



ADAPTATION FUND

AFB/PPRC.23/35
11 October 2018

Adaptation Fund Board
Project and Programme Review Committee
Twenty-third meeting
Bonn, Germany, 9-11 October 2018

Agenda item 9

REPORT OF THE TWENTY-THIRD MEETING OF THE PROJECT AND PROGRAMME REVIEW COMMITTEE

Agenda Item 1: Opening of the meeting

1. The meeting was opened at 9:00 a.m. on Tuesday, 9 October 2018, by Ms. Aida Velasco Munguira (Spain, Western European and others Group), Vice-Chair of the Project and Programme Review Committee (PPRC), who chaired the meeting and welcomed the members of the PPRC.
2. The members present at the meeting are listed in Annex I to the present report.

Agenda Item 2: Organizational matters

(a) Adoption of the agenda

3. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.23/1) and the annotated provisional agenda (AFB/PPRC.23/2/Rev.1).

1. Opening of the meeting.
2. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
3. Report on the progress and experiences on regional projects and programmes.
4. Programme for innovation:
 - a) Small grants through the Direct Access modality;
 - b) Small grants projects through a multilateral implementing agency aggregator.
5. Report of the secretariat on the initial screening/technical review of project and programme proposals.
6. Review of single-country project and programme proposals:
 - a) Indonesia (1);
 - b) Armenia (1);
 - c) Armenia (2);
 - d) Dominican Republic;
 - e) Indonesia (2);
 - f) Namibia;
 - g) Suriname;
 - h) Turkmenistan;
 - i) Indonesia (3);
 - j) Indonesia (4);
 - k) Indonesia (5);
 - l) Indonesia (6);
 - m) Bhutan;
 - n) Kiribati;
 - o) Lao People's Democratic Republic;
 - p) Malawi;
 - q) Pakistan;
 - r) Sudan;
 - s) Uganda;
 - t) Zimbabwe;
7. Review of regional project and programme proposals:
 - a) Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mali;
 - b) Mauritius and Seychelles;

- c) Chile, Colombia and Peru;
 - d) Argentina, Brazil and Paraguay;
 - e) Armenia and Georgia;
 - f) Cambodia, Nepal, Philippines and Thailand;
 - g) El Salvador and Honduras;
 - h) Jordan and Lebanon.
8. Other matters.
 9. Adoption of the recommendations and report.
 10. Closure of the meeting.

(b) Organization of work

4. The PPRC adopted the organization of work proposed by the Vice-Chair.
5. The following members declared a conflict of interest.

Mr. Ibila Djibril (Benin, Africa); and

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

Agenda Item 3: Report on the progress and experiences on regional projects and programmes

6. At the request of the Vice-Chair, the representative of the secretariat presented document AFB/PPRC.23/3 which contained a report on the progress and experiences on regional projects and programmes which had been prepared pursuant to decision B28/1(a)(ii). The representative of the secretariat presented four possible recommendations regarding: the opportunities for funding for the preparation of proposals; the validity period for letters of endorsement for proposals from designated authorities; criteria for provision of financial resources between single-country and regional projects and programmes; and the possibility of setting a country cap on regional projects and programmes.

7. With respect to the validity period for letters of endorsement it was asked what difference there would be between measuring that validity in terms of months or in terms of review cycles; whatever was chosen the process needed to be easy so that countries could keep track of it. It was also asked whether the country cap should be increased to create a global cap for each country. In that case, however, regional projects and single country projects might compete against each other for the same funding.

8. It was also asked whether the Adaptation Committee had been consulted during the preparation of the report and whether the criteria for the choice of the three thematic areas (i.e. food security, transboundary water management, and disaster risk reduction and early warning systems) and the one cross-cutting area on innovation could be clearly defined. It was observed that some of the projects could have fit into more than one category; and that decision should not be left to the proponents of the project. It was also not clear what had been meant when it had been suggested that the funding window for regional projects and programmes, and its potential reach, was more inclusive than the funding window for single-country projects and programmes. It was asked whether the regional implementing entities (RIEs) should be encouraged to do more and whether the relevant information could be made available in the languages of the United Nations so that local civil society organizations would be encouraged to participate.

9. The representative of the secretariat said that the question of equitable distribution of resources had to be addressed as some countries had benefited from participating in up to four regional projects. There was also the issue of the limited coverage by the RIEs; there were only six of them: three covered Latin America and the Caribbean, two covered the Sahel region in Africa and one the Pacific region. He explained that the Adaptation Committee was not involved in the preparation of the report.

10. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board request the secretariat, through channels including the readiness programme of the Fund:

a) To increase communication with eligible Implementing Entities, especially Regional Implementing Entities (RIEs), to make them aware of the opportunities for funding the formulation of regional project/programme proposals, starting at the pre-concept stage, to increase the quality of proposals developed for Board consideration; and

b) To increase the engagement with RIE applicants for accreditation, with an aim of increasing the number of proposals for regional projects and programmes to be submitted through the RIE access modality.

(Recommendation PPRC 23/1)

11. The Project and Programme Review Committee also decided to recommend that the Adaptation Fund Board request the secretariat to prepare for consideration at the thirty-third meeting of the Board, a document presenting options for criteria for the provision of financial resources between single-country and regional concrete adaptation projects and programmes, including options to establish a country cap on regional projects and programmes.

(Recommendation PPRC 23/2)

Agenda Item 4: Programme for innovation

a) *Small grants through Direct Access modality*

12. At the request of the Vice-Chair, the representative of the secretariat presented document AFB/PPRC.23/4/Rev.2 which presented, pursuant to decision B31/32(b)(iii), the grant and funding window for small grants through the Direct Access modality of the Adaptation Fund's programme for innovation. She said that the small grants would be awarded to vulnerable developing countries through two routes: directly through national implementing entities (NIEs) and through a Multilateral Implementing Entity (MIE) aggregator for other entities that are not accredited with the Adaptation Fund. In reviewing the small grant proposals for innovation for NIEs some of the review criteria would be taken from the single-country project's review criteria and adapted as required. In addition, two new specific criteria (encouraging and accelerating innovation, and generating evidence base) would also be applied, and in order to solicit a diverse set of innovation proposals a non-exhaustive list of thematic areas will be mentioned in the requests for proposals.

13. It was asked whether there would be any weighting given to the different criteria and where the list of thematic areas had been taken from and how they would be used as they were not criteria; it was asked whether innovative adaptation financing could also be included. Clarifications were requested on the number of 28 small grants and it was asked why there would only be a ten-page maximum for the submissions. It was also asked whether there would be any capacity building

provided to the NIEs, how countries without NIEs could access the small grants and why March 2020 had been selected for the launch of the second request for proposals. It was urged that at least for the first year the review of the submissions should take place at the regular meetings of the PPRC and not during the intersessional cycles.

14. The representative of the secretariat explained that except for two additional criteria, the review criteria were the same as those used in the regular review process; they had not been weighted. The thematic areas had been chosen to reflect those areas where the most innovation seemed to be taking place. However, as innovative solutions are also coming from other sectors or approaches the list is not exhaustive. There was no particular event associated with the month of March 2020; it had been taken from the implementation plan, which also applied to the 28 proposed small grants. The review process is similar to that of the regular project proposals but simpler, requiring less detail given the size of the proposals being considered; but it is expected that the elements will demonstrate innovation. She said that while there were different possibilities for capacity building, which were being explored, it was too early to describe how that process would be developed. She explained that those countries without NIEs could still access funding through the MIE aggregator and said that the figure given in the document of US\$ 6 million was consistent with the Board-approved implementation plan for the medium-term strategy and calculated to be divided between the NIEs and the MIE aggregator.

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

- a) Approve the process for providing funding for innovation through small grants to National Implementing Entities (NIEs), as described in document AFB/PPRC.23/4/Rev.2, including the proposed objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features as described in the document; and
- b) Request the secretariat to prepare the first Request for Proposals (RFP) to NIEs for US\$ 2 million to be launched at the twenty-fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24) in December 2018.

