



## ADAPTATION FUND

AFB/PPRC.24/26  
27 February, 2019

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

Agenda Item 9 s)

### **PROPOSAL FOR AFGHANISTAN**

## Background

1. The Operational Policies and Guidelines (OPG) for Parties to Access Resources from the Adaptation Fund (the Fund), adopted by the Adaptation Fund Board (the Board), state in paragraph 45 that regular adaptation project and programme proposals, i.e. those that request funding exceeding US\$ 1 million, would undergo either a one-step, or a two-step approval process. In case of the one-step process, the proponent would directly submit a fully-developed project proposal. In the two-step process, the proponent would first submit a brief project concept, which would be reviewed by the Project and Programme Review Committee (PPRC) and would have to receive the endorsement of the Board. In the second step, the fully-developed project/programme document would be reviewed by the PPRC, and would ultimately require the Board's approval.

2. The Templates approved by the Board (Annex 5 of the OPG, as amended in March 2016) do not include a separate template for project and programme concepts but provide that these are to be submitted using the project and programme proposal template. The section on Adaptation Fund Project Review Criteria states:

*For regular projects using the two-step approval process, only the first four criteria will be applied when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.*

3. The first four criteria mentioned above are:

- (i) Country Eligibility,
- (ii) Project Eligibility,
- (iii) Resource Availability, and
- (iv) Eligibility of NIE/MIE.

4. The fifth criterion, applied when reviewing a fully-developed project document, is:  
(v) Implementation Arrangements.

5. It is worth noting that at the twenty-second Board meeting, the Environmental and Social Policy (ESP) of the Fund was approved and at the twenty-seventh Board meeting, the Gender Policy (GP) of the Fund was also approved. Consequently, compliance with both the ESP and the GP has been included in the review criteria both for concept documents and fully-developed project documents. The proposal template was revised as well, to include sections requesting demonstration of compliance of the project/programme with the ESP and the GP.

6. At its seventeenth meeting, the Board decided (Decision B.17/7) to approve "Instructions for preparing a request for project or programme funding from the Adaptation Fund", contained in the Annex to document AFB/PPRC.8/4, which further outlines applicable review criteria for both concepts and fully-developed proposals. The latest version of this document was launched in conjunction with the revision of the Operational Policies and Guidelines in November 2013.

7. Based on the Board Decision B.9/2, the first call for 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 April 8, 2010.
8. 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.
9. The following project concept document titled "Climate change resilient livelihoods advanced in rural Afghanistan" was submitted for Afghanistan by the United Nations Development Programme (UNDP), which is a Multilateral Implementing Entity of the Adaptation Fund.
10. This is the first submission of the proposal using the two-step submission process.
11. 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, assigned it the diary number AFG/MIE/Water/2019/1, and completed a review sheet.
12. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with UNDP, and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.
13. 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**

Afghanistan – Climate change resilient livelihoods advanced in rural Afghanistan Province

Implementing Entity: United Nations Development Programme (UNDP)

Project/Programme Execution Cost: 693,600 USD

Total Project/Programme Cost: 8,693,600 USD

Implementing Fee: 738,956 USD

Financing Requested: 9,432,556 USD

## **Project Background and Context**

Afghanistan is among the most vulnerable countries to climate change impacts due to the high sensitivity and the low coping capacity of human systems. Climate change scenarios for Afghanistan suggest temperature increases of 1.4-4.0°C by the 2060s (from 1970-1999 averages), and a corresponding decrease in rainfall and more irregular precipitation patterns. Climate projections available for Afghanistan suggest a future cycle of higher temperatures, reduced rainfall and higher evapotranspiration, and an increased frequency of extreme events such as droughts, storms, floods, landslides and avalanches.

The objective of the proposed project is to increase resilience of rural communities' livelihoods currently depending on irrigated arable farming by ensuring the supply of irrigation water under changing climate conditions.

Component 1: Building individual and institutional capacity of rural communities to assess, plan, maintain and use climate change adapted irrigation infrastructure (USD 2,000,000)

This component will include participatory assessments of irrigation systems conditions and vulnerability to the impacts of climate change, rehabilitation and climate-proofing irrigation systems planning, development of institutional and technical capacity of communities to rehabilitate, maintain and manage irrigation systems

Component 2: Rehabilitation and climate proofing of irrigation schemes at community level (USD 6,000,000)

This component will include capturing rainwater and surface run-off water through water collection and groundwater recharge infrastructures, rehabilitation of water intakes and delivery canals of a karez (underground water supply) systems and rehabilitation or installation of on-farm water distribution systems



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## ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Regular-sized Project Concept

