIOJ)**

16. At the request of the Vice-Chair, the representative of the secretariat introduced the request for a change of programme outcome, outputs and related indicators, contained in document AFB/PPRC.22/4. He explained that following unsuccessful attempt at mediation with some of the stakeholders at the originally proposed location for one component of the project, the Planning Institute of Jamaica (PIOJ) had sought the intervention of Cabinet, which had given approval for the discontinuation of that component, and the related elements of another component, and had directed PIOJ to seek approval from the Board to revise the components.

17. It was observed that the problems being experienced were taking place quite late, at the stage of the implementation of the project, and demonstrated that consultation with stakeholders did not necessarily mean that the stakeholders then agreed with a proposal. The proponents had to be cautious and not simply presume the consent of the stakeholders at the new location being proposed. It was also asked whether there were any financial implications to the changes, and if so would the Government of Jamaica be responsible for them. It was suggested that the Board might consider imposing a penalty on the proponent.

18. While the proponent had attempted mediation, that had been unsuccessful and so they had requested modification of the project. In response to concerns that the proponent might need to request yet another modification of the project, the representative of the secretariat also explained

that the new location selected contained vulnerable communities in Jamaica and that the new infrastructures were desirable as they would help combat coastal erosion. He said that no physical work had as yet been done on the project other than the technical studies required to proceed with implementation.

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

- a) Approve the change in outcome, outputs and related indicators for the programme “Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security”, as requested by the Planning Institute of Jamaica (PIOJ) and contained in the revised proposal presented as Annex 5 of document AFB/PPRC.22/4; and
- b) Request the secretariat to draft an amendment to the agreement between the Board and PIOJ to reflect the changes made under subparagraph (a) above.

**(Recommendation PPRC.22/1)**

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

20. At the request of the Vice-Chair, the representative of the secretariat introduced the report on the funding window for regional projects and programmes and the report on the initial screening/technical review of the project and programme proposals, contained in documents AFB/PPRC.22/5 and AFB/PPRC.22/5/Add.1; and presented an overview of the work undertaken by the secretariat in screening and reviewing the proposals 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 by several short-term consultants.

21. The PPRC took note of the presentation by the secretariat.

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

#### ***Regional projects and programmes***

22. The representative of the secretariat reminded the PPRC that to date US\$ 26,520,000 had been used to fund regional projects and programmes and that the amount needed to fund the proposals currently in the pipeline, those proposals for which at least a pre-concept had been endorsed, amounted to US\$ 178,670,124. While there was funding available to fund up to five proposals of up to US\$ 5 million each by the end of fiscal year 2018, there was no funding available to fund proposals of up to US\$ 14 million for the remainder of fiscal year 2018. From an analysis of the funding criteria it appeared that the funding set aside would not be totally spent given the preference of proponents for large projects that did not require funding up to the maximum which could be granted. If the regional projects were not constrained by the two categories originally described in document AFB/B.25/6/Rev.2, the remaining amount could have funded an additional medium or large sized project.

23. It was observed that other groups had also started to consider regional projects and programmes and that there was a need to discuss what made a good regional project so that it addressed regional issues and was not simply a way for individual countries to access additional

funding. The concept of a medium sized project was unclear as there appeared to only be large sized projects of up to US\$ 14 million and smaller sized projects of up to US\$ 5 million. More information on how the funds that had already been set aside for funding regional projects and programmes had been used before the PPRC could recommend funding a new work program of US\$ 60 million. It was important to have a better understanding of the benefits of regional projects and programmes before making any changes to the current procedures. It was also pointed out that all the regional projects submitted to this meeting had been classified as being for disaster risk reduction and none had been classified in any of the other three possible categories established by the Board. While the oral reports of the secretariat were useful it was important to have the reports in writing as well.

24. The representative of the secretariat explained that at its twenty-third meeting the PPRC would consider a report on the lessons learned from the pilot programme on regional projects and programmes and consequently the secretariat had not wanted to pre-empt that discussion at the present meeting. The issue was that there seemed to be a preference for projects and programmes that sometimes were larger than the small sized projects but required less funding than the large sized projects and programmes, which meant that the current system of funding proposals was inefficient.

25. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board, with regard to financing regional proposals:

a) Merge the two pipelines for technically cleared regional proposals established in decision B.28/1(b)(ii), so that starting in fiscal year 2019 the provisional amount of funding for regional proposals would be allocated without distinction between the two categories originally described in document AFB/B.25/6/Rev.2, and that the funding of regional proposals would be established on a 'first come, first served' basis; and

b) Include in its work programme for fiscal year 2019 provision of an amount of US\$ 60 million for the funding of regional project and programme proposals, as follows:

- (i) Up to US\$ 59 million to be used for funding regional project and programme proposals in the two categories of regional projects and programmes: ones requesting up to US\$ 14 million, and others requesting up to US\$ 5 million; and
- (ii) Up to US\$ 1 million for funding project formulation grant requests for preparing regional project and programme concepts or fully-developed project and programme documents.

**(Recommendation PPRC.22/2)**

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

### Single-country projects and programmes

#### Concept proposals

*Proposals from National Implementing Entities (NIEs)*

*Regular proposals:*

Armenia: Strengthening land-based adaptation capacity in communities adjacent to protected areas in Armenia (Project concept; Environmental Project Implementation Unit of the Ministry of Nature Protection of Armenia; ARM/NIE/Forest/2017/1; US\$ 2,506,000)

26. The proposal sought to reduce the climate risk vulnerability of local communities living adjacent to the Khosrov Forest State Reserve and the Dilijan National Park by strengthening the adaptive capacity of the agricultural sector and reinforcing their institutional and planning capacity for climate change adaptation.

27. It was asked why the project had been classified as a forest project when it really addressed climate-smart agriculture and an explanation was also sought as to the meaning of land degradation neutrality. It was also pointed out that some projects, such as the one before the PPRC, were mixed and addressed both adaptation and mitigation.

28. It was also asked why the nationally determined contributions (NDCs) of the country had been requested as countries were not required to include adaptation measures in them, although it was pointed out that while countries were not required to do that, most countries did include them in their NDCs; it was suggested that the Fund address the issue of the NDCs in the near future. The secretariat was also asked to confirm that the installation of solar heaters was taking place in pre-existing buildings.

29. The representative of the secretariat explained that the United Nations Convention to Combat Desertification defined land degradation neutrality as existing when the amount of land resources, necessary to support ecosystem services and enhance food security, remained stable or increased within specific temporal and spatial ecosystems. He confirmed that the solar heaters in question were being installed in pre-existing buildings.

