



ADAPTATION FUND

AFB/PPRC.24/38
27 February, 2019

Adaptation Fund Board
Project and Programme Review Committee
Twenty-Fourth Meeting
Bonn, Germany, 12-13 March, 2019

Agenda Item 9 f)

PROPOSAL FOR THAILAND, VIETNAM

Background

1. The strategic priorities, policies and guidelines of the Adaptation Fund (the Fund), as well as its operational policies and guidelines include provisions for funding projects and programmes at the regional, i.e. transnational level. However, the Fund has thus far not funded such projects and programmes.

2. The Adaptation Fund Board (the Board), as well as its Project and Programme Review Committee (PPRC) and Ethics and Finance Committee (EFC) considered issues related to regional projects and programmes on a number of occasions between the Board's fourteenth and twenty-first meetings but the Board did not make decisions for the purpose of inviting proposals for such projects. Indeed, in its fourteenth meeting, the Board decided to:

- (c) Request the secretariat to send a letter to any accredited regional implementing entities informing them that they could present a country project/programme but not a regional project/programme until a decision had been taken by the Board, and that they would be provided with further information pursuant to that decision*

(Decision B.14/25 (c))

3. At its eighth meeting in March 2012, the PPRC came up with recommendations on certain definitions related to regional projects and programmes. However, as the subsequent seventeenth Board meeting took a different strategic approach to the overall question of regional projects and programmes, these PPRC recommendations were not included in a Board decision.

4. At its twenty-fourth meeting, the Board heard a presentation from the coordinator of the working group set up by decision B.17/20 and tasked with following up on the issue of regional projects and programmes. She circulated a recommendation prepared by the working group, for the consideration by the Board, and the Board decided:

- (a) To initiate steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million;*
- (b) That the pilot programme on regional projects and programmes will be outside of the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) and the country cap;*
- (c) That regional implementing entities (RIEs) and MIEs that partner with national implementing entities (NIEs) or other national institutions would be eligible for this pilot programme, and*

(d) To request the secretariat to prepare for the consideration of the Board, before the twenty-fifth meeting of the Board or intersessionally, under the guidance of the working group set up under decision B.17/20, a proposal for such a pilot programme based on consultations with contributors, MIEs, RIEs, the Adaptation Committee, the Climate Technology Centre and Network (CTCN), the Least Developed Countries Expert Group (LEG), and other relevant bodies, as appropriate, and in that proposal make a recommendation on possible options on approaches, procedures and priority areas for the implementation of the pilot programme.

(Decision B.24/30)

5. The proposal requested under (d) of the decision above was prepared by the secretariat and submitted to the Board in its twenty-fifth meeting, and the Board decided to:

(a) Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;

(b) Set a cap of US\$ 30 million for the programme;

(c) Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and

(d) Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.

(Decision B.25/28)

6. Based on the Board Decision B.25/28, the first call for regional project and programme proposals was issued and an invitation letter to eligible Parties to submit project and programme proposals to the Fund was sent out on 5 May 2015.

7. At its twenty-sixth meeting the Board decided *to request the secretariat to inform the Multilateral Implementing Entities and Regional Implementing Entities that the call for proposals under the Pilot Programme for Regional Projects and Programmes is still open and to encourage them to submit proposals to the Board at its 27th meeting, bearing in mind the cap established by Decision B.25/26.*

(Decision B.26/3)

8. At its twenty-seventh meeting the Board decided to:
- (a) *Continue consideration of regional project and programme proposals under the pilot programme, while reminding the implementing entities that the amount set aside for the pilot programme is US\$ 30 million;*
 - (b) *Request the secretariat to prepare for consideration by the Project and Programme Review Committee at its nineteenth meeting, a proposal for prioritization among regional project/programme proposals, including for awarding project formulation grants, and for establishment of a pipeline; and*
 - (c) *Consider the matter of the pilot programme for regional projects and programmes at its twenty-eighth meeting.*

(Decision B.27/5)

9. The proposal requested in (b) above was presented to the nineteenth meeting of the PPRC as document AFB/PPRC.19/5. The Board subsequently decided:

- a) *With regard to the pilot programme approved by decision B.25/28:*
 - (i) *To prioritize the four projects and 10 project formulation grants as follows:*
 - 1. *If the proposals recommended to be funded in a given meeting of the PPRC do not exceed the available slots under the pilot programme, all those proposals would be submitted to the Board for funding;*
 - 2. *If the proposals recommended to be funded in a given meeting of the PPRC do exceed the available slots under the pilot programme, the proposals to be funded under the pilot programme would be prioritized so that the total number of projects and project formulation grants (PFGs) under the programme maximizes the total diversity of projects/PFGs. This would be done using a three-tier prioritization system: so that the proposals in relatively less funded sectors would be prioritized as the first level of prioritization. If there are more than one proposal in the same sector: the proposals in relatively less funded regions are prioritized as the second level of prioritization. If there are more than one proposal in the same region, the proposals submitted by relatively less represented implementing entity would be prioritized as the third level of prioritization;*
 - (ii) *To request the secretariat to report on the progress and experiences of the pilot programme to the PPRC at its twenty-third meeting; and*

b) With regard to financing regional proposals beyond the pilot programme referred to above:

(i) *To continue considering regional proposals for funding, within the two categories originally described in document AFB/B.25/6/Rev.2: ones requesting up to US\$ 14 million, and others requesting up to US\$ 5 million, subject to review of the regional programme;*

(ii) *To establish two pipelines for technically cleared regional proposals: one for proposals up to US\$ 14 million and the other for proposals up to US\$ 5 million, and place any technically cleared regional proposals, in those pipelines, in the order described in decision B.17/19 (their date of recommendation by the PPRC, their submission date, their lower “net” cost); and*

(iii) *To fund projects from the two pipelines, using funds available for the respective types of implementing entities, so that the maximum number of or maximum total funding for projects and project formulation grants to be approved each fiscal year will be outlined at the time of approving the annual work plan of the Board.*

(Decision B.28/1)

10. At its thirty-first meeting, having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) *To 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) *To 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.*

(Decision B.31/3)

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

12. The following fully-developed project document titled “Mekong EbA South: Enhancing Climate Resilience in the Greater Mekong Sub-region through Ecosystem based Adaptation in the Context of South-South Cooperation” was submitted for Thailand and Vietnam by the United Nations Environment Programme (UN Environment), which is a Multilateral Implementing Entity of the Adaptation Fund.

13. This is the fourth submission of the regional fully-developed project proposal using the two-step submission process. It was first submitted to the twenty-eighth Board meeting, but was withdrawn by the proponent following the initial review of the secretariat.

14. It was resubmitted in the thirtieth Board meeting as a project concept and the Board decided:

(a) To endorse the project concept, as supplemented by the clarification response provided by United Nations Environment Programme (UNEP) to the request made by the technical review;

(b) To request the secretariat to transmit to UNEP the observations in the review sheet annexed to the notification of the Board’s decision, as well as the following issues:

(i) The fully-developed project document should ensure that all activities are identified to a point where environmental and social risks can be effectively and comprehensively identified;

(ii) The fully-developed project document should explain how the development of proposed activities in China are in line with relevant technical standards in China;

(iii) The fully-developed project document should demonstrate that regional activities addressing transboundary issues directly would be undertaken;

(c) To request UNEP to transmit the observations under subparagraph (b) to the Governments of Thailand and Vietnam;

(d) To encourage the Governments of Thailand and Vietnam to submit through UNEP a fully-developed project document that would also address the observations under subparagraph (b) above.

(Decision B.30/34)

9. The fully-developed proposal was submitted to the thirty-second Board meeting, but was withdrawn by the proponent following the initial review of the secretariat.
10. The current submission was received by the secretariat in time to be considered in the thirty-third Board meeting. The secretariat carried out a technical review of the project proposal, with the diary number ASI/MIE/WATER/2016/1, and completed a review sheet.
11. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with UNEP, and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.
12. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25.15, the proposal is submitted with changes between the initial submission and the revised version highlighted.