(Recommendation PPRC 23/3)

b) Small grant projects through a multilateral implementing entity aggregator

16. At the request of the Vice-Chair, the representative of the secretariat presented documents AFB/PPRC.23/5 and AFB/PPRC.23/5/Add.1 which presented the three candidates for a multilateral implementing aggregator which would be a vehicle for awarding at least 40 small grants to non-accredited entities.

17. Clarifications were requested regarding the submissions, process, analysis, and the presentation of the results of the analysis. The depth of the analysis and methodology was not apparent, and it was noted that an outside consultant could have prepared an in-depth analysis. It was asked whether the criteria had been weighted. It was noted that countries might wish to have a choice concerning which MIEs they preferred to work with on innovation.

18. It was asked why it was necessary to choose only one candidate and it was proposed to recommend that the Board select two candidates which would provide greater flexibility to the countries to work with the MIE aggregator that they were more comfortable with. It was also asked

whether a deadline for the reception of a formal letter of acceptance was necessary or even desirable. However, there was still a need to establish the scope of the work of the aggregator and it was suggested that the secretariat develop guidance for the aggregators, in collaboration with a task force made up of Board members.

19. Having considered documents AFB/PPRC.23/5 and AFB/PPRC.23/5/Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- a) Select and invite both the United Nations Development Programme (UNDP) and United Nations Environment Programme (UN Environment) to serve as the multilateral implementing entity (MIE) aggregator(s) for small grants for innovation;
- b) Request the secretariat to prepare a joint announcement of the initiative in conjunction with the twenty-fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 24);
- c) Request the secretariat to develop guidance to the MIE aggregators for preparing proposals for small grant programmes for innovation;
- d) Establish a task force that would advise the secretariat on the development of the guidance;
- e) Invite the two MIE aggregators to prepare respective proposals for the consideration of the Board.

(Recommendation PPRC 23/4)

Agenda Item 5: Report of the secretariat on the initial screening/technical review of project and programme proposals

20. At the request of the Vice-Chair, the representative of the secretariat introduced the report of the initial screening/technical review of project and programme proposals contained in documents AFB/PPRC.23/6 and AFB/PPRC.23/6/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.

Issues identified during the review process

Length of submissions

21. The representative of the secretariat said that the length of the submissions continued to be a challenge for the secretariat, which had implications for the time and resources needed to carry out their effective review. She said that the PPRC might wish to set a page limit of 100 pages for fully-developed project proposals, exclusive of annexes, and a page limit of 50 pages for concepts, inclusive of any annexes.

22. It was agreed that the submissions should be shorter and it was asked whether there had been a tendency for them to increase in length over time. It was also asked how much discretion the proponents had to shorten the submissions once they had addressed the requirements of the Adaptation Fund. While there was support for the proposal of the secretariat, it was suggested that the page limit of 50 pages for the concept proposals should include any annexes while the fully-developed project proposals should be limited to 100 pages for the proposals and up to another 100 pages for any annexes. It was also pointed out that the pictures contained in some of the submissions had been very useful and the hope was expressed that submissions would not be rejected simply because the number of pictures they contained meant that the submissions exceeded the page limits.

23. The representative of the secretariat said that some of the recent submissions had almost exceeded 1,000 pages. The representative explained that the proponents could be informed of the new page limits when the secretariat sent out reminders about the review process.

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

- a) Set a page limit for new or resubmitted project/programme proposals as follows:
 - (i) Fifty pages for the project/programme concept, including its annexes; and
 - (ii) One hundred pages for the fully-developed project document, and one hundred pages for its annexes; and
- b) Request the secretariat to communicate submission length guidance to the Implementing Entities of the Fund.

(Recommendation PPRC 23/5)

Letters of endorsement

25. The representative of the secretariat also said that the letter of endorsement by the Designated Authorities sometimes presented a challenge, especially where such a letter of endorsement had been previously provided for a previous submission of a resubmitted project, or more generally for regional projects. She said that the PPRC might wish to consider extending the period for the validity of such letters of endorsement.

26. The Project and Programme Review Committee decided to recommend that the Adaptation Fund Board decide to accept the letters of endorsement submitted in support of a project as valid, for the resubmission(s) of the same project, for a period of three consecutive project/programme review cycles. This excludes cases where there is a change in the proposal at any stage of submission, including a change in participant countries, target areas or institutional arrangements, for which new letters of endorsement would be required.

(Recommendation PPRC 23/6)

Agenda Item 6: Review of single-country project and programme proposals

Fully-developed proposals

Proposals from National Implementing Entities (NIEs)

Small-size proposals:

Indonesia: Community Adaptation for Forest-Food Based Management in Saddang Watershed Ecosystem (Fully-developed Project Document; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/Food/2017/1; US\$ 835,465).

27. The project (document AFB/PPRC.23/7) sought to increase community resilience to food security in the Saddang Watershed, in an effort to adapt to climate change, through: strengthened social forestry, improved coastal governance and carrying capacity, strengthened crosscutting policies, and capacity building and stakeholder support. This was the second submission of the proposal, using a two-step approach.

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

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- b) Suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide sufficient technical information and specifications about the interventions that will be implemented to a point where the Adaptation Fund's Environmental and Social Policy (ESP) related risks can be effectively and comprehensively identified;
 - (ii) The proponent should provide further information on the envisaged measures to ensure the sustainability of the project's outputs, that could enable replication and scaling up of the proposed interventions;
 - (iii) As an important factor to be able to identify some of the ESP risks, such as for natural habitats and biodiversity, the proposal should clarify the concept and the conditions of the "critical land" on which some of the project activities will take place;
 - (iv) The proposal should strengthen the project management arrangements, by specifying the institutions that will be part of the project steering committee (PSC), and by ensuring stakeholders' views to be heard during project implementation;
 - (v) The proposal should develop an adequate Environmental and Social Management Plan (ESMP), based on a comprehensive, evidence-based risk identification and subsequent impact assessment; this should allocate roles

and responsibilities for implementing management or mitigation measures, and should include provisions for monitoring; and

- (vi) The proposal should ensure that its alignment with the Adaptation Fund's results framework is comprehensive, including at least one core outcome indicator from the Fund's results framework; and
- c) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC 23/7)

Regular proposals:

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

29. The project (document AFB/PPRC.23/8) sought to reduce the climate risk vulnerability of local communities living adjacent to the "Khosrov Forest" and "Dilijan" national parks by strengthening the adaptive capacity of the agricultural sector and reinforcing institutional and planning capacity for climate change adaptation. This was the fourth submission of the proposal, using a two-step approach.

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

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of Armenia 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 proponent should provide execution costs that do not exceed 1.5 per cent of the total budget requested, before the implementing entity fees;
 - (ii) The proposal should clarify if solar water heaters are going to be installed in public buildings;
 - (iii) The proposal should clarify what value addition will be done and to what products;
 - (iv) The proposal should clarify why some social benefits cannot be described and estimated at the full proposal stage and an explanation of why the cost-benefit analysis mentioned in the proposal was excluded;
 - (v) The proposal should provide a clear analysis of project cost effectiveness; and

- (vi) The proponent should undertake an adequate identification of environmental and social impacts or risks, including measures for their management in line with the Adaptation Fund's Environmental and Social Policy (ESP) and Gender Policy, and also clarify how gender is mainstreamed under project implementation arrangements, particularly providing adequate clarity on the following:
- a. A clear timeline for the environmental impact assessment;
 - b. The risks and impact of irrigation water extraction;
 - c. Information on how marginalised and vulnerable groups may be disproportionately at risk of negative environmental impacts;
 - d. The risks triggered by the ESP principle on core labour rights, with particular attention to the risk of child labour and identify relevant risks related to the conservation of biological diversity as triggered by the ESP principle on biodiversity; and
 - e. Information to substantiate provided information on cultural heritage; and
- c) Request EPIU to transmit the observations under subparagraph (b) to the Government of Armenia.