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Country/Region:	<b>Afghanistan</b>		
Project Title:	<b>Climate change resilient livelihoods advanced in rural Afghanistan Province</b>		
Thematic Focal Area:	<b>Water Management</b>		
Implementing Entity:	<b>United Nations Development Programme (UNDP)</b>		
AF Project ID:	<b>AFG/MIE/Water/2019/1</b>		
IE Project ID:			Requested Financing from Adaptation Fund (US Dollars): <b>9,432,556</b>
Reviewer and contact person:	<b>Hugo Remaury</b>	Co-reviewer(s): <b>Dustin Schinn</b>	
IE Contact Person:	<b>Mr. Reis Lopez Rello</b>		

Review Criteria	Questions	Comments on January 22, 2019	Comments on February 14, 2019
Country Eligibility	1. Is the country party to the Kyoto Protocol?	Yes.	
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	Yes.	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/programme?	Yes.	
	2. Does the length of the proposal amount to no more than Fifty pages for the project/programme	Yes.	

	concept, including its annexes; or One hundred pages for the fully-developed project document, and one hundred pages for its annexes?		
	3. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?	<p>Yes. The project interventions will aim at improving the resilience and efficiency of rural irrigation systems, in a context of increasing climate change-induced droughts and floods. The proposed measures will consist in a combination of rain-water harvesting techniques, rehabilitation of underground water supply systems (<i>karez</i>) and restoration and installation of local water distribution systems.</p> <p>The proponent confirms in the proposal that during the preparation of the fully developed project proposal, detailed assessment will be undertaken to elaborate the scale, scope and location of these activities, identify targeted communities while considering the Adaptation Fund ESP. As a reminder and for future reference, in fully-developed project documents, all activities should be identified to a point where ESP risks can be effectively and comprehensively managed.</p> <p>CR1: The description of the activities</p>	<p>CR1: Addressed, as per information</p>

		<p>planned under component 2 should elaborate a bit further on how each of the proposed outputs (2.1, 2.2, 2.3, 2.4) are adequate for the identified climate threats.</p> <p>CR2: The proposal should elaborate a bit further on how each output of component 2 will be made themselves resilient to future impacts of climate change.</p> <p>The proposal mentions various barriers to the long-term rehabilitation and sustainable use of irrigation infrastructures (poor maintenance, neglect, disputes over land and water causing local insecurity, overgrazing, <u>shift from rain-fed arable farming to rangelands</u>).</p> <p>CR3: Please briefly describe how such non-climatic barriers have been taken into account in the project design.</p> <p>The concept mentions in several occasions that upstream work on expanding catchment recharge capacity would be envisaged. However, it seems unclear whether any <u>activity will assess the groundwater recharge capacity (to avoid that groundwater is extracted at unsustainable rates)</u> and <u>whether any activities would enhance groundwater recharge capacity</u>.</p>	<p>provided on page 12-15.</p> <p>CR2: Addressed, as per information provided on page 13-15.</p> <p>CR3: Not addressed. Please demonstrate in the fully-developed proposal how the project design takes into account non-climatic barriers.</p>
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		<p>CR4: Please clarify whether the project will assess the groundwater recharge capacity and if any activities would enhance groundwater recharge capacity on the upper part of the basin.</p> <p>CR5: Please clarify in the context of the karez's rehabilitation if the project would seek any support (research, training, technology transfer, cooperation) with UNESCO's International Center on Qanats and historic Hydraulic Structures.</p> <p>CR6: Please amend the Project/program Category to "Regular-sized project concept" (at the top of the first page).</p> <p>CAR1: As per the Adaptation Fund Board Decision B.32/6, the AFB decided to set a page limit for new or resubmitted project/programme concepts at 50 pages, including its annexes. Please modify the proposal accordingly.</p>	<p>CR4: Addressed, as per information provided on page 12.</p> <p>CR5: Addressed, as per information provided on page 15.</p> <p>CR6: Addressed, as per information provided on page 1.</p> <p>CAR1: Addressed.</p>
	4. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations,	<p>Yes.</p> <p>CR7: Please clarify the following statement "<i>It can also not be excluded that uneven access to irrigated land may cause inequality and tension, and possibly powerful stakeholders may execute their interest in previously</i></p>	<p>CR7: Addressed, as per information provided on page 17.</p>



	while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p><i>marginal lands with due to the project intervention improved productive potential</i>" and explain who the project will ensure an equitable distribution of benefits to vulnerable communities.</p> <p>CR8: Please provide a brief description of the expected beneficiaries of the project interventions. While doing so, please clarify whether minority groups or indigenous communities have been identified and outline the benefits the project will provide them.</p>	CR8: Not addressed. Please describe in the fully-developed proposal the particular benefits the project will provide to " <i>marginalized minorities</i> ".
	5. Is the project / programme cost effective?	<p>Likely. The overall cost-effectiveness of the project has been described. However, this description does not include sufficient references to the cost-effectiveness of the activities proposed under component 2.</p> <p>CR9: Please briefly demonstrate the cost-effectiveness of each of the output planned under component 2, including from a sustainability point of view.</p> <p>The document compares the activities' interventions with a "no interventions" scenario, without comparing it with other potentially relevant adaptation alternatives.</p> <p>CR10: Please briefly describe the project's cost-effectiveness in comparison to other potentially feasible</p>	<p>CR9: Addressed, as per information provided on pages 19-20.</p> <p>CR10: Addressed, as per information provided on pages 19-20.</p>