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

- a) 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) Request the secretariat to notify EPIU of 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 proposal should provide detailed clarity on the link between adaptation, or building resilience, and the installation of solar water heaters in the clinic and kindergarten;

- (ii) The fully-developed project proposal should provide gender-disaggregated identification of project beneficiaries in line with the environmental and social policy (ESP) and gender policy (GP) of the Fund, including an explanation of how identified social and economic benefits would empower women;
  - (iii) In addition to the already identified strategies and policies, the fully-developed project proposal should provide a detailed explanation of how the project aligns and complies with the Third National Communication on Climate Change and the Nationally Determined Contribution of the Republic of Armenia;
  - (iv) The fully-developed project proposal should demonstrate how the stakeholder consultations involve all key stakeholders and vulnerable groups and should include gender considerations in compliance with the Fund's ESP and GP; and
  - (v) The fully-developed project proposal should further define project activities and provide the necessary assessment of environmental and social risks, taking management or mitigation measures into account and including gender considerations for all fully identified activities, in line with the Fund's ESP and GP;
- c) Approve the project formulation grant of US\$ 30,000;
- d) Request EPIU to transmit the observations under subparagraph b) to the Government of Armenia; and
- e) Encourage the Government of Armenia to submit, through EPIU, a fully-developed project proposal that would also address the observations under subparagraph b), above.

**(Recommendation PPRC.22/3)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Lesotho: Improving Adaptive Capacity of vulnerable and food insecure populations in the low-lying areas of Lesotho (Project concept; World Food Programme; LSO/MIE/Food/2018/1; US\$ 9,801,608)

31. The proposal sought to enhance the adaptive capacity of vulnerable communities to the effects of climate change on food security, which would be achieved by strengthening government capacity to generate climate information and forecast the risks of climate shocks.

32. In response to queries about the main difference of the project funded by the Least Developed Countries Fund (LDCF), the ND-GAIN Country Index and the Columbia Earth Institute, the representative of the secretariat explained that the LDCF project will be focusing on Hydro meteorological infrastructure installation and capacity building of human resources that will cover the country-wide needs to sustainably operate it the installed infrastructure, while this proposal is focused on the use of the generated information from the installed system to inform adaptation needs by working on increasing capacity (Knowledge & awareness). She also said the ND-GAIN

Country Index was a widely used index of vulnerability that had been developed by one of the lead authors of the Intergovernmental Panel on Climate Change (IPCC) and which was often cited in the reports referenced by the IPCC. The Columbia Earth Institute hosted a network that made its information available free of charge and that Institute had been one of the main sources of information for the proposal.

33. 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 notify WFP of the observations in the review sheet annexed to the notification of the Board's decision as well as the following observations:
  - (i) The proposal should discuss in more detail, by the fully-developed project proposal stage, how the project will empower women and reduce their vulnerability to climate risks and further develop the stated gender differentiated approach for asset creation and income generation activities;
  - (ii) Assuming that the use of unidentified sub-projects (USPs) is justified, a project-wide environmental and social management plan (ESMP) is required, providing the framework for all the environmental and it is incumbent on the IE to demonstrate that within the ESMP framework the use of the IE's environmental and social management system tools are acceptable, and that they meet all the requirements of the ESMP; and
  - (iii) Although the project categorization is adequate, in the fully-developed project proposal the IE will have to provide a risk-based justification in compliance with the ESP;
- c) Request WFP to transmit the observations under subparagraph b) to the Government of Lesotho; and
- d) Encourage the Government of Lesotho to submit through WFP a fully-developed project proposal that would address the observations under subparagraph b) above.

**(Recommendation PPRC.22/4)**

Mozambique: National natural capital programme to harness resilient ecological infrastructure for systemic climate adaptation of cities, communities and industries, with blended finance and women/youth entrepreneurs (Project concept; African Development Bank; MOZ/MIE/Infr/2018/1/PC; (US\$ 9,999,400)

34. The proposal sought to harness resilient ecological infrastructure to transform built infrastructure, cities, communities, industries and ecosystems into inclusive, productive and climate resilient systems.

35. It was observed that the proposal contained interesting elements such as a focus on youth, the private sector and the interesting idea of blending funds. However, there needed to be an explanation of how the project would be sustained long-term; no figures had been provided for the costs, which was surprising considering that the executing entity was the ministry of finance. It was also asked what was meant by the term cost-effectiveness.

36. The representative of the secretariat said that there were still many issues to be addressed in the project, one of which was its sustainability. However, without knowing the scope of the project, which had not yet been established, it was very difficult to evaluate its sustainability. He explained that cost-effectiveness could be simply put as 'value-for-money'; the proponents needed to do a cost-benefit analysis and look at issues of complementarity to show that any specific measure was the most cost-effective than the alternatives.

37. 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 African Development Bank (AfDB) to the request made by the technical review;
- b) Suggest that AfDB 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 assess and describe climate risks that are threatening Niassa and Cabo Delgado provinces;
  - (ii) Based on that assessment, the proposal should provide the proposed scope of intervention and the expected adaptation benefits for this project, and demonstrate their cost effectiveness;
  - (iii) The proposal should better explain the focus on private sector involvement and entrepreneurship and how the blending of funds would be compatible with the full cost of adaptation reasoning of the Fund;
  - (iv) The proposal should demonstrate the commitment of the Government of Mozambique to the compatibility of the proposed institutional arrangements for the management of resilient ecological infrastructure networks with the role of existing government institutions managing the protected area networks and productive sectors covered by these networks; and
  - (v) The proposal should ensure compliance with the environmental and social policy and gender policy of the Fund; and
- c) Request AfDB to transmit the observations under subparagraph b) to the Government of Mozambique.

**(Recommendation PPRC.22/5)**

Uganda: Strengthening climate change adaptation of small towns and peri-urban communities  
(Project concept; African Development Bank; UGA/MIE/Water/2018/1; (US\$ 2,249,000)

38. The proposal sought to increase the resilience of water sources to the effects of climate change by protecting the catchments for the water supply systems of Kyenjojo-Katoke, Bundibugyo and Kapchorwa in Uganda.

39. It was observed that one of the components of the project was a mitigation component and it should be remembered that adaptation projects were sometimes mixed. It was also asked who were the stakeholders for the project.