Project Summary

Thailand and Vietnam – Mekong EbA South: Enhancing Climate Resilience in the Greater Mekong Sub-region through Ecosystem based Adaptation in the Context of South-South Cooperation

Implementing Entity: United Nations Environment Programme (UN Environment)

Project/Programme Execution Cost: 612,903 USD

Total Project/Programme Cost: 6,451,612 USD

Implementing Fee: 548,388 USD

Financing Requested: 7,000,000 USD

Project Background and Context

Under future scenarios, climate change is expected to accelerate current warming trends, with the entire Greater Mekong Sub-region becoming hotter under all current emission scenarios projected by the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs). Regarding average annual rainfall, climate change models generally project slight to moderate increases over most of the GMS of up to 13% by 2030 from the 1951–2000 average. These increases will be predominantly attributable to an increase in the intensity of rainfall during the wet season, as well as during extreme rainfall events.

The objective of the proposed project is to strengthen awareness and action of governments and communities in the Greater Mekong Sub-region to adapt to climate change using an ecosystem-based approach (EbA).

Component 1: Demonstration of climate change adaptation interventions, with a focus on drought and flood management, in vulnerable communities and different ecosystems (USD 4,800,000)

This component will implement climate change adaptation interventions in the Young river basin in Thailand and around Tram Chim National Park in Vietnam, monitoring the cost-effectiveness of such interventions and sharing knowledge at national-level.

Component 2: Knowledge base on climate change adaptation expanded in the GMS (USD 638,709)

This component will perform cost effectiveness analysis of EbA interventions performed under component 1, develop policy briefs, generate and sharing knowledge on EbA and organize regional training events.

Component 3: Regional cooperation on climate change adaptation (USD 400,000)

This component will build regional cooperation and relationship on climate change adaptation through exchange of information, knowledge and site visits, and presentations of the project findings at various relevant stakeholders' forums.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Regional Project

Countries/Region:	Thailand and Viet Nam		
Project Title:	Mekong EbA South: Enhancing Climate Resilience in the Greater Mekong Sub-region through Ecosystem based Adaptation in the Context of South-South Cooperation		
Thematic Focal Area:	Transboundary water management		
Implementing Entity:	United Nations Environment Programme (UN Environment)		
Executing Entities:	UN Environment-International Ecosystem Management Partnership (UNEP-IEMP), Ministry of Natural Resources and Environment of Thailand, Ministry of Natural Resources and Environment of Vietnam.		
AF Project ID:	ASI/MIE/WATER/2016/1		
IE Project ID:	Requested Financing from Adaptation Fund (US Dollars): 7,000,000		
Reviewer and contact person:	Hugo Remaury	Co-reviewer(s): Saliha Dobardzic	
IE Contact Person:	Ms. Moon Shrestha		

Review Criteria	Questions	Comments January 22, 2019	Comments February 14, 2019
Country Eligibility	1. Are all of the participating countries party to the Kyoto Protocol?	Yes.	
	2. Are all of the participating countries developing countries particularly vulnerable to the adverse effects of climate change?	Yes.	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the	Yes.	

	project/programme?		
	2. Does the length of the proposal amount to no more than Fifty pages for the project/programme concept, including its annexes; or One hundred pages for the fully-developed project document, and one hundred pages for its annexes?	No. CAR1: Please reduce the length of the main text and its annex to a maximum of 100 pages each.	CAR 1: Not addressed. Please reduce the length of the main text and its annex to a maximum of 100 pages each.
	3. Does the regional project / programme support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience, and do so providing added value through the regional approach, compared to implementing similar activities in each country individually?	Potentially. However, some clarifications are required. CR1: The proposal does not contain any evidence that the two countries' drivenness will be ensured for activities that involve other countries (China, Myanmar, Cambodia and Lao PDR). Please explain how country drivenness will be ensured for such activities.	CR1: Not addressed. Please describe how the two countries' drivenness will be ensured for activities that involve other countries (China, Myanmar, Cambodia and Lao PDR).
	CR2: The proposal should demonstrate that the proposed adaptation measures are suited for the climate threats identified in part I. in order to outline how they differ from business-as-usual	CR2: Not addressed. Please explain further how the project interventions (that are apparently already agreed upon as per pages 39-42 of supplement document I and 27-31 of supplement document II) address the climate threats	

		environmental interventions.	identified in part I of the proposal.
		CR3: Please include the information provided as responses to CR13, CR15, CR 19, CR 28 directly into the proposal.	CR3: Not addressed. Please include the information provided as responses to CR15 and CR28 directly into the proposal.
	4. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?	Potentially. CR4: The selection of beneficiaries is currently vague. Please provide the method through which beneficiaries will be selected and the criteria that will be used for such selection.	CR4: Not addressed. Please provide a rationale for postponing the selection of beneficiaries and the definition of selection criteria to the implementation stage.
	5. Is the project / programme cost-effective and does the regional approach support cost-effectiveness?	Yes.	
	6. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and	Likely. CR5: The proposal should briefly explain how the project is aligned with regional and national plans/strategies identified, rather than just stating that it is.	CR5: Addressed, as per information provided in annex III.