(Recommendation PPRC 23/8)

Armenia: Artik city closed stone pit wastes and flood management pilot project (Fully-developed Project Document; Environmental Project Implementation Unit (EPIU) of the Ministry of Nature Protection of Armenia; ARM/NIE/Urban/2017/1; US\$ 1,435,100)

31. The project (document AFB/PPRC.23/9) sought to improve the resilience of the highly exposed Artik city of Armenia to hydro-meteorological threats that are increasing in frequency and intensity as a result of climate change. This was the fourth submission of the proposal using the two-step submission process.

32. In response to questions about the adequacy of the waste management measures, and why the project was recommended for approval with that issue still outstanding, the representative of the secretariat explained that the waste management component consisted of clearing debris from a water channel that had been clogged with household refuse because of a gap in municipal services. The proponents proposed to purchase a garbage truck to fill that gap. It was suggested that the project could be approved on the condition that a waste management plan was submitted, no later than the date of the first project performance report, that showed that the waste management measures had been adequate to handle the waste in question.

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

- (b) Approve the funding of US\$ 1,435,100 for the implementation of the project, as requested by EPIU; and
- (c) Request the secretariat to draft an agreement with EPIU as the National Implementing Entity for the project; and
- (d) Request EPIU to ensure that the following issues have been addressed no later than the date of submission of the first project performance report (PPR):
 - (i) EPIU should submit a waste management plan clearly showing that the proposed waste management measures are sustainable and adequate to handle safely the quantities and the nature of the waste that will be generated, handled or collected by or with support of the project.

(Recommendation PPRC 23/9)

Dominican Republic: Enhancing Climate Resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management and Rural Development Programme (Fully-developed Project Document; Dominican Institute of Integral Development (IDDI); DOM/NIE/Water/2016/1; 9,953,692.35US\$)

34. The programme (document AFB/PPRC.23/10) sought to increase the resilience and capacity to adapt to climate impacts and risks for the water resources of 30 rural communities in the Province of San Cristóbal and contribute to the diversification of their livelihoods. This was the third submission of the proposal, using a two-step approach.

35. It was asked why a gender assessment and gender-disaggregated information was now being requested and whether the phrase “involuntary resettlement” was appropriate. The representative of the secretariat explained that the gender assessment and the gender-disaggregated information had not been required until the submission of a fully-developed project proposal; consequently it was now being asked for. She also explained that Principle 8 of the Adaption Fund’s Environmental and Social Policy addressed the issue of involuntary resettlement, which was why the issue had been raised in the recommendation.

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

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the Dominican Institute of Integral Development (IDDI) to the request made by the technical review;
- b) Suggest that IDDI reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:
 - (i) The proposal should provide sufficient and clear technical information and specifications about the proposed interventions to permit that risks can be effectively and comprehensively identified in compliance with the Adaptation Fund’s Environmental and Social Policy (ESP);

- (ii) The proponent should conduct a comprehensive evidence-based, risk-impact assessed, risk identification in line with the ESP and, thus, develop an adequate Environmental and Social Management Plan (ESMP);
 - (iii) The proponent should conduct further assessments for the ESP risks of concern, specifically with respect to marginal and vulnerable groups in terms of human rights, access and equity, and more generally of the risk of involuntary resettlement related to the reforestation activities; and
 - (iv) The proposal should provide a gender assessment along with gender-disaggregated information; and
- c) Request IDDI to transmit the observations under subparagraph (b) to the Government of Dominican Republic.

(Recommendation PPRC 23/10)

Indonesia: Building Coastal City Resilience to Climate Change Impacts and Natural Disasters in Pekalongan City, Central Java Province (Fully-developed Project Document; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/Multi/2017/1; US\$4,127,065)

37. The project (document AFB/PPRC.23/11) sought to build coastal resilience to climate change impacts and natural disasters with a particular focus on pro-poor adaptation actions that involve and benefit the most vulnerable communities of Pekalongan City, Central Java Province. This was the second submission of the proposal, using a two-step approach.

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

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- b) Suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision:
 - (i) The proposal should provide sufficient technical information and specifications about the proposed interventions to a point where the Adaptations Fund's Environmental and Social Policy (ESP) related risks can be effectively and comprehensively identified; as such, it should consider undertaking the various planned preliminary assessments before submission of the fully-developed proposal to allow the final identification of the project's interventions;
 - (ii) The proposal should further demonstrate the appropriateness of the proposed interventions in responding to the threats posed by climate change scenarios;
 - (iii) The proposal should explain how the infrastructures that the program plans to build will be made resilient to the impacts of climate change;

- (iv) The proposal should demonstrate how the project and its associated interventions would meet the relevant national technical standards, in compliance with the ESP;
 - (v) The proposal should provide evidence of a comprehensive, gender-responsive consultative process involving all direct and indirect stakeholders of the proposed project and should demonstrate that the outcomes of the consultative process were taken into account in the design of the proposed interventions; and
 - (vi) The proposal should demonstrate compliance of the project activities with the ESP; and
- c) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC 23/11)

Namibia: Community-based integrated farming systems for climate change adaptation (Fully-developed Project Document; Desert Research Foundation of Namibia (DRFN); NAM/NIE/Agri/2015/2; US\$ 5,000,000)

39. The project (document AFB/PPRC.23/12) sought to assist vulnerable rural communities in two model regions of Namibia (Omusati and Omaheke) to implement adaptation actions and practices that would strengthen their adaptive capacities and enhance the resilience of their farming systems and value chains to climate variability and change. This was the third submission of the proposal, using the two-step approach.

40. With respect to query about unidentified subprojects (USPs), the representative of the secretariat explained that it was the name given to the unidentified activities in a proposal. There had been an increase in the use of such activities which was becoming problematic as they could not be assessed for risk under the Adaptation Fund's Environmental and Social Policy (ESP). USPs could, in some cases, be justified, such as in the case of a small grants facility that would only be established once a project had been approved. However, in some cases it seemed a vehicle to move the costs of the risk assessment from project formulation to the project implementation stage. The representative of the secretariat explained that other funds faced the same issue and that the use of USPs by some implementing entities amounted to an approach to project formulation. It was suggested that Adaptation Fund might need to develop a policy to address the issue if the implementing entities were avoiding their obligations and passing the costs on to the executing entities.

41. With respect to the question of the ownership of assets, the representative of the secretariat explained that some were communally owned while others were owned commercially. With respect to ground water it was explained while the principal threats were from fertilizers and pesticides the issue had been raised because of inconsistencies in the project document as to whether new bore holes would be drilled or not.

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

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the Desert Research Foundation of Namibia (DRFN) to the request made by the technical review;

b) To suggest that DRFN 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 include the targeted "Direct Beneficiaries;
- (ii) The proposal should provide a justification for the unidentified subprojects (USP) approach that is in line with the Adaptation Fund's Environmental and Social Policy (ESP);
- (iii) The proposal should include some information on maintenance systems that will be in place in order to demonstrate how assets/equipment will be maintained in the longer term;
- (iv) The proposal should clarify how the activity of financing doctoral and master's projects is linked to project objectives and overall goal of the intervention;
- (v) The proposal needs to clarify: the process for obtaining environmental clearance, at what stage the clearance will be applied for and whether the authorization is required for only USPs or the entire project;
- (vi) The proposal needs to specify measures to avoid impacts on the underground water system; and
- (vii) The proposal needs to provide adequate risk identification for indigenous people in line with the Principle 7 of the ESP; and

c) To request DRFN to transmit the observations under subparagraph b) above to the Government of Namibia.