40. 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 African Development Bank (AfDB) to the request made by the technical review;
- b) Suggest that AfDB 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 clarity on the distinction between the stated social benefits and economic benefits, and in so doing, clarify the business case for the proposed commercial tree nursery and provide further clarification on the proposed community training to start businesses;
  - (ii) The proposal should explain why the selected scope and approach would result in the proposed project being cost-effective;
  - (iii) The proposal should identify relevant building codes, licenses, construction permits, authorizations, etc., with which the proposed project may need to comply, as applicable, in order to meet the relevant national technical standards in compliance with the Fund's environmental and social policy;
  - (iv) The proponent should complete the table to identify potential environmental and social impacts and risks correctly and include a classification of the project category based on the initial risk assessment and in line with the Fund's environmental and social policy; and
- c) Request AfDB to transmit the observations under subparagraph b) to the Government of Uganda.

**(Recommendation PPRC.22/6)**

**Fully-developed 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 Federated States of Micronesia (Fully-developed project document; Micronesia Conservation Trust; FSM/NIE/Multi/2016/2; US \$970,000)

41. The proposal sought to build the ecological, social and economic resilience of communities in the Federated States of Micronesia (FSM) through practical solutions for reducing community vulnerability to climate change stressors.

42. 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 Micronesia Conservation Trust (MCT) to the request made by the technical review;
- (b) Approve the funding of US\$ 970,000 for the implementation of the project, as requested by MCT; and
- (c) Request the secretariat to draft an agreement with MCT as the National Implementing Entity for the project.

**(Recommendation PPRC.22/7)**

*Regular proposals:*

Cook Islands: Akamatutu'anga kia Tukatau te Ora'anga ite Pa Enea – Pa Enea Action for Resilient Livelihoods (PEARL) (Fully-developed project document; Ministry of Finance and Economic Management; COK/NIE/Multi/2017/1; US\$ 2,999,125)

43. The proposal sought to build and implement an integrated approach to further increasing the capacity of remote island communities and ecosystems to adapt to disasters and climate change impacts.

44. 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 Ministry of Finance and Economic Management (MFEM) to the request made by the technical review;
- b) Approve the funding of US\$ 2,999,125 for the implementation of the project, as requested by MFEM; and
- c) Request the secretariat to draft an agreement with MFEM as the National Implementing Entity for the project.

**(Recommendation PPRC.22/8)**

*Proposals from Regional Implementing Entities (RIEs)*

*Regular proposals:*

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 (Fully-developed project document; *Banco de Desarrollo de America Latina*; ECU/RIE/Rural/2016/1; US\$ 2,489,373)

45. The proposal sought to strengthen the adaptive capacity of the local population in the Toachi-Pilatón water system and focused on key drivers that are likely to increase the impact of climate change.

46. Clarification was sought on component 1 of the project. The representative of the secretariat explained that the component addressed conservation of vegetative cover, in this case the conservation of forests to secure ecosystem services. The issue to be addressed was the involvement of the most vulnerable communities and their livelihoods when extending the forests.

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

- (a) Not approve the fully-developed project proposal, as supplemented by the clarification response provided by *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 better clarify how the priority restoration areas were selected and determined for forest conservation activities, bearing in mind the livelihoods of the most vulnerable communities;
  - (ii) The proposal should strengthen the description on the project sustainability and financial model of the investment fund; and
  - (iii) The proposal should ensure full compliance with the environmental and social policy of the Fund; and
- (c) Request that CAF transmit the observations under subparagraph b) to the Government of Ecuador.

**(Recommendation PPRC.22/9)**

Togo: Increasing the resilience of vulnerable communities in the agriculture sector of Mandouri in northern Togo (Fully-developed project document; *Banque Ouest Africaine de Développement*; TGO/RIE/Agri/2016/1; (US\$ 10,000,000)

48. The proposal 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.

49. In response to a query about the principle of involuntary resettlement, the representative of the secretariat explained that the recommendation should refer to the principle of avoiding and minimizing involuntary resettlement. She also said, with regards to international standards that the proponent had identified its own safeguards and standards as well those of other international bodies; with respect to codes it had identified such national codes as: the water code, the labour code and the forest code.

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

(a) Not approve the project document, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD) to the request made by the technical review;

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

- (i) The proposal should ensure consistency throughout the project document in all risks identified and in the findings of risk assessment and impacts, and in particular for the principle of avoiding or minimizing involuntary resettlement. The proposal should also update the relevant sections throughout the project document for consistency;
- (ii) The proposal should describe how the project will meet the identified codes and international standards, as relevant; and
- (iii) The proposal should provide detailed information on the measures in place to identify and address environmental and social risks for unidentified subprojects, in line with the environmental and social policy and gender policy of the Fund; and

(c) Request BOAD to transmit the observations under subparagraph b) to the Government of Togo.

**(Recommendation PPRC.22/10)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Cambodia: Climate change adaptation through small-scale and protective infrastructure interventions in coastal settlements of Cambodia (Fully-developed project document; United Nations Human Settlements Programme; KHM/MIE/Urban/2017/1; US\$ 5,000,000)

51. The proposal sought to enhance climate change adaptation and resilience of the most vulnerable coastal human settlements of Cambodia through concrete adaptation actions, particularly in areas where eco-tourism has the potential to sustain such interventions.

52. It was pointed out that component 4 of the proposal assisted direct access to the Green Climate Fund (GCF) and it was asked whether the GCF had ever helped with direct access to the Fund. It was also asked whether, for the sake of consistency, the ND-GAIN Country Index should also be referred to in order to have a standard assessment of vulnerability.

53. The representative of the secretariat said that he could not answer for the GCF but the vulnerability report referred to in the proposal was an comprehensive assessment of vulnerability to be undertaken by the United Nations Human Settlements Programme (UN-Habitat) which would it would conduct before it decided on activities and the cost-effectives of those activities for the project. The ND-GAIN Country Index had a different purpose as it was a ranking of vulnerability by country and had a different goal than the comprehensive study of vulnerability being proposed by UN-Habitat.

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

- (a) Not approve the fully-developed project proposal as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made following the technical review;
- (b) Request the secretariat to notify UN-Habitat of 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 link between the proposed activities and improved livelihoods and ecotourism development;
  - (ii) The proposal should ensure that funding of and responsibility for the operation and maintenance of all infrastructure interventions is clearly defined and agreed upon;
  - (iii) The proposal should clarify if and how the project could be an opportunity to support livelihoods through creating employment in designing, constructing, and maintaining resilient housing, water, and sanitation assets for the benefit of other communes;
  - (iv) The proposal should clarify and provide evidence of the consultations that were held of the project beneficiaries, particularly at community level;
  - (v) The proposal should ensure that the environmental and social risks identification and management process for the identified adaptation measures is clearly outlined in the environmental and social management plan of the project, including adequate allocation of roles for implementation arrangements; and

- (c) Request UN-Habitat to transmit the observations under sub-paragraph (b) to the Government of Cambodia.