	adaptation programs of action and other relevant instruments? If applicable, it is also possible to refer to regional plans and strategies where they exist.		
		CR6: the proposal should identify sub-nationals development plans and strategies and should briefly explain how the project will align with such sub-nationals plans/strategies.	CR6: Addressed, as per information provided on page 123.
	7. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	The relevant section refers only to national standards for dams and canal works. For all other aspects of the wide range of the project activities – forestry, food, construction, pest management etc. – no national technical standards are mentioned. Compliance with national EIA regulations is stated but lacks substantiation, e.g. by referring to screening lists etc. This needs to be done at fully-developed proposal stage and cannot be postponed to the implementation stage, as suggested in the response to CAR 2. CAR2: Please list all the relevant national technical standards, and explain how the project meets them.	CAR2: Not addressed. Please list all the relevant national technical standards, and explain how the project interventions (as described in supplement documents I and II) meet them.
	8. Is there duplication of project / programme with	Unclear. Whereas some past and on-going initiatives are listed, the	

	<p>other funding sources?</p>	<p>proposal demonstration of complementarity or overlap lacks substantiation. Indeed, the proposal mentions several times that the proposed project will build on the knowledge or lessons learned generated by some projects, without explaining what lessons are they exactly and how they have actually informed the current project design and interventions. Finally, while complementarities with some projects are evident, the proposal does not explain how the proposed project would benefit from them, nor how it could coordinate for higher efficiency and impacts.</p> <p>CR7: Please substantiate the lack of overlap and complementarity of the proposed project with all relevant initiatives. Relevant lessons drawn from past initiatives that informed the project design have to be outlined. The proposal should demonstrate how such lessons have been integrated into the current design. Finally, the proposal should explain how it will coordinate with relevant on-going initiatives.</p>	<p>CR7: Not addressed. Please substantiate the lack of overlap and complementarity of the proposed project with all relevant initiatives. Please identify and demonstrate how lessons learned from past initiatives have been integrated into the current design and how the project will coordinate with relevant on-going initiatives. The table provided duplicates information already provided as annex.</p>
	<p>9. Does the project / programme have a learning and knowledge</p>	<p>Yes.</p>	

	management component to capture and feedback lessons?		
	10. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations?	<p>Yes. However, major questions remain regarding this process. Indeed, as evidenced by the lack of clarity regarding the nature and technical specifications of the proposed project interventions (cf. CR ... above), the proposal provides no details on the consultations that took place so far with the direct stakeholders have informed the project design. There is no description of such consultations' findings, nor explanation on how such concerns and interests of stakeholders consulted have been taken into account.</p> <p>CR8: Please provide for both countries the key findings of the consultations with direct stakeholders and explain (as opposed as simply claiming it) how their views (concerns and suggestions) have been taken into account in the design of the proposal and of its interventions. Any relevant documentation can be used to substantiate this explanation. If deemed necessary, please proceed with additional consultations with direct stakeholders.</p>	<p>CR8: Addressed, as per information provided in supplement documents 1 and 2.</p>