(Recommendation PPRC 23/12)

Proposals from Multilateral Implementing Entities (MIEs)

Turkmenistan: Scaling Climate Resilience for Farmers in Turkmenistan (Fully-developed Project Document; United Nations Development Programme (UNDP); TKM/MIE/Agric/2018/1; US\$ 7,000,040)

43. The project (document AFB/PPRC.23/14) sought to improve climate resilience among smaller private-sector farmers through strengthening the enabling environment, expanding climate resilient extension services and creating demonstration sites to support communities across farming systems in Turkmenistan. This was the first submission of the proposal, using a one-step approach.

44. It was observed that the recommendation should be more detailed and that the figure for the amount being requested should be rounded down.

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

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the 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 provide further details on the intervention;
 - (ii) The proposal should provide further details on how the Adaptation Fund's Environmental and Social Policy and Gender Policy are being met; and
- c) Request UNDP to transmit the observations under subparagraph (b) to the Government of Turkmenistan.

(Recommendation PPRC 23/13)

Concept proposals

Proposals from National Implementing Entities (NIEs)

Small-size proposals:

Indonesia: Developing Community Resilience to Adapt to Climate Change in Maratua (Project Concept; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/DRR/2017/1; US\$ 998,000)

46. The project (document AFB/PPRC.23/15 and Add.1) sought to develop a scheme of community adaptation resilience to climate change and disaster risks, and focused on the Maratua island in the Berau district, East Kalimantan. This was the second submission of the proposal, using a two-step approach.

47. It was suggested that the recommendation needed to be more detailed and include the comments made during the technical review. It was asked whether the cost effectiveness had been considered.

48. The representative of the secretariat explained that the observations in the review sheet were annexed to the notification of the Board's decision and sent to both the designated authority and the implementing entity. It was also explained that the designated authorities were then consulted by the implementing entities when they formulated their response to the secretariat's comments and were consequently fully aware of what needed to be done to address the concerns of the secretariat. She also explained that one of the issues raised in the review was the question of benefits as well as the adaptation rationale and this contributed to the challenge of making the assessment on the cost effectiveness at this stage.

49. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- b) Suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide a clear adaptation rationale, and further explain and justify the selection of the approach, the adaptation measures and their effectiveness in the face of future climate change as well as the target project area and beneficiaries; and
 - (ii) The proposal should provide further details and clarity on project's expected outcomes, and on the project's social, economic and environmental benefits; and
- c) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC 23/14)

Indonesia: The adaptation measures to support sustainable livelihoods for local communities in mangrove ecosystem in the Mahakam Delta, East Kalimantan (Project Concept; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/Food/2017/2; US\$ 598,724)

50. The project (document AFB/PPRC.23/16 and Add.1) sought to provide technical assistance as well as building the capacity of local communities to adapt to climate change impacts in the mangrove ecosystem of Mahakam Delta. This was the second submission of the proposal, using a two-step approach.

51. It was asked how the review sheet mentioned in the recommendation could be found. The Vice-Chair said that the report of the meeting would contain a reference to each of the project proposal documents and that the reference could be found in the introduction to each of the projects and programmes being considered the PPRC.

52. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- b) Suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should further clarify the direct climate change impacts on the project area, or its aggravating effects, on the mangrove ecosystem and coastal erosion and on the vulnerability of the targeted communities;

- (ii) The proposal should provide more details and justification on the proposed activities, their design and cost-effectiveness; and
 - (iii) The proposal should demonstrate the adaptation benefits of the project's expected outcomes, providing further details and clarity on those expected outcomes; and
- c) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC 23/15)

Indonesia: Build and Strengthen Resilience of Coastal Community against Climate Change Impacts by Perempuan Inspirasi Perubahan Pesisir (PINISI) or Women Inspiration for Coastal Change In Bulukumba District (Project Concept; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/Coastal/2017/1; 999,989 US\$)

53. The project (document AFB/PPRC.23/17 and Add.1) sought to strengthen the resilience to climate change in vulnerable communities in the South Sulawesi area. This was the second submission of the proposal, using a two-step approach.

54. In response to a query about how to balance adaptation and mitigation considerations, the representative of the secretariat clarified that mention of mitigation in the recommendation was not being used in the sense of the mitigation of climate change but rather in the sense of the mitigation of the impacts of climate change.

55. 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 Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- b) Suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide further information on the climate hazards and risks, and the gaps of information needed to assess these risks, and the particular gaps that the project will fill in terms of risk assessment; the budget for this component should be adjusted as needed;
 - (ii) The proposal should restructure the project rationale, provide more details on the proposed activities, how they will be implemented and a clear logical reasoning of how these will reduce the outlined climate risks;
 - (iii) The proposal should better demonstrate the cost-effectiveness of the proposed activities as well as the concrete deliverables and tangible results that are expected on the ground and who they will benefit; and

- (iv) The proposal should also improve identification of environmental and social risks associated with this project and provide means to address those risks; and
- c) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC 23/16)

Indonesia: Development of Sustainable Seaweed and Fishery Management for Enhance Community Prosperity & Climate Change Adaptation of Coastal and Small Island at West Nusa Tenggara Province (Project Concept; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/Multi/2017/2; US\$ 984,000)

56. The project (document AFB/PPRC.23/18 and Add.1) sought to develop the seaweed industry in Indonesia to sustainably maintain a strong local economy, to ensure food security, as well as to protect the livelihood and welfare of the people the local people. This was the second submission of the proposal, utilizing the two-step process.

57. The representative of the secretariat explained, in response to a query about rounding the funding figures in the project document, that the Trustee did not round the amounts being requested for funding.

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

- (a) Not endorse the project concept, as supplemented by the clarification response provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) Suggest that Kemitraan reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should have a clearer adaptation rationale that defines the impacts of climate change the project has been designed to address;
 - (ii) The proposal should revise the project document in line with the revisions made in the review sheet;
 - (iii) The proponent should fully justify the cost-effectiveness of the proposed project approach and compliance with the Adaptation Fund's Environmental and Social Policy; and
 - (iv) The proposal should include a clearer and fuller analysis of other projects in the region and measures for project sustainability; and
- (c) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC 23/17)*Regular proposals:*

Bhutan: Alternative Renewable Energy Resources for Enhancing Community Resilience and Sustainable Food Security for Adaptation to Climate Change (Project Concept; Bhutan Trust Fund for Environmental Conservation (BTFEC); BTN/NIE/Food/2018/1; US\$ 10,000,000)

59. The project (document AFB/PPRC.23/19 and Add.1) sought to develop grid connected solar and wind power plants to enhance national energy security during the dry season and enhance agriculture production and productivity at the selected community level using alternative renewable energy resources. This was the first submission of the proposal, using the two-step approval process.

60. In response to a query as to whether the project had been included in Bhutan's Nationally Determined Contribution (NDC), the representative of the secretariat said that the project was aligned with the iNDC.

61. 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 Bhutan Trust Fund for Environmental Conservation (BTFEC) to the request made by the technical review;
- (b) Suggest that BTFEC reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide more detail about the cost-effectiveness and full-cost of adaptation rationale of the project;
 - (ii) The proposal should provide additional detail on the environmental and social screening, as well as an explanation of the plan to fully comply with the Adaptation Fund's Environmental and Social Policy during the fully-developed project proposal preparation; and
- (c) Request BTFEC to transmit the observations under subparagraph (b) to the Government of Bhutan.

(Recommendation PPRC 23/18)*Proposals from Regional Implementing Entities (RIEs)**Regular proposals:*

Kiribati: Enhancing the resilience of the outer islands of Kiribati (Project Concept; Secretariat of the Pacific Regional Environment Program (SPREP); KIR/RIE/CZM/2018/1; US\$ 8,300,000)

62. The project (document AFB/PPRC.23/20) sought to strengthen the resilience of 11 outer islands in Kiribati to the impacts of climate change through improved access to sustainable potable water supplies, as well as improved health and sanitation conditions. This was the first submission of the proposal, using a two-step approach.