		adaptation approaches, such as ecosystem-based adaptation, introduction of drought tolerant varieties, or different other adaptation methodologies.	
	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 adaptation programs of action and other relevant instruments?	<p>Likely. Although national strategies and plans relevant to the project have been identified, there is no sub-national plans or strategies listed.</p> <p>CR11: Please identify any sub-national (i.e. at provinces level) development plans or strategies relevant to the proposed project.</p>	CR11: Addressed, as per information provided on page 20.
	7. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?	Yes. An Environmental and Social Impact Assessment will be conducted to assess the potential risks associated with the project's interventions. It will be provided at fully-developed proposal stage, along with an ESMP.	
	8. Is there duplication of project / programme with other funding sources?	Yet to be demonstrated. This section of the proposal is not specific enough. Indeed, it acknowledges that the <i>"proposed project complements other projects in the sector"</i> without identifying them. Similarly, it mentions that the	CR12: Not addressed. Please identify in the fully-developed proposal all relevant potentially overlapping projects/programmes, outline linkages and synergies with the proposed project (including overlap and

		<p>project would complement financial and technical assistance projects from donors such as the World Bank, the Asian Development Bank, USAID, FAO and others, but does not identify them.</p> <p>CR12: Please identify all relevant potentially overlapping initiatives and state the lack of overlap and/or complementarity in a logical manner.</p>	<p>complementarity), describe lessons learned from earlier initiatives, and establish a framework for coordination during implementation.</p>
	9. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	<p>Activities related to knowledge management and disseminations of lessons learned have been included. However, they are not included in the description of the project components.</p> <p>CR13: Please include the knowledge management activities listed in the relevant section of Part II A of the proposal.</p>	<p>CR13: Addressed, as per information provided on page 12.</p>
	10. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>To be confirmed. Some clarifications are sought with respect to the consultation process that took place.</p> <p>Even though NEPA and MAIL are listed as key stakeholders in the proposed project, there is no evidence that they have been consulted in the development of this proposal.</p> <p>CR14: Please clarify whether NEPA and MAIL have been consulted.</p> <p>Local communities would play a pivotal role in the project interventions, as they</p>	<p>CR14: Addressed, as per information provided on page 23.</p>

		<p>will take an active role in rehabilitating or constructing the irrigation systems. Similarly, Community Development Councils are listed as key stakeholders of the proposed project. However, the extent to which local communities, CDCs, community elders and local stakeholders of the target areas have been consulted is not clear. Community ownership appears crucial to clarify, given the fragile context of the country.</p> <p>CR15: Please clarify the extent to which local communities, CDCs, and other relevant local stakeholders of the target areas have been consulted.</p> <p>In project target areas where minority groups and indigenous peoples have been identified, they should be consulted at the concept stage and their interests or concerns taken into account when designing the proposal.</p> <p>CR16: Please confirm whether minority groups have been identified in the target areas.</p>	<p>CR15: Addressed, as per information provided on page 23.</p> <p>CR16: Not addressed. Please include in the fully-developed proposal evidence of consultation with minority groups, along with a description of how the project document takes into account their interests and concerns, in line with the ESP.</p>
	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	Likely.	

	project/programme outcomes been taken into account when designing the project?	<p>The project does not mention any linkages with current local groundwater management plans nor explain if such plans exist at all.</p> <p>CR17: Please clarify if local groundwater management plans exist and describe how the project will complement them. If there are no such plans, please explain how the project will ensure a sustainable use of groundwater resources.</p>	<p>CR17: Addressed, as per information provided on page 26. Please explain in the fully-developed proposal how the project will help ensuring a sustainable use of groundwater resources.</p>
	14. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>Yes. However, some clarifications are required. The guidance document for implementing entities on compliance with the AF ESP (<a href="https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance_Revised-in-June-2016_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf">https://www.adaptation-fund.org/wp-content/uploads/2016/07/ESP-Guidance_Revised-in-June-2016_Guidance-document-for-Implementing-Entities-on-compliance-with-the-Adaptation-Fund-Environmental-and-Social-Policy.pdf</a>) may be useful in addressing the below CRs.</p> <p>CR18: Please briefly describe the characteristics of the marginalized or vulnerable groups identified (Principle 3).</p>	<p>CR18: Addressed. Please review and update compliance with this principle in the fully-developed proposal, once all beneficiary groups are comprehensively identified.</p> <p>CR19: Not addressed. Please further demonstrate in the fully-developed proposal compliance with this principle (in a substantiated and evidence-based manner). Please refer to the guidance document for implementing entities on compliance with the AF ESP for guidance on how to demonstrate compliance with this principle.</p> <p>CR20: Not addressed. Please further demonstrate in the fully-developed proposal compliance with these principles (in a substantiated and evidence-based manner). Please refer to the guidance document for</p>