		CR9: Supplementary reports I and II are missing as well as Annex II (vulnerability assessments) and the “Mekong EbA South VA consultation process Vietnam” document.	CR9: Addressed.
	11. Is the requested financing justified on the basis of full cost of adaptation reasoning?	Yes.	
	12. Is the project / program aligned with AF's results framework?	Yes.	
	13. Has the sustainability of the project/programme outcomes been taken into account when designing the project?	<p>No. The proposal states that sustainability arrangements will be developed during implementation. This is not in compliance with AF OGP. Fully developed proposals should describe such arrangements.</p> <p>CR10: The proposal should explain the arrangements through which the project will sustain the adaptation benefits (financially, socially and technically) overtime. This explanation should take into account sustainability and maintenance of any infrastructure or installations to be developed, policies and governance arrangements to be developed and implemented, knowledge to be generated, management and other capacity to be improved, etc. All key areas of</p>	<p>CR10: Not addressed. Please explain the arrangements through which the project will sustain the adaptation benefits (financially, socially and technically) overtime. This explanation should take into account sustainability and maintenance of any infrastructure or installations to be developed, policies and governance arrangements to be developed and implemented, knowledge to be generated, management and other capacity to be improved, etc. All key areas of sustainability should be addressed, including but not limited to</p>

		sustainability should be addressed, including but not limited to economic, social, environmental, institutional, and financial.	economic, social, environmental, institutional, and financial.
		CR11: The proposal states that economic return will be a key driver to ensure the sustainability of some interventions. However, in spite of the lessons learned in that field in the region and beyond, there is no evidence in the proposal that such criterion has informed the selection of the interventions..	CR 11: Not addressed. Please describe how lessons learned in terms of adaptation interventions economic returns (beyond the relevant example provided from an eco-tourism activity in Vietnam) have informed the design of the interventions, as defined in the supplement documents I and II.
		CR12: The proposal should explain how the National Park will sustain the adaptation benefits of the activity implemented under output 1.2.4 that aims at restoring “200 ha of <i>Melaleuca cajuputi</i> forest to provide a sustainably supply of fuelwood to surrounding communities”.	CR12: Addressed, as per information provided on p.46.
	14. Does the project / programme provide an overview of environmental and social impacts / risks identified?	No. The bulk of the budget of the project is allocated for activities that have not been identified or formulated to the point where effective environmental and social risks identification is possible (USPs). There has been no substantive changes to the proposal in this respect. Please update Section II.L to bring the risks findings in line with the use	

		<p>of USPs, as well as with the requirements of the AF ESP regarding risks identification. The proposal does not include a mechanism for ESP compliance for the USPs</p> <p>CAR3: Please identify all project activities to the point where effective, ESP-compliant risks identification is possible for all the project activities, and update the proposal accordingly, or justify the need to use USPs and include the required implementation arrangements for comprehensive compliance with the ESP.</p>	<p>CAR 3: Not addressed. Please update section II.L to bring the risks identification section in line with the ESP with respect to the information provided in Supplement documents I (pages 39-42) and II (27-31) that suggest that activities are already defined and agreed upon.</p>
		<p>CR13: The project is categorized as C. This is not substantiated, and unlikely to be the case considering the inherent risks of the project activities and the sensitivity of the environment and social settings in which the project will be implemented. Please substantiate the finding that the project is a category C project, or revise the categorization as appropriate. Whilst compliance with the IE's ESMF is recommended, compliance with the AF Operation and Policy Guidelines is a funding eligibility requirement.</p>	<p>CR13: Not addressed. The project is categorized as C. This is not substantiated, and unlikely to be the case considering the interventions described in the supplement document I and II. Please revise the categorization accordingly and provide an Environmental and Social Management Plan (ESMP) commensurate with the ESP-related risks identified.</p>
		<p>CR14: Please confirm that the results of the environmental and social</p>	<p>CR14: Not addressed. Please confirm that the results of the environmental and</p>

		screening and a draft environmental and social assessment, including any proposed management plan, have been made available for public consultations that were timely, effective, inclusive, and held free of coercion and in an appropriate way for communities that are directly affected by the proposed project.	social screening and a draft environmental and social assessment, including any proposed management plan, have been made available for public consultations that were timely, effective, inclusive, and held free of coercion and in an appropriate way for communities that are directly affected by the proposed project.
	15. Does the project promote new and innovative solutions to climate change adaptation, such as new approaches, technologies and mechanisms?	Yes.	
Resource Availability	1. Is the requested project / programme funding within the funding windows of the pilot programme for regional projects/programmes?	Yes.	
	2. Are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 20 per cent of the total project/programme budget?	Unclear, pending clarifications and amendment of the current budget (see below). Moreover, doubts persist concerning the implication of the current implementation arrangements (see CR below). Should UNEP provide execution services, please align administrative costs with AFB decision B.17/17.f.	