**(Recommendation PPRC.22/11)**

Cameroon: Increasing local communities' resilience to climate change through youth entrepreneurship and integrated natural resources management (Fully-developed project document; International Fund for Agricultural Development; CAM/MIE/Rural/2018/1; US\$ 9,982,000)

55. The proposal sought to increase local communities' resilience to climate change through resilient livelihoods and integrated natural resources management in the outskirts of the Waza, Bénoué and Kimbi-Fungom national parks in Cameroon.

56. Concern was expressed at the security situation in the country and it was suggested that there had to be greater clarity on the outputs of the project and how the proposed indicators could be checked to assure its sustainability. It was also asked how the proposed investment fund would be structured, and operate, and whether there would be any fees. A better breakdown of the proposed budget was also required as it was presently hard to understand.

57. The representative of the secretariat said that there were a number of issues outstanding with the proposal: the sustainability indicator had to be clarified, there was not enough information on the investment fund, and the table on the budget was difficult to understand. Although there had been some concern expressed about risks, that had not extended to security and political risks and those should be elaborated. The proponents could also be asked to develop a plan for a knowledge management component.

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

- (a) Not approve the fully-developed project proposal, as supplemented by the clarification response provided by the International Fund for Agricultural Development (IFAD);
- (b) Suggest that IFAD 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 project proposal should clarify the content/nature of the activities under outputs 1.2 (*Land and natural resources management provided to increase the resilience to climate change*) and 3.1 (*Investment Fund established and managed to invest in sustainable agroforestry and renewable energy enterprises for youth and other marginalized groups*) and how they will be achieved;
  - (ii) The proposal must provide disaggregated beneficiary data prior to approval (women, youth, indigenous peoples and internally displaced people);

- (iii) The proposal needs to demonstrate that risk identification is evidence-based, including negative impacts for natural habitats;
  - (iv) Where adaptation actions are expected to generate mitigation benefits, it should be so noted in the proposal;
  - (v) The proposal needs to clarify the project activities in IFAD Social, Environmental and Climate Assessment Procedures (SECAP) in the environmental and social management plan (ESMP), as the project design seems to have been substantially modified between the initial and final review by the introduction of a US \$4 million investment fund;
  - (vi) The proposal needs to clarify the alignment of the ESMP with the modified project design. It needs to build on the environmental and social policy risks that have been identified, and align with the 15 principles of the environmental and social policy;
  - (vii) The proposal needs to revise and include a budget descriptions column providing details on activity subtotals for, inter alia, budgeted operating expenses, sub-contracts, and national experts. Additionally, activities that have been budgeted for in Table 19 (Project Budget) are missing detailed budget notes and chronologically planned expenditures;
  - (viii) All tables should be reviewed to ensure clarity and correctness; and
- (c) Request IFAD to transmit the observations under subparagraph b) above to the Government of Cameroon.

**(Recommendation PPRC.22/12)**

Iraq: Building Resilience of the Agriculture Sector to Climate Change in Iraq (Fully-developed project proposal; International Fund for Agricultural Development; IRQ/MIE/Agri/2017/1; US\$ 9,999,660).

59. The proposal sought to strengthen the agro-ecological and social resilience to climate change in the four target governorates in Iraq (Muthanna, Qadisiya, Missan and Thi Qar) by promoting adaptive agriculture production systems and technologies for improved livelihoods and food security of rural households.

60. It was asked what was the connection of the Smallholder Agriculture Revitalization Project (SARP) baseline intervention to the proposal and why there had been additional conditions placed on the disbursement of funds to the proponent. It was also pointed out that 80 per cent of the requested funding was for unidentified sub-projects (USPs).

61. The representative of the secretariat said that while it was true that a large number of sub-projects were as yet unidentified, the proponent had provided an indicative list of the types of activities to be considered, which would be identified after consultations to establish which were

most appropriate. The recommendation was essentially to approve the project with conditions. Normally the decision to disburse funding was based on the submission of the projects performance reports (PPRs), but in the present case there was no simple way to track compliance with the environmental and social policy of the Fund or its gender policy and so the proponent was being asked to apply its own environmental and social management system and that of the executing entity, while at the same time developing an overall environmental and social management plan. This was one reason for requiring the external audit, and for requiring that the disbursement of tranches of funding were conditional on the adoption of the audit recommendations in addition to the submission and clearance of the annual performance report. She also explained that the Fund was climate proofing the SARP and that, as it was linked to the environmental and social policy of the Fund, it should be applied to the project as well.

62. 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 International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,999,660 for the implementation of the project, as requested by IFAD;
- (c) Request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project. The agreement should include a commitment from IFAD that:
  - (i) IFAD will apply its environmental and social management system and that of the executing entity to the full, covering all the activities funded by the Fund, while at the same time developing an overall environmental and social management plan through which IFAD will identify for each activity the requirements for compliance with the Fund's environmental and social policy (ESP) and document any insurmountable obstacles and constraints; and
  - (ii) Above and beyond the regularly required audits, IFAD will organize an annual external and independent audit of the project's performance in terms of compliance with the Fund's environmental and social safeguards by a private auditor familiar with the ESP. In addition to past performance, the audit will include the annual work plan for the coming year and any environmental and social safeguard measures the implementing entity has included. Adoption of the audit recommendations will be a condition for the disbursement of funding following the submission and clearance of the project performance report.

**(Recommendation PPRC.22/13)**

Mongolia: Flood resilience in Ulaanbaatar Ger areas - Climate change adaptation through community-driven small-scale protective and basic-services interventions (Fully-developed project document; United Nations Human Settlements Programme; MNG/MIE/DRR/2017/1; US\$ 4,495,235)

63. The proposal sought to enhance the flood resilience of the seven most vulnerable ger khoroo settlements in Ulaanbaatar City. Central Mongolia, where Ulaanbaatar is located, has seen an increase in warm summer days and nights, a consequence of which has been increased and more frequent flooding in Ulaanbaatar City.

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

- (a) Not approve the fully-developed project proposal, as supplemented by the clarification response provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) Request the secretariat to notify UN-Habitat of 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 for the identified adaptation measures the environmental and social risks identification and management process is clearly outlined in the environmental and social management plan of the project, including adequate allocation of roles for implementation arrangements, in line with the Fund's environmental and social policy; or
  - (ii) Alternatively, the design of the project activities should be further undertaken to the point where it is possible to comprehensively identify the environmental and social risks and formulate any management measures that are required, in line with the Fund's environmental and social policy.
- (c) Request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Mongolia.