63. In response to a query about the review process, the representative of the secretariat explained the review cycle and said that each resubmission of a proposal was treated as new submission of that proposal.

64. 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 Secretariat of the Pacific Regional Environment Program (SPREP) to the request made by the technical review;
- b) Request the secretariat to notify SPREP 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 be more specific as to which adaptation measures will be implemented, and the impact such interventions will have;
 - (ii) The proposal should provide a description of what are the requirements for the project activities and how the project will comply with the national technical standards, in accordance with the Adaptation Fund's Environmental and Social Policy (ESP);
 - (iii) The linkages and synergies with all relevant potentially overlapping projects and programmes need to be clearly outlined;
 - (iv) The proposal should provide evidence of a comprehensive, gender-responsive consultative process involving all direct and indirect stakeholders of the proposed project and should demonstrate that the outcomes of the consultative process were taken into account in the design of the proposed interventions; and
 - (v) The proposal should develop an Environmental and Social Management Plan (ESMP), including a clear process of ESP identification during project implementation; the effort of ESP risks identification, and any subsequent safeguards measures, may be significantly reduced by identifying (during preparation of the fully-developed proposal) an exhaustive list of eligible concrete intervention measures, stemming from community consultations and vulnerability assessments;
- c) Request the SPREP to transmit the observations under subparagraph b) to the Government of Kiribati; and

- d) Encourage the Government of Kiribati to submit, through SPREP, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/19)

Proposals from Multilateral Implementing Entities (MIEs)

Regular proposals:

Lao People's Democratic Republic (PDR): Building Climate and Disaster Resilience Capacities of Vulnerable Small Towns in Lao PDR; Project Concept; United Nations Human Settlements Programme (UN-Habitat); LAO/MIE/DRR/2018/1; US\$ 5,500,000)

65. The project (document AFB/PPRC.23/21) sought to build resilience to climate change in communities along the east-west economic corridor in the central region of Lao People's Democratic Republic through the provision of climate-resilient infrastructure and the mainstreaming of climate action into urban planning. This is the first submission of the proposal, using a two-step approach.

66. It was pointed out that the proposal was similar to other projects that had been addressed by the Poverty Reduction Fund. It was said that it would be important to ensure that the linkages and synergies with all relevant potentially overlapping projects and programmes were clearly outlined in the proposal. She also clarified that there was no page limit for the responses by the proponents to the requests for clarification by the secretariat; those responses would be contained in the chart collated by the secretariat.

67. Further information was also sought about the water supplies and whether they would be partially subsidized. The representative of the secretariat explained that the water tariff had been set so that it did not amount to a subsidy for those using the water.

68. 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 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.
- c) Request UN-Habitat to transmit the observations under subparagraph b) to the Government of Lao People's Democratic Republic; and
- d) Encourage the Government of Lao People's Democratic Republic to submit, through UN-Habitat, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/20)

Malawi: Adapting to climate change through integrated risk management strategies and enhanced market opportunities for resilient food security and livelihoods (Project Concept; World Food Programme (WFP); MWI/MIE/Food/2018/1; US\$ 9,989,335)

69. The project (document AFB/PPRC.23/22) sought to enhance climate adaptation and the food security of households through access to integrated climate risk-management strategies and structured market opportunities. This was the first submission of the proposal, using a two-step approach.

70. 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 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 issues:
 - (i) The fully-developed project proposal should provide a reference for the studies referred to in the document;
 - (ii) The fully-developed project proposal should elaborate on complementarity with, and learning from, the project titled "Strengthening climate information and early warning systems in Africa for climate resilient development and adaptation to climate change - Malawi" financed by the Least-Developed Country Fund (LDCF) and implemented by the United Nations Development Programme (UNDP), which was particularly relevant as it related to the compilation, assessment and transmission of climate information to farmers, as well as to avoid overlap in installation and maintenance of hydro-meteorological equipment; and
- c) Request WFP to transmit the observations under subparagraph (b) to the Government of Malawi; and
- d) Encourage the Government of Malawi to submit, through WFP, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/21)

Pakistan: Enhance community and local and national-level government capacities to address climate change interrelated urban flood and drought risks and impacts (Project Concept; United Nations Human Settlements Programme (UN-Habitat); PAK/MIE/Urban/2018/1; US\$6,094,000)

71. The project (document AFB/PPRC.23/23) sought to enhance community, local and national-level government capacities to address climate change interrelated urban flood and drought/ water scarcity issues. This was the first submission of the proposal, using the two-step approach.

72. In response to a query about the classification and design of the project, the representative of the secretariat explained that UN-Habitat had suggested the urban classification for the project and that the two cities had been chosen because of the risks of floods, droughts and the possibility

of upstream water harvesting. He also said, in response to questions about the adequacy the funding being requested, that the average costs for small dams in Pakistan was about US\$ 30,000.

73. 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 United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- b) To suggest that UN-Habitat reformulate the proposal, taking into account the observations in the review sheet annexed to the notification to the Board's decision, as well as the following issues:
 - (i) The concept proposal needs to clarify whether actual spatial planning will be done in the two cities or the project will develop a *strategy* for spatial planning;
 - (ii) The concept proposal needs to further strengthen the linkages of proposed activities with target vulnerabilities and provide a clear link between the proposed components and outputs;
 - (iii) The concept proposal needs to demonstrate evidence of the impact of the proposed dams on controlling flood downstream and highlight its potential impact on such issues as, inter alia, biodiversity and re-settlement;
 - (iv) The concept proposal needs to clarify if there are any complementary measures proposed to reduce contamination of ground water; and
 - (v) The proposal needs to clearly demonstrate how the awareness raising activity related to waste management will complement ongoing initiatives on waste management to ensure sustainability of interventions; and
- c) Request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Pakistan.

(Recommendation PPRC 23/22)

Sudan: Increasing flood and drought resilience in Khartoum metropolitan area through integrated urban-rural watershed management, spatial strategies, EWSs and water harvesting (Project Concept; United Nations Human Settlements Programme (UN-Habitat); SDN/MIE/Water/2018/1; US\$ 9,982,000)

74. The project (document AFB/PPRC.23/24) sought to increase flood and drought resilience in the Khartoum metropolitan area through integrated watershed management, spatial strategies and early warning systems. This was the first submission of the proposal, using the two-step approach.

75. It was observed that the greater part of the funding for the project (58 per cent) was for unidentified subprojects (USPs). It was asked whether that amount would change as the proposal moved forward. It was also asked whether the vulnerable groups indicated in the project document had really been contacted. The representative of the secretariat said that they had been identified

and that there had been contact although it was not clear how extensive it had been. He said that more information on consultations would be expected in the fully-developed project document.

76. 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 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 concept proposal needs to demonstrate that environmental and social risk assessments are evidence based and commensurate to the proposed interventions;
 - (ii) The proposal needs to include a classification of the project category based on the initial risk assessment and in line with the Adaptation Fund's environmental and social policy;
 - (iii) The concept proposal should clarify the following aspects related to the activity focused on groundwater recharge under component 1: identify the intended users of ground water; specify measures to rehabilitate and improve the existing community Hafir (water reservoir); specify measures/ regulations to avoid over exploitation and enhance sustainability of groundwater resources; and identify where contamination can occur along with the specied control measures to prevent, reduce or eliminate contamination of ground water tables; and
 - (iv) The proponent needs to provide additional details that justify the cost-based rationale of the activities chosen; and
- c) Request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Sudan.

(Recommendation PPRC 23/23)

Uganda: Strengthening Climate Change Adaptation of Small Towns and Peri-Urban Communities
(Project Concept; African Development Bank (AfDB); UGA/MIE/Water/2018/1; US\$ 2,249,000)

77. The project (document AFB/PPRC.23/25) sought to increase the resilience of water sources to climate change effects by protecting the catchment areas for the water supply systems of Kyenjojo-Katoke, Bundibugyo and Kapchorwa in Uganda. This was the third submission of the proposal, using a two-step approach.