Eligibility of IE	3. Is the project/programme submitted through an eligible Multilateral or Regional Implementing Entity that has been accredited by the Board?	Yes.	
Implementation Arrangements	1. Is there adequate arrangement for project / programme management at the regional and national level, including coordination arrangements within countries and among them? Has the potential to partner with national institutions, and when possible, national implementing entities (NIEs), been considered, and included in the management arrangements?	<p>The proposal states that “<i>The International Ecosystem Management Partnership (UNEP-IEMP) will be the executing entity for Components 2 and 3</i>”. It adds that “<i>The International Ecosystem Management Partnership is a collaborating centre of UN Environment. UNEP-IEMP is jointly developed to serve as a place of collaboration between UNEP and the Chinese Academy of Sciences (CAS). It is hosted by the Institute of Geographic Sciences and Natural Resources Research (IGSNRR) of CAS in Beijing, China, and <u>is legally and financially managed by IGSNRR</u></i> (The Chinese Institute of Geographic Sciences and Natural Resources Research).” Components 2 and 3 will thus be executed by an entity that is legally and financially managed by a Chinese research institute.</p> <p>In addition, other aspects to consider here are the following:</p> <ul style="list-style-type: none"> - A regional project 	

		<p>implementation unit will be established in UNEP-IEMP (legally and financially managed by IGSNRR, a Chinese institution) and will receive more than 500,000 of funding through the project.</p> <ul style="list-style-type: none"> - <i>“Component 3 will be executed by UNEP-IEMP, which is based in Beijing. This will encourage regular engagement with the Lancang-Mekong Cooperation (LMC) mechanism, also hosted in Beijing”:</i> - <i>“Chinese Ecosystem Research Network is a key technical partner of the UNEP-IEMP, <u>which is the main project executing agency for the regional outputs.</u> It is considered as an appropriate institution to provide guidance during the design of monitoring programs because... (CR12) “: CERN will provide guidance for output 1.3.</i> - In addition to the Implementing entity (UNEP) and the Executing Entities (MoNRE Thailand, MoNRE 	
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		<p>Vietnam) a variety of other stakeholders, notably Chinese institutions, will be involved in the implementation/execution of the project, directly or indirectly (e.g. CAS, CERN, LMC, LMEC, MRC, local research institutions for output 1.3);</p> <ul style="list-style-type: none"> - The project result framework lists LMEC as a target institution; - the Chinese Academy of Sciences will be part of the regional project steering committee. <p>CR15: There is no clear rationale behind postponing the selection of the executing institution in Thailand to the implementation stage. Please explain why the selection of this entity is postponed to the implementation stage. Please also clarify the arrangement particularly considering the need for country-drivenness of Fund-supported initiatives.</p>	<p>CR15: Not addressed. Please clarify the arrangement considering the need for country-drivenness of Fund-supported initiatives.</p>
	2. Are there measures for financial and project/programme risk	Yes. However, as pointed out in the CRs above, there is no evidence that direct stakeholders have informed	

	management?	<p>the design of the interventions, as such interventions are not yet defined and will be specified during the implementation stage only. As such, as things stand, the re-assessment of the “<i>lack of buy-in from local communities</i>” from medium to low is unsubstantiated.</p> <p>CR16: Please ensure coherence among the risk ratings provided.</p>	<p>CR16: Addressed, as per information provided on page 89-91.</p>
		<p>CR17: Please categorize every risk identified in the table (e.g. financial, environmental, social, institutional etc.).</p>	<p>CR17: Addressed, as per information provided on page 89-91.</p>
	<p>3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy of the Fund? Proponents are encouraged to refer to the Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy, for details.</p>	<p>Largely not. Section III.C includes a table with mitigation measures. However, the risks identification is not in line with the ESP, and the implementation arrangements are inadequate for a project using USPs. No substantive changes were made that will justify the USP approach and provide an ESMP capable of ensuring ESP compliance for the USPs.</p> <p>CAR4: Please include adequate measures for management of the environmental and social risks.</p>	<p>CAR4: Not addressed. Please include adequate measures for management of the environmental and social risks related to the interventions described in supplement documents I and II. An ESMP should be developed in line with the ESP and should be submitted at</p>