**(Recommendation PPRC.22/14)**

## **Agenda Item 9: Review of regional project and programme proposals**

### **Pre-concept proposals**

#### *Proposals from Multilateral Implementing Entities (MIEs)*

Albania, the Former Yugoslav Republic of Macedonia and Montenegro: Integrated climate-resilient transboundary flood risk management in the Drin River basin in the Western Balkans (Project pre-concept; United Nations Development Programme; EE/MIE/DRR/2018/PPC/1; US\$ 9,927,750).

65. The proposal sought to assist the riparian countries in the implementation of an integrated climate-resilient river basin flood risk management approach in order to improve their existing capacity to manage flood risk at regional, national and local levels and to enhance the resilience of vulnerable communities in the Drin River basin (DRB) to climate-induced floods.

66. It was observed that it was surprising that a project for US\$ 10 million contained no figures for costs and that only three of the five countries of the DRB had been included in the project.

67. The representative of the secretariat explained that such figures were not generally included in the pre-concept document although they could be requested from the proponent at the concept stage. Of more concerned with a demonstration of the cost-effectiveness of the proposal, although information on that had already been requested in the review sheet. As Greece was an Annex I party and Kosovo was not a party to the Kyoto Protocol the three countries had decided to work together, although some of the knowledge related activities would likely be shared through the region.

68. 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 Development Programme (UNDP) to the request made by the technical review;
- (b) Request the secretariat to notify UNDP of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The concept document should better assess the scope and feasibility of the proposed interventions to avoid any risks of setting overambitious objectives;
  - (ii) The concept should provide further information on how the project deliverables will build on and leverage relevant key deliverables of the project of the Global Environment Facility (GEF) titled "Enabling Transboundary Cooperation and Integrated Water Resources Management in the Extended Drin River Basin";
  - (iii) The concept document should assess the risk of the dependencies between the GEF project and the proposed project;
  - (iv) The concept document should seek experience from and establish links with the GEF supported project titled "Danube River Basin Hydromorphology and River Restoration (DYNA)";
  - (v) The concept document should include further description of the approach to flood hazard and risk modelling, including the scenarios that will be used and the rationale for the choices made;
  - (vi) The cost effectiveness of the project should be further demonstrated at the concept stage; and
  - (vii) The concept document should present a knowledge management and learning component to capture and disseminate the project's results, and such activities should be reflected in the project's expected outcomes or outputs;

(c) Request UNDP to transmit the observations under subparagraph (b) to the Governments of Albania, the Former Yugoslav Republic of Macedonia and Montenegro; and

(d) Encourage the Governments of Albania, the Former Yugoslav Republic of Macedonia and Montenegro to submit through UNDP a project concept that would address the observations under subparagraph (b) above.

**(Recommendation PPRC.22/15)**

Belize and Guatemala: Increasing climate resilience through restoration of degraded landscapes in the Atlantic region of Central America (Project pre-concept; United Nations Environment Programme; LAC/MIE/DRR/2018/PPC/1; US\$ 10,009,125)

69. The proposal sought to strengthen resilience in the coastal Atlantic region of Belize and Guatemala to the impacts induced by the intensification of weather extremes, which would be pursued through the promotion of sustainable landscape restoration efforts (restoration of degraded natural forest, reforestation, optimal management of vegetation, sustainable use of mangrove and coastal swamp forests) with an emphasis in poor rural areas in the region.

70. It was asked whether the fund had considered the issue of national institutions' participation in projects to ensure that some share of the funding trickled down to the national level. Care also had to be taken that most of the money went to individuals on the ground. Nongovernmental organizations, think-tanks and universities should be included as partners; with increased capacities, most countries could implement the projects themselves. Concern was also expressed that international organizations were acting as both implementing and executing entities and it was suggested that they should be required to justify that situation when it occurred.

71. The representative of the secretariat explained the Fund promoted direct access by the NIEs and that when it launched the pilot regional programme it had included participation of the NIEs whenever possible.

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

(a) Not endorse the project pre-concept, as supplemented by the clarification response provided by the United Nations Environment Programme (UN Environment) to the request made by the technical review;

(b) Suggest that UN 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 rationale for the regional approach should be explained, and a justification should be provided for limiting the project to only two countries, out of the three countries sharing the same issues and target communities in the project area;
- (ii) The nature and scope of the proposed interventions should be better described in order to assess their adaptation benefits;

- (iii) The pre-concept document should clarify how the project would bring adaptation benefits to the communities including through improvement of their livelihoods, or the protection of their natural habitat from climate hazards; and
  - (iv) The proposal should clarify the level of consultation that was undertaken to inform the design of the project; and
- (c) Request UN Environment to transmit the observations referred to in subparagraph(b) to the Governments of Belize and Guatemala.

**(Recommendation PPRC.22/16)**

Chile, Colombia, Peru: Enhancing adaptive capacity of Andean communities through climate services (Project pre-concept; World Meteorological Organization); LAC/MIE/DRR/2018/2; US\$ 7,398,000).

73. The proposal sought to reduce vulnerability and strengthen resilience of Andean communities in Peru, Colombia and Chile to climate change by increasing the ability of the countries to better manage water for more efficient cropping, irrigation and power generation.

74. It was suggested that indigenous peoples should be included among the vulnerable groups together with women and youth, and it was asked, with respect to the hosting of the regional data sharing mechanism, what difference there was between already existing and agreements to be signed. The representative of the secretariat explained that the information received with respect to the data sharing mechanism had been unclear which was reason for the recommendation and she said that the inclusion of indigenous peoples in the consultation process was well noted.

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

- (a) Endorse the project pre-concept, as supplemented by the clarification response provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- (b) Request the secretariat notify WMO of the observations in the review sheet annexed to the notification of the Board's decision as well as the following observations:
  - (i) At the concept stage, the proponent should elaborate or include information regarding the already existing or to be signed agreement to host and maintain the regional data sharing mechanism in the long-term;
  - (ii) At the concept stage information on consultations at the community level should be also be provided, taking into account and incorporating considerations from the most vulnerable groups, including indigenous peoples, women and youth, if possible.
- (c) Approve the project formulation grant of US \$19,980;
- (d) Request WMO to transmit the observations under subparagraph (b) to the Governments of Chile, Colombia and Peru; and

- (e) Encourage the Governments of Chile, Colombia and Peru to submit through WMO a project concept that would address the observations under subparagraph (b) above.