		<p>CR19: Section on Principle 4 (project supported by the Fund shall respect and where applicable promote human rights) is not complete. Please complete that section accordingly.</p> <p>CR20: Principles 1, 2, 5, 6, 9, 10, 15: as risks related to these principles seem to be identified, please fill the “<i>Potential impacts and risks</i>” columns accordingly and briefly explain how the project will comply with these principles. The information already provided in these respective sections and others as relevant may be used.</p> <p>CR21: Principle 14: Please clarify whether there is any national physical and culture heritage related legal and regulatory framework that would apply to the target karez and explain whether the planned environmental and social impact assessment will take into account the potential for impacting this site.</p>	<p>implementing entities on compliance with the AF ESP for guidance on how to demonstrate compliance with these principles.</p> <p>CR21: Addressed. The planned Environmental and Social Impact Assessment that will be performed after endorsement and delivered in the fully developed proposal should include an assessment of ESP principle 14 with respect to the target karez. Outcomes of this assessment should be reflected in the ESMP.</p> <p>CR22: The full proposal should update the environmental and social impacts / risks identification section as per i) the outcomes of the Environmental and Social Impact Assessment and ii) the additional information that will be provided in the fully developed proposal.</p>
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	Yes.	
	2. Is the Implementing Entity Management	Yes.	

	Fee at or below 8.5 per cent of the total project/programme budget before the fee?		
	3. Are the Project/Programme Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	Yes.	
Eligibility of IE	4. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes.	
Implementation Arrangements	1. Is there adequate arrangement for project / programme management, in compliance with the Gender Policy of the Fund?	n/a at concept stage	
	2. Are there measures for financial and project/programme risk management?	n/a at concept stage	
	3. Are there measures in place for the management of for environmental and	n/a at concept stage	

	social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund?		
	4. Is a budget on the Implementing Entity Management Fee use included?	n/a at concept stage	
	5. Is an explanation and a breakdown of the execution costs included?	n/a at concept stage	
	6. Is a detailed budget including budget notes included?	n/a at concept stage	
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a at concept stage	
	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 function?	n/a at concept stage	



	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?	n/a at concept stage	
	10. Is a disbursement schedule with time-bound milestones included?	n/a at concept stage	

Technical Summary	<p>This objective of the proposed project is to increase resilience of rural communities' livelihoods currently depending on irrigated arable farming by ensuring the supply of irrigation water under changing climate conditions. The project will achieve this goal through the implementation of two interrelated components:</p> <ol style="list-style-type: none"> <li>1. Building individual and institutional capacity of rural communities to assess, plan, maintain and use climate change adapted irrigation infrastructure. This component will include participatory assessments of irrigation systems conditions and vulnerability to the impacts of climate change, rehabilitation and climate-proofing irrigation systems planning, development of institutional and technical capacity of communities to rehabilitate, maintain and manage irrigation systems.</li> <li>2. Rehabilitation of irrigation schemes at community level. This component will include capturing rainwater and surface run-off water through water collection and groundwater recharge infrastructures, rehabilitation of water intakes and delivery canals of a karez (underground water supply) systems and rehabilitation or installation of on-farm water distribution systems.</li> </ol> <p>The initial technical review raised several issues related to non-climatic barriers, the adequateness of the proposed interventions, the distribution of project benefits and relevant initiatives in the target areas, among others, as discussed in the number of Clarification Requests (CR) and Corrective Action Requests (CAR) raised in the review.</p>
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The final review finds that the concept document has addressed most of the requests and provided sufficient information at this stage.

It is expected that during the development of the full proposal document the following observations will be taken into account:

1. The full proposal should identify and describe activities to a point where ESP-related risks can be effectively and comprehensively identified;
2. The full proposal should further demonstrate how the project design takes into account non-climatic barriers;
3. The full proposal should outline the particular benefits the project will provide to marginalized communities, if any, and should include evidence of consultation with such groups, along with a description of how the project document takes into account their interests and concerns, in line with the ESP;
4. The full proposal should identify all relevant potentially overlapping initiatives, outline linkages and synergies with the proposed project (including overlap and complementarity), draw lessons from earlier initiatives, and establish a framework for coordination during implementation;
5. The full proposal should include an Environmental and Social Impact Assessment in line with the ESP to evaluate the potential risks associated with the project's interventions, along with an Environmental and Social Management Plan.

Date: 02/14/2019