			fully-developed proposal stage.
	4. Is a budget on the Implementing Entity Management Fee use included?	Yes. CR18: Please describe what is the “Corporate Services” charge. If needed please reassign this charge to its corresponding fee/cost, in compliance with the AF guidance on costs and fees (https://www.adaptation-fund.org/generic/costs-and-fees/)	CR18: Addressed.
	5. Is an explanation and a breakdown of the execution costs included?	Yes.	
6. Is a detailed budget including budget notes included?	Yes. However, the budget presented does not comply with AF guidance on costs and fees. CAR5: The budget needs to be significantly amended to comply with AF guidance on costs and fees. For example, staffing costs (USD 540,000) related to the regional adaptation specialist, the regional knowledge coordinator and the Chief Technical advisor are currently charged to the various components, although they should be charged to the project execution costs. Similarly, as acknowledged by UNEP, the Project Management Unit travels (USD 140,000) are indeed execution costs and should be charged under	CAR 5: Not addressed. Please ensure full compliance of the budget with AF guidance on costs and fees (https://www.adaptation-fund.org/generic/costs-and-fees/).	

		execution costs accordingly. Other charges need to be reassigned as well. Please ensure compliance of the budget with the AF guidance on costs and fees available at: https://www.adaptation-fund.org/generic/costs-and-fees/ and submit an updated document.	
		CR19: Please confirm the relevance or not of the fragmented budget table provided from p.186 to p.230, and keep only the most relevant budget in the proposal.	CR19: Addressed.
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators?	Partly. CR20: Please provide an updated results framework with information at activity-level (i.e. activity 1.1.1, activity 1.1.2 etc.). This framework should include the names of stakeholders that will be responsible for monitoring the progress made towards the achievements of the activities.	CR20: Not addressed. Please present results framework with information at activity-level (i.e. activity 1.1.1, activity 1.1.2 etc.) and include the names of stakeholders that will be responsible for monitoring the progress made towards the achievements of the activities. Guidelines on preparing results framework can be found at: https://www.adaptation-fund.org/document/results-framework-and-baseline-guidance-project-level/
	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E	Yes. CR21: The Mid-term review budget, which is currently absent from the overall budget presented, should be covered by the IE fee. Please update	CR21: Addressed.

	function?	the overall budget accordingly.	
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?	Yes.	
	10. Is a disbursement schedule with time-bound milestones included?	Yes. CR22: Please add the execution costs to the disbursement schedule.	CR22: Addressed.

Technical Summary	<p>The objective of the proposed project is to strengthen awareness and action of governments and communities in the Greater Mekong Sub-region (GMS) to adapt to climate change using an ecosystem-based approach (EbA). This objective would be achieved through three complementary outcomes:</p> <ol style="list-style-type: none"> 1. Climate change adaptation interventions implemented by vulnerable communities in Thailand and Vietnam to manage climate change impacts, particularly droughts and floods. 2. Enhanced knowledge and awareness of adaptation measures, including EbA, to shared climate change impacts in different ecosystems to promote regional cooperation, planning and implementation of adaptation in the GMS. 3. Strengthened regional cooperation on climate change adaptation, particularly in response to floods and droughts, in the GMS. <p>The initial review raised several issues related to how the two countries' drivenness will be ensured for activities that involve other countries, to the identification of ESP-related risks, to the suitability of interventions for the identified climate threats, among others, as discussed in the number of Clarification Requests (CR) and Corrective Action Requests (CAR) raised in the review.</p> <p>The final review finds that the fully-developed proposal document has not addressed most of the requests and</p>
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	<p>does not provided sufficient information at this stage. The following observations are made:</p> <ol style="list-style-type: none">1. The proposal should describe how the two countries' driveness will be ensured for activities that involve other countries;2. The proposal should list all the relevant national technical standards, and explain how the project interventions meet them;3. The proposal should explain the arrangements through which the project will sustain the project benefits (financially, socially and technically) overtime;4. The proposal should bring the risk identification section in line with the Environmental and Social Policy requirements, in light of project interventions described in supplement documents I and II, and should provide an Environmental and Social Management Plan commensurate to such risks.
Date:	02/14/2019