**(Recommendation PPRC.22/17)**

## Concept proposals

*Proposal from Regional Implementing Entity (RIE)*

Argentina and Uruguay: Climate change adaptation in vulnerable coastal cities and ecosystems of the Uruguay River (Project concept; *Banco de Desarrollo de America Latina*; LAC/RIE/DRR/2017/1; US \$13,999,996)

76. The proposal sought to build the resilience of vulnerable coastal cities and ecosystems throughout the Uruguay River, both in Argentinean and Uruguayan territories by developing shared instruments, tools, and experiences for climate-change and climate-variability planning and management.

77. Together with the project concept, the proponent submitted a PFG request with a budget of US\$ 100,000, which was found to be in compliance with the funding criteria for regional projects and programmes as contained in document AFB/B.25/6/Rev.2 approved through decision B.25/28. The PFG request was attached as an addendum to document AFB/PPRC.22/21 containing the project concept.

78. One member supported the recommendation and said that more information was required on the sustainability of the project.

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

(b) Request the secretariat to notify CAF of 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 proposal should provide further information on how the re-assignment of the flood-prone areas will increase adaptive capacity of communities living around those areas;
- (ii) The fully-developed project proposal should provide a more detailed presentation of the expected benefits including the expected number of beneficiaries;
- (iii) The fully-developed project proposal should further demonstrate the cost effectiveness of the proposed interventions, including through the regional approach;
- (iv) The fully-developed project proposal should identify all the national technical standards that are relevant to the project;

- (v) The fully-developed project proposal should elaborate on how non-climatic factors, that might jeopardize the project's outcomes or sustainability, are addressed through parallel initiatives, including environmental and anthropogenic factors;
  - (vi) In the fully-developed project proposal, the consultation of vulnerable groups and gender considerations should be systematized and documented, and their inputs in the design of the proposal demonstrated;
  - (vii) The fully-developed project proposal should ensure that the proposed activities have been assessed for their potential environmental and social risks, and adequate mitigation measures proposed, in compliance with the environmental and social policy of the Fund;
- (c) Approve the project formulation grant request for \$ 100,000;
- (d) Request CAF to transmit the observations under subparagraph (b) to the Governments of Argentina and Uruguay; and
- (e) Encourage the Governments of Argentina and Uruguay to submit through CAF a fully-developed project proposal that would also address the observations under subparagraph (b) above.

**(Recommendation PPRC.22/18)**

*Proposals from Multilateral Implementing Entities (MIEs)*

Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, Togo: Integrating Flood and Drought Management and Early Warning for Climate Change Adaptation in the Volta Basin (Project concept; World Meteorological Organization; AFR/MIE/DRR/2017/2; US\$ 7,920,000)

80. The proposal sought to assist the six Volta Basin countries in the implementation of a basin-wide transboundary management-framework and concrete disaster risk-reduction and adaptation solutions.

81. Together with the project concept, the proponent submitted a PFG request with a budget of US \$80,000, which was found to be in compliance with decision B.12/28 paragraph (b). The PFG request is attached as an addendum to document AFB/PPRC/22/22 containing the project concept.

82. It was observed that there were still a number of issues to be addressed. More information was required on the regional aspect of the proposal, as it was not clear who was in charge for the regional cooperation agreements. While there were a lot of project activities, and while the inclusion of the earth observatory was interesting, there were not verifiable outcomes or any information on how they would be aligned with the Adaptation Fund results framework. It was also asked how the sustainability of the project could be ensured once it was completed; a way had to be found to ensure that the national budget would make provision for monitoring the project post completion. It was pointed out that when it was asked how the sustainability of projects could be ensured the answer was almost always the same: capacity building. But the reality was that part of the funding for the projects was used to cover operational expenses and once the projects were completed the funding for operational expenses would also end. If systems were not put in place to ensure the continuation of that funding then the projects collapse or the proponents would come back for more

money. There was no suggestion in the proposal to change that situation, instead it provided the usual answer: capacity-building. As a first step the proponent should be asked to calculate the costs of operating the system they proposed to put in place.

83. The representative of the secretariat said that at the stage of the fully-developed project document the proponent could be asked to provide more detailed information on the sustainability of the project and that the governments could be asked to ensure the continuation of the project regardless of the future availability of funding. It was also explained that the proposal had complied with the level of detail required at the concept stage.

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 World Meteorological Organization (WMO) to the request made by the technical review;
- (b) Request the secretariat to notify WMO of 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 proposal should give specific attention to the flood-pulsed nature of the Volta river-wide ecosystem and explicitly identify the maintenance of the natural hydrological cycle of the Volta river system as an overall project objective to mitigate and manage environmental and social risks; and
  - (ii) The fully-developed project proposal should provide additional information on the sustainability costs of the achievements of the project (early warning system maintenance costs) once it is completed and a commitment by the Governments of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, and Togo to ensure the sustainability of those achievements regardless of the availability of other sources of funding;
- (c) Approve the project formulation grant of US\$ 80,000;
- (d) Request WMO to transmit the observations under subparagraph (b) above to the Governments of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, and Togo; and
- (e) Encourage the Governments of Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali, and Togo to submit, through WMO, a fully-developed project proposal.

**(Recommendation PPRC.22/19)**

Côte d'Ivoire and Ghana: Improved resilience of coastal communities in Côte d'Ivoire and Ghana (Project concept, United Nations Human Settlements Programme; AFR/MIE/DRR/2017/1; US\$ 14,000,000)

85. The project sought to increase the climate change resilience of coastal settlements and communities in Côte d'Ivoire and Ghana, and consisted of five components to analyse and plan resilience of coastal settlement communities.

86. Together with the project concept, the proponent submitted a PFG request with a budget of US\$ 100,000, which was found to be in compliance with decision B.12/28 paragraph (b). The PFG request is attached as an addendum to document AFB/PPRC/22/23 containing the project concept.

87. It was suggested that in view of the many difficulties with the project it should not be endorsed and that the proponent should reconsider its role and perhaps take on a partner that had more experience with regional proposals in the topics to be addressed. It was also suggested that the proposal be split into two components, one addressing the national and regional aspects and the other addressing the innovative nature-based solutions. Questions were also asked about the complexity of the proposal, what was a consultation technique, what additional information was required on potential overlapping projects and programmes, what was meant by innovative nature-based solutions, the lack of figures on the sustainability of the project. The secretariat was also asked to explain the references to components 3 and 4. It was also asked whether there had been any double counting given that the options were essentially the same for the two components.