78. It was observed that the project had been proposed by a regional development bank and assurance was sought that AfDB would be able to sign an agreement with the Fund for the implementation of the project. In response to a query about the use of the phrase "mitigation measures", the representative of the secretariat explained that the phrase referred to the reduction of risk and to "risk mitigation measures" which was the same language used in the Adaptation

Fund's ESP. It was also explained that the comments made by the proponents in the final technical review formed part of the documentation later considered by the secretariat when evaluating the resubmitted project or programme proposal.

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 responses provided by the African Development Bank (AfDB) to the request made by the technical review;
- b) Request the secretariat to notify AfDB 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 a detailed description of alternative options to the proposed measures to assess cost effectiveness;
 - (ii) The fully-developed project proposal should provide a detailed assessment of environmental and social risks and assessment of gender issues, including a full description of risk mitigation measures; a full description and plan for how environmental and social risks and gender issues will be assessed and managed for all unidentified sub-projects should be provided; and
 - (iii) The fully developed project proposal should include a detailed description on the sustainability of the project.
- c) Request AfDB to transmit the observations under subparagraph (b) to the Government of Uganda; and
- d) Encourage the Government of Uganda to submit, through AfDB, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/24)

Zimbabwe: Strengthening local communities' adaptive capacity and resilience to climate change through sustainable groundwater exploitation in Zimbabwe (Project Concept; United Nations Education, Scientific and Cultural Organisation (UNESCO); ZWE/CIE/Water/2018/1; US\$9,982,000)

80. The project (document AFB/PPRC.23/26) sought to increase local communities' adaptive capacity and resilience to climate change through increased groundwater exploitation for food security and other productive uses in rural areas of Zimbabwe. This was the first submission of the proposal, using a two-step approach.

81. In response to a query about the relevant expertise of the proponent, the PPRC was informed that UNESCO's International Hydrological Programme was an important programme with a great deal of expertise in the area and that it had a comparative advantage in the area of groundwater. Despite that, one key issue that remained to be addressed was the sustainability of the proposal in terms of how much ground water could be sustainably extracted.

82. 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 United Nations Education, Scientific and Cultural Organisation (UNESCO) to the request made by the technical review;
- b) Suggest that UNESCO reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should clarify the sustainability of the proposed groundwater extraction approach; and
 - (ii) The proposal should ensure strengthened environmental impact mitigation measures; and
- c) Request UNESCO to transmit the observations under subparagraph (b) to the Government of Zimbabwe.

(Recommendation PPRC 23/25)

Withdrawal of proposals under consideration by the PPRC

83. During its meeting the PPRC was made aware that a proposal was submitted by the Inter-American Development Bank (IDB) for Suriname at the stage of a fully-developed project proposal. After its review and recommendation, it had been withdrawn by the MIE because of issues that might be encountered if an agreement was to be signed following approval of the proposal. The committee also heard from the secretariat about a regional project proposal pre-concept submitted by another MIE which had been previously reviewed and for which a formulation grant was approved. The entity had subsequently informed the secretariat that it would not be in a position to sign any legal agreement with the Board at this time.

84. The PPRC was concerned about the resources and efforts already or to be put by the secretariat and the PPRC in reviewing those proposals, and the fact that such issues would affect the countries on behalf of which these proposals were submitted.

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

- (a) Discuss the issue at the earliest convenience including on the appropriateness of submitting to the Board proposals for which the implementing entity might not be in a position to sign the legal agreement with the Board following a process of review and approval by the Board; and
- (b) Inform the Government of Suriname that, although the proposal was withdrawn by the Inter-American Development Bank for this review cycle, any future proposals for Suriname will be considered by the Adaptation Fund Board.

(Recommendation PPRC 23/26)

Agenda Item 7: Review of regional projects and programme proposals

Fully-developed proposals

Proposals from Multilateral Implementing Entities (MIEs)

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

86. The project (document AFB/PPRC.23/27) sought to assist the six Volta Basin countries in the implementation of coordinated and joint measures to improve their existing drought and flood management plans and tools, and to build adaptation and disaster risk reduction capacity at the regional, national and local level. This was the third submission of the proposal, using a three-step approach.

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

- a) Approve the fully-developed project, as supplemented by the clarification responses provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- b) Approve the funding of US\$ 7,920,000 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 23/27)

Mauritius, Seychelles: Restoring marine ecosystem services by rehabilitating coral reefs to meet a changing climate future (Fully-developed Project Document; United Nations Development Programme (UNDP); AFR/MIE/Food/2015/1; US\$ 10,000,000)

88. The project (document AFB/PPRC.23/128) sought to upscale and mainstream the rehabilitation of coral reefs degraded by coral bleaching in order to restore essential ecosystem services in the face of climate change threats, and to generate knowledge about the most effective solutions for dissemination to small-island developing states and countries within the wider region. This was the fourth submission of the proposal, using the three-step approach.

89. In response to a query about sharing of the lessons learned from the project, the representative of the secretariat said that the lessons would be shared locally and with countries in the Indian Ocean area as well.

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

- (a) Approve the project document, as supplemented by the clarification response provided by United Nations Development Programme (UNDP) to the request made by the technical review;
- (b) Approve the funding of US\$ 10,000,000 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 23/28)

Concept proposals

Proposals from Multilateral Implementing Entities (MIEs)

Chile, Colombia, Peru: Enhancing Adaptive Capacity of Andean Communities through Climate Services (ENANDES) Project Concept; World Meteorological Organization (WMO); LAC/MIE/DRR/2018/2; US\$ 7,398,000)

91. The project (document AFB/PPRC.23/29 and Add.1) sought to reduce the vulnerability and increase the resilience of the Andean communities in Colombia, Peru and Chile to climate variability and change by implementing: climate-smart decision-making networks for better disaster risk management, hydropower generation and agriculture management. This was the second submission of the proposal, using a three-step approach.

92. 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 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 issues:
 - (i) The fully-developed project proposal should provide description of the concrete adaptation measures to be implemented under component 3.2;
 - (ii) The proposal should specify how it will meet the relevant national technical standards, where applicable, in compliance with the Adaptation Fund's Environmental and Social Policy (ESP); and
 - (iii) In case the concrete adaptation measures to be implemented under component 3.2 have not been fully identified in the fully-developed proposal, the proposal should include a justification for this, and an Environmental and Social Management Plan (ESMP), describing the ESP risk and safeguard measures for these unidentified sub-projects (USPs);
- c) Approve the project formulation grant of US\$ 79,974;

- d) Request WMO to transmit the observations under subparagraph b) to the Governments of Chile, Colombia, Peru; and
- e) Encourage the Government/s of Chile, Colombia, Peru to submit, through WMO, a fully-developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/29)

Pre-concept proposals

Proposals from Multilateral Implementing Entities (MIEs)

Argentina, Brazil, Paraguay: Building multi-level resilience through better water management in a transboundary urban setting (Project Pre-concept; United Nations Human Settlements programme (UN-Habitat); LAC/MIE/DRR/2018/1; US\$14,000,000)

93. The project (document AFB/PPRC.23/30 and Add.1) sought to strengthen urban resilience to climate change in transborder agglomerations where plans, assets and capacities would address climate change impacts on sensitive ecosystems and informal areas, and would improve multi-level governance for disaster risk reduction and early warning systems among three riparian cities at risk of floods and excessive rains. This was the first submission of the proposal, using a three-step approach.