88. The representative of the secretariat explained that by consultation technique was meant the process or method used to consult stakeholders and that the potential overlaps referred to projects that should have been mentioned but were missing from the document. She explained that component 3 was meant to be transformative while component 4 was meant to be catalytic. Transformative projects were large and fewer in number, they were meant to be impactful at a larger scale (inter-district) level. Catalytic projects were smaller and numerous, and were meant to spur replication at similar scales.

89. Others pointed out that the proponents had done a good job of providing the information that had been requested and it was asked whether the PFG of US\$ 100,000 would be enough to help them reformulate the proposal and address the issues that had been raised. If that were the case then it should be made clear to the proponents that they should use the PFG for that purpose.

90. Subsequently, the representative of the secretariat reported that she had been made aware of additional concerns with respect to the proposal, inter alia the lack of clarity on the linkages between the local level planning and the national planning exercises, the coordination of the activities in the two countries, the level at which components 3 and 4 would be applied, the proposed private sector involvement, and whether similar experiences from the region were fully considered in the design of the concept.

91. The PPRC recommends that the Adaptation Fund Board:

- (a) Not 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) Suggest that UN-Habitat reformulate the project concept, 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 development of spatial/land-use planning strategies at district level will be linked with national planning, and if there is any co-ordination between the two countries;

- (ii) The proposal should provide more detailed information on how the projects at two different scales (interdistrict versus community) will be executed, and what are the benefits of having initiatives of such different scales in one project;
  - (iii) The proposal should provide more detailed information on establishing the “private sector alliance” and a realistic assessment of role and expectations from such an alliance;
  - (iv) The proposal should indicate how selections of consultants and firms is planned to be carried out; and
  - (v) The proposal should clearly outline linkages and synergies with all relevant potentially overlapping projects or programmes, and indicate how the experiences from similar interventions implemented in the region have been used to influence the project design;
- (c) Not approve the project formulation grant of US\$ 100,000; and
- (d) Request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Côte d’Ivoire and Ghana.

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

**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*; LAC/RIE/DRR/2015/1; US\$ 13,910,400)

92. The proposal 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, networking and developing a culture of adaptation.

93. Support was expressed for the recommendation not to approve the project document. It was observed that more information was required on how vulnerable groups would be included and how technical staff could be integrated into the training process. More generally it was observed that the project, like all the regional projects and programmes had been classified as disaster risk reduction. It was asked who had made that decision; at the current rate the Fund would soon have important expertise in that field and would need to find a way to capitalise on that expertise. However, some of the projects, such as that for six countries of the Volta Basin could have been considered for water / transboundary which would have diversified the expertise of the Fund.

94. 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 how technical staff (engineers; engineer trainers) could be integrated in the training programmes;
  - (ii) The stakeholder analysis should present more clearly how vulnerable groups were involved in the consultations in Chile;
  - (iii) The proposal should identify the risks of unnecessary environmental and social harms in line with the Fund's environmental and social policy (ESP), present the evidence-based findings of impact assessments for those principles for which risks have been identified, and formulate management or mitigation measures accordingly, in a manner commensurate with the risks;
  - (iv) The proposal should include implementation arrangements for the environmental and social management measures that are required to comply with the ESP, reflecting a consolidated and integrated environment and social management plan; and
- (c) Request CAF to transmit the observations under subparagraph (b) to the Governments of Chile and Ecuador.

**(Recommendation PPRC.22/21)**

**Agenda Item 10: Update on the scope of application of the full cost of adaptation reasoning criterion**

95. At the request of the Vice-Chair, the representative of the secretariat introduced an update on the scope of application of the full cost of adaptation reasoning criterion, contained in document AFB/PPRC.22/25 and reviewed the latest operational developments in relation to the full-cost adaptation reasoning criterion.

96. More information was requested on the governments and multilateral entities with which the secretariat had been holding informal talks on co-financing adaptation schemes. The secretariat was asked what governments had expressed an interest in co-financing and whether it had approached institutions such as the African Development Bank or the governments of developing countries.

97. The PPRC was advised to be cautious when engaging in co-financing and not forget that the Adaptation Fund should be the senior partner in any such arrangement. Co-financing should also not increase the burden on developing countries. While it was important to be flexible on the issue of co-financing, it was important to remember that co-financing could not be imposed on the applicants for funding from the Adaptation Fund, as that would go against the reason for

establishing the Fund. Questions were also raised about the transformational impacts which seemed to indicate that the Fund was trying to emulate the GCF.

98. It was pointed out that the Fund was already supporting adaptation projects that also generate mitigation co-benefits.

99. The representative of the secretariat explained that so far it had been approached by a potential partner but that given the lack of clarity on AF vis-à-vis co-financing, it was not clear whether and how it would be possible to engage.

100. It was also asked why the PPRC would need to wait a year to hear a report by the secretariat of the in-depth analysis of the full-cost of adaptation criterion as revised in accordance with the medium-term strategy implementation plan. The secretariat had explained that given the roll out of some of the medium-term strategy implementation plan activities is estimated at the end of 2018, it would not be able to produce a meaningful report on the full-cost of adaptation criterion but it agreed that it might be possible to present a progress report.

101. Having considered the update provided by the secretariat, and given that at a present stage the Medium-Term Strategy (MTS) implementation plan and arrangements need to be finalized (see B.30/42), the Project and Programme Review Committee (PPRC) decided to recommend that the Adaptation Fund Board request that the secretariat prepare an analysis on the full-cost of adaptation reasoning criterion revised in accordance with the MTS implementation plan, considering the views of governments of developing countries and relevant stakeholders of the Adaptation Fund on the issue, to be presented at the twenty-fourth PPRC meeting.

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

### **Agenda Item 11: Cost-effectiveness of options for arranging post-implementation learning and impact evaluation of Adaptation Fund projects and programmes**

102. At the request of the Vice-Chair, the representative of the secretariat introduced the cost-effectiveness of options for arranging post-implementation learning and impact evaluation of Adaptation Fund projects and programmes, contained in document AFB/PPRC.22/26. She said that the PPRC was being invited to consider the two options contained in the report (option one involved using individual consultants and option two involved an external institution), and make its recommendation for the consideration of the Adaptation Fund's Technical Evaluation Reference Group (AF-TERG).

103. Some members were of the view that individual consultants were better placed to evaluate projects than an evaluation unit while others were of the opposite view. It was pointed out that an institution was less open to individual bias than an individual consultant; on the other hand there was more transparency in how individual consultants were funded. It was also easier to change consultants if they proved to be less effective than had been hoped.