94. 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 responses 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 project concept should include a more in-depth vulnerability assessment of the neighbourhoods and vulnerable groups in question;
 - (ii) The project concept should include a thorough analysis of the cost-effectiveness of individual activities;
 - (iii) The project concept should provide details on the gender considerations for the different activities, including on the involvement of women in the planned regional and inter-municipal workshops; and
 - (iv) The project concept should provide more details on how this project benefits women and the most vulnerable populations;
- c) Approve the project formulation grant of US \$ 20,000;

- d) Request UN-Habitat to transmit the observations under subparagraph b) to the Governments of Argentina, Brazil and Paraguay; and
- e) Encourage the Governments of Argentina, Brazil and Paraguay to submit, through UN-Habitat, a project concept that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/30)

Armenia, Georgia: Increased climate resilience of South Caucasus mountain communities and ecosystems through wildfire risk reduction (Project Pre-concept; The United Nations Development Programme (UNDP); EAP/MIE/DRR/2018/PPC/1; US\$ 4,990,000)

95. The project (document AFB/PPRC.23/31 and Add.1) sought to increase the resilience of South Caucasus mountain communities and forest ecosystems to climate induced hazards through the implementation of an integrated transboundary climate-resilient wildfire management approach and capacity building. This was the first submission of the proposal, using a three-step approach.

96. 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 responses 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 project concept should clarify whether the project aims to add additional elements to the existing agreement between the two countries; it should also provide details on the sustainability of the Regional Advisory Council through support from national budget codes from the relevant line ministries;
 - (ii) The project concept should include an expanded baseline description, including screening for planned and ongoing investments by international financial institutions at national and regional levels;
 - (iii) The project concept should consider strategies that ensure sustainability of employment for women and youth under the planned project activities;
 - (iv) The project concept should include an explanation of how it intends to secure ownership and increased level of funding at the national level for of proposed project activities in the field of prevention of natural and man-made disasters and elimination of the effects of such disasters; and
 - (v) The project concept should explore tax break incentives for the proposed technologies;
- c) Request the UNDP to transmit the observations under subparagraph b) to the Governments of Armenia and Georgia; and

- d) Encourage the Governments of Armenia and Georgia to submit, through UNDP, a project concept that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/31)

Cambodia, Nepal, Philippines and Thailand: Building the Resilience of Persons with Disabilities to Cope with Climate Change in the Asia Pacific Region (Project Pre-concept; The United Nations Development Programme (UNDP); ASI/MIE/DRR/2018/PPC/1; US\$ 13,662,863)

97. The project (document AFB/PPRC.23/32 and Add.1) sought to build the capacity of participant countries to improve the resilience of persons with disabilities to climate change and climate related disasters. This was the first submission of the proposal, using the three-step process.

98. Although the project was found to be innovative, concern was expressed at both the possibility of an executing role for the implementing entity and the nature of the project, which seemed to relate more to public health than adaptation. Half of the funding seemed to be assigned to an early warning system for the disabled. The amounts being requested also seemed excessive and it was asked whether it would be possible to suggest a reduction in those amounts. It was also pointed out that if the project was to be approved there was a need to ensure engagement with local institutions.

99. The representative of the secretariat pointed out that the project had originally envisioned covering six countries, so it might be possible to ask the proponents to reconsider the amount they were requesting and perhaps provide a breakdown of the amount. She also pointed out that disabled persons were uniquely vulnerable and as a group were among the most vulnerable. Others raised the concern that if the pre-concept was endorsed at the level of funding requested it would be difficult to reduce that amount later on.

100. 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 responses 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 project concept should provide a logical explanation of the selected scope and climate change adaptation rationale; the cost-effectiveness should also be demonstrated from a sustainability point of view;
 - (ii) The project concept should take into consideration inputs stemming from consultations with national institutions and associations working with people with disabilities, and involve them in project activities; and
 - (iii) The project concept should include the engagement of national institutions as executing entities, and reduce the execution role of UNDP, just to the

needed services. The proposal for an execution role of UNDP should be justified by a written request from the recipient countries, involving designated authorities in the process, and providing rationale for such a request.

- c) Approve the project formulation grant of US \$ 20,000;
- d) Request UNDP to transmit the observations under subparagraph b) to the Governments of Cambodia, Nepal, Philippines and Thailand; and
- e) Encourage the Governments of Cambodia, Nepal, Philippines and Thailand to submit, through UNDP, a project concept that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/32)

El Salvador and Honduras; Improve Livelihood Resilience through Community-based Climate Change Adaptation in the Transboundary Watershed of Goascorán in El Salvador and Honduras; Project Pre-concept; World Food Programme (WFP); LAC/MIE/Food/2018/PPC/1; US\$ 14,000,000)

101. The project (document AFB/PPRC.23/33 and Add.1) sought to strengthen the adaptive capacity of vulnerable households in the degraded transboundary watershed of Goascorán, which spans territories in El Salvador and Honduras. This was the first submission of the proposal, using a three-step approach.

102. It was pointed out that the WFP had already approached the Green Climate Fund (GCF) with a similar project for El Salvador. While the ultimate disposition of that concept note was not known, it was expressed that there was a need for the different Funds to share information on their pipelines and better coordinate their activities.

103. The representative of the secretariat said that the secretariat had already identified that issue as an area of collaboration with the secretariat of the GCF on sharing such information.

104. 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 responses 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;
- c) Approve the project formulation grant of US \$ 20,000;
- d) Request WFP to transmit the observations under subparagraph b) to the Governments of El Salvador and Honduras; and

- e) Encourage the Governments of El Salvador and Honduras to submit, through WFP, a project concept that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/33)

Jordan, Lebanon: Increasing the Resilience of Displaced Persons to Climate Change-related Water Challenges in Urban Host Settlements (Project Pre-concept; United Nations Human Settlements Program (UN-Habitat); ASI/MIE/Urban/2018/PPC/1; US\$14,000,000)

105. The project (document AFB/PPRC.23/34 and Add.1) sought to increase the resilience and adaptive capacities of displaced persons (DPs) to climate change-related water challenges in urban host settlements, which would also indirectly increase the resilience of hosting communities where the project interventions would take place. This was the first submission of the proposal, using a three-step approach.

106. It was observed that the local problem of water scarcity was made much worse by the arrival of numerous displaced people so that the project could really be considered a humanitarian project as much as an adaptation project. Others emphasized the unique vulnerability of displaced persons. However, it was important to show whether the proposal complemented other similar projects. It was also difficult at this stage to see how the sustainability of the project could be secured, but it could still be approved as an innovative project which would demonstrate the flexibility of the Adaptation Fund.

107. 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 responses provided by the United Nations Human Settlements Program (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 project concept should provide sufficient details on each of the components of the project, with specific emphasis on the concrete adaptation actions to be taken in response to the problems identified;
 - (ii) The project concept should consider a holistic approach that can be implemented such as through the enabling environment;
- c) Approve the project formulation grant of US \$ 20,000;
- d) Request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Jordan and Lebanon; and
- e) Encourage the Governments of Jordan and Lebanon to submit, through UN-Habitat, a project concept that would also address the observations under subparagraph (b), above.