104. There was also a discussion on the role of the AF-TERG, which body it should report to, and whether AF-TERG had already been established. As the AF-TERG would be evaluating projects and programmes (at portfolio level) it should report to the PPRC in addition to the Ethics and Finance Committee (EFC).

105. Following consideration of the two options, i.e. Option 1, “using individual consultants” and Option 2, “through an External Institution selected by the AF-TERG” for conducting ex-post evaluations of completed Adaptation Fund projects and programmes, the Project and Programme Review Committee (PPRC) decided to recommend that the Adaptation Fund Board:

- a) Conveys the assessment of the two options as described in document AFB/PPRC.22/26 for the consideration of the AF-TERG, once it is operational, which will subsequently report to the Board on its preferred option;
- b) Requests the AF-TERG to take into account the above discussion within the PPRC; and
- c) Proposes a way for the AF-TERG to report to and receive guidance from the Ethics and Finance Committee (EFC) and PPRC.

**(Recommendation PPRC.22/23)**

**Agenda Item 12: Other matters**

106. No other matters were raised.

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

107. The present report was adopted on the basis of the draft report of the PPRC contained in document AFB/PPRC.22/L.1.

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

108. The Vice-Chair declared the meeting closed at 9:30 PM on Wednesday 21 March 2018.

## Annex I

### **Project and Programme Review Committee Twenty-second Meeting Bonn, 20-21 March 2018**

PPRC members present in the meeting

Mr. Ibila DJIBRIL (Benin, Africa)

Mr. Ahmed WAHEED (Maldives, Asia)

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

Mr Mirza Shawkat ALI (Bangladesh, Asia)

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

Mr. Chebet MAIKUT (Uganda, Least Developed Countries)

Mr. Paul E. PHILLIP (Grenada, Small Islands Developing States)

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

Ms. Barbara SCHÄFER (Germany, Annex I Parties)

Ms. Aida VELASCO MUNGUIRA (Vice-Chair; Spain, Western European and Others Group)

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

## Annex II

PPRC 22 Funding Recommendations March 23, 2018)									
	Country/Title	IE	Document Ref	Project	NIE	RIE	MIE	Set-aside	Decision
<b>1. Projects and Programmes: Single-country</b>									
	Micronesia (F. S. of)	MCT	AFB/PPRC.22/10	970,000	970,000			970,000	Approved
	Cook Islands	MFEM	AFB/PPRC.22/11	2,999,125	2,999,125			2,999,125	Approved
	Ecuador	CAF	AFB/PPRC.22/12	2,489,373		2,489,373			Not approved
	Togo	BOAD	AFB/PPRC.22/13	10,000,000		10,000,000			Not approved
	Cambodia	UN-Habitat	AFB/PPRC.22/14	5,000,000			5,000,000		Not approved
	Cameroon	IFAD	AFB/PPRC.22/15	9,982,000			9,982,000		Not approved
	Iraq	IFAD	AFB/PPRC.22/16	9,999,660			9,999,660	9,999,660	Approved
	Mongolia	UN-Habitat	AFB/PPRC.22/17	4,495,235			4,495,235		Not approved
	<b>Sub-total</b>			<b>45,935,393</b>	<b>3,969,125</b>	<b>12,489,373</b>	<b>29,476,895</b>	<b>13,968,785</b>	
<b>2. Project Formulation Grants: Single country</b>									
	Armenia	EPIU	AFB/PPRC.22/6/Add.1	30,000	30,000			30,000	Approved
	<b>Sub-total</b>			<b>30,000</b>	<b>30,000</b>			<b>30,000</b>	
<b>3. Concepts: Single-country</b>									
	Armenia	EPIU	AFB/PPRC.22/6	2,506,000	2,506,000				Endorsed
	Lesotho	WFP	AFB/PPRC.22/7	9,801,608			9,801,608		Endorsed
	Mozambique	AfDB	AFB/PPRC.22/8	9,999,400			9,999,400		Not endorsed
	Uganda	AfDB	AFB/PPRC.22/9	2,249,000			2,249,000		Not endorsed
	<b>Sub-total</b>			<b>24,556,008</b>	<b>2,506,000</b>	<b>-</b>	<b>22,050,008</b>		
<b>4. Projects and Programmes: Regional</b>									
	Chile, Ecuador	CAF	AFB/PPRC.22/24	13,910,400		13,910,400			Not approved
	<b>Sub-total</b>			<b>13,910,400</b>		<b>13,910,400</b>	<b>0</b>		
<b>5. Project Formulation Grants: Regional Concepts</b>									
	Argentina, Uruguay	CAF	AFB/PPRC.22/21/Add.1	100,000		100,000		100,000	Approved
	Cote d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.22/22/Add.1	100,000			100,000		Not approved
	Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.22/23/Add.1	80,000			80,000	80,000	Approved
	<b>Sub-total</b>			<b>280,000</b>		<b>100,000</b>	<b>180,000</b>	<b>180,000</b>	
<b>6. Concepts: Regional</b>									
	Argentina, Uruguay	CAF	AFB/PPRC.22/21	13,999,996		13,999,996			Endorsed
	Cote d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.22/22	14,000,000			14,000,000		Not endorsed
	Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali, Togo	WMO	AFB/PPRC.22/23	7,920,000			7,920,000		Endorsed
	<b>Sub-total</b>			<b>35,919,996</b>			<b>21,920,000</b>		
<b>7. Project Formulation Grants: Regional Pre-concept</b>									
	Chile, Colombia, Peru	WMO	AFB/PPRC.22/20/Add.1	19,980			19,980		Approved
	<b>Sub-total</b>			<b>19,980</b>			<b>19,980</b>	<b>19,980</b>	
<b>8. Pre-concepts: Regional</b>									
	Albania, the Former Yugoslav Republic of Macedonia, Montenegro	UNDP	AFB/PPRC.22/18	9,927,750			9,927,750		Endorsed
	Belize, Guatemala	UN Environment	AFB/PPRC.22/19	10,009,125			10,009,125		Not endorsed
	Chile, Colombia, Peru	WMO	AFB/PPRC.22/20	7,398,000			7,398,000		Endorsed
	<b>Sub-total</b>			<b>27,334,875</b>		<b>-</b>	<b>27,334,875</b>		
<b>9. Total (9 = 1 + 2 + 3 + 4 + 5+6+7+8)</b>				<b>147,986,652</b>	<b>6,505,125</b>	<b>26,499,773</b>	<b>100,981,758</b>	<b>14,198,765</b>	