(Recommendation PPRC 23/34)

Agenda Item 8: Other matters

108. No other matters were raised.

Agenda Item 9: Adoption of the recommendations and Report

109. The present report was adopted on the basis of the draft report of the PPRC contained in document AFB/PPRC.23/L.1.

Agenda item 10: Closure of the meeting

110. The Vice-Chair declared the meeting closed at 7:50 p.m. on Thursday, 11 October 2018.

Annex I

Project and Programme Review Committee Twenty-third Meeting Bonn, 9-11 October, 2018

PPRC members present in the meeting

Mr. Ibila DJIBRIL (Benin, Africa)

Mr. Ahmed WAHEED (Maldives, Asia)

Mr. Mirza Shawkat ALI (Bangladesh, Asia)

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

Ms. Barbara SCHÄFER (Germany, Western European and Others Group)

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

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

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

Mr. Patrick SIEBER (Switzerland, Annex I Parties)

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

Annex II
AFB 32 Project Funding Decisions – October 11, 2018

| 1. Projects and Programmes: Single-country, Full Proposals | Country | Agency | Name | NIE | RIE | MIE | Decision | Funding set aside |
|--|---------------------|------------|----------------------|---------------------|--------------------|---------------------|--------------------|--------------------|
| NIE | | | | | | | | |
| | Indonesia (1) | Kemitraan | AFB/PPRC.23/7 | \$835,465 | | | <i>Not approve</i> | |
| | Armenia (1) | EPIU | AFB/PPRC.23/8 | \$2,506,000 | | | <i>Not approve</i> | |
| | Armenia (2) | EPIU | AFB/PPRC.23/9 | \$1,435,100 | | | Approve | \$1,435,100 |
| | Dominican Republic | IDDI | AFB/PPRC.23/10 | \$9,953,692 | | | <i>Not approve</i> | |
| | Indonesia (2) | Kemitraan | AFB/PPRC.23/11 | \$4,127,065 | | | <i>Not approve</i> | |
| | Namibia | DRFN | AFB/PPRC.23/12 | \$5,000,000 | | | <i>Not approve</i> | |
| MIE | | | | | | | | |
| | Turkemenistan | UNDP | AFB/PPRC.23/14 | | | \$7,000,040 | <i>Not approve</i> | |
| Sub-total | \$30,857,362 | | | \$23,857,322 | | \$16,850,040 | | \$1,435,100 |
| 2. Concepts: Single Country | Region/Countries | IE | | NIE | RIE | MIE | Decision | Funding set aside |
| NIE | | | | | | | | |
| | Indonesia (3) | Kemitraan | AFB/PPRC.23/15 | \$998,000 | | | <i>Not endorse</i> | |
| | Indonesia (4) | Kemitraan | AFB/PPRC.23/16 | \$598,724 | | | <i>Not endorse</i> | |
| | Indonesia (5) | Kemitraan | AFB/PPRC.23/17 | \$998,878 | | | <i>Not endorse</i> | |
| | Indonesia (6) | Kemitraan | AFB/PPRC.23/18 | \$984,000 | | | <i>Not endorse</i> | |
| | Bhutan | BTFEC | AFB/PPRC.23/19 | \$10,000,000 | | | <i>Not endorse</i> | |
| RIE | | | | | | | | |
| | Kiribati | SPREP | AFB/PPRC.23/20 | | \$8,300,000 | | Endorse | |
| MIE | | | | | | | | |
| | Lao PDR | UN-Habitat | AFB/PPRC.23/21 | | | \$5,500,000 | Endorse | |
| | Malawi | WFP | AFB/PPRC.23/22 | | | \$9,989,335 | Endorse | |
| | Pakistan | UN-Habitat | AFB/PPRC.23/23 | | | \$6,094,000 | <i>Not endorse</i> | |
| | Sudan | UN-Habitat | AFB/PPRC.23/24 | | | \$9,982,000 | <i>Not endorse</i> | |
| | Uganda | AfDB | AFB/PPRC.23/25 | | | \$2,249,000 | Endorse | |
| | Zimbabwe | UNESCO | AFB/PPRC.23/26 | | | \$9,982,000 | <i>Not endorse</i> | |
| Sub-total | \$65,595,923 | | | \$13,579,602 | \$8,300,000 | \$43,796,335 | | |
| 3. Project Formulation Grants: Single-country | Region/Countries | IE | | NIE | RIE | MIE | Decision | Funding set aside |
| NIE | | | | | | | | |
| | Indonesia (3) | Kemitraan | AFB/PPRC.23/15/Add.1 | \$30,000 | | | <i>Not approve</i> | |
| | Indonesia (4) | Kemitraan | AFB/PPRC.23/16/Add.1 | \$30,000 | | | <i>Not approve</i> | |
| | Indonesia (5) | Kemitraan | AFB/PPRC.23/17/Add.1 | \$30,000 | | | <i>Not approve</i> | |
| | Indonesia (6) | Kemitraan | AFB/PPRC.23/18/Add.1 | \$30,000 | | | <i>Not approve</i> | |
| | Bhutan | Bhutan | AFB/PPRC.23/19/Add.1 | \$30,000 | | | <i>Not approve</i> | |
| Sub-total | \$150,000 | | | \$150,000 | | | | \$0 |

| 4. Projects and Programmes: Regional, Full Proposals | Region/Countries | IE | | NIE | RIE | MIE | Decision | Funding set aside |
|--|--|------------|----------------------|---------------------|--------------------|----------------------|-------------|---------------------|
| MIE | | | | | | | | |
| | Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali and Togo | WMO | AFB/PPRC.23/27 | | | \$7,920,000 | Approve | \$7,920,000 |
| | Mauritius, Seychelles | UNDP | AFB/PPRC.23/28 | | | \$10,000,000 | Approve | \$10,000,000 |
| Sub-total | \$17,920,000 | | | | | \$17,920,000 | | \$17,920,000 |
| 5. Concepts: Regional | Region/Countries | IE | | NIE | RIE | MIE | Decision | Funding set aside |
| MIE | | | | | | | | |
| | Chile, Colombia, Peru | WMO | AFB/PPRC.23/29 | | | \$7,398,000 | Endorse | |
| Sub-total | \$7,398,000 | | | | | \$7,398,000 | | |
| 6. Project Formulation Grants: Regional | Region/Countries | IE | | NIE | RIE | MIE | Decision | Funding set aside |
| MIE | | | | | | | | |
| | Chile, Colombia, Peru | WMO | AFB/PPRC.23/29/Add.1 | | | \$79,974 | Approve | \$79,974 |
| Sub-total | \$79,974 | | | | | \$79,974 | | \$79,974 |
| 7. Pre-concepts: Regional | Region/Countries | IE | | NIE | RIE | MIE | Decision | Funding set aside |
| MIE | | | | | | | | |
| | Argentina, Brazil, Paraguay | UN-Habitat | AFB/PPRC.23/30 | | | \$14,000,000 | Endorse | |
| | Armenia, Georgia | UNDP | AFB/PPRC.23/31 | | | \$4,990,000 | Endorse | |
| | Cambodia, Nepal, Thailand, Phillipines | UNDP | AFB/PPRC.23/32 | | | 13,662,863 | Endorse | |
| | El Salvador, Honduras | WFP | AFB/PPRC.23/33 | | | \$13,900,478 | Endorse | |
| | Lebanon, Jordan | UN-Habitat | AFB/PPRC.23/34 | | | \$14,000,000 | Endorse | |
| Sub-total | \$60,553,341 | | | | | \$60,553,341 | | |
| 8. Project Formulation Grants: Regional Pre-concepts | Region/Countries | IE | | NIE | RIE | MIE | Decision | Funding set aside |
| MIE | | | | | | | | |
| | Argentina, Brazil, Paraguay | UN-Habitat | AFB/PPRC.23/30/Add.1 | | | \$20,000 | Approve | \$20,000 |
| | Armenia, Georgia | UNDP | AFB/PPRC.23/31/Add.1 | | | \$100,000 | Not Approve | |
| | Cambodia, Nepal, Philippines, Thailand | UNDP | AFB/PPRC.23/32/Add.1 | | | \$20,000 | Approve | \$20,000 |
| | El Salvador, Honduras | WFP | AFB/PPRC.23/33/Add.1 | | | \$20,000 | Approve | \$20,000 |
| | Jordan, Lebanon | UN-Habitat | AFB/PPRC.23/34/Add.1 | | | \$20,000 | Approve | \$20,000 |
| Sub-total | \$180,000 | | | | | \$180,000 | | \$80,000 |
| GRAND TOTAL (1+2+3+4+5+6+7+8) | \$182,734,600 | | | \$37,586,924 | \$8,300,000 | \$146,777,690 | | \$19,515,074 |