



ADAPTATION FUND

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Adaptation Fund Board
Project and Programme Review Committee
Twenty-sixth meeting
Bonn, Germany, (virtual),
13-14 October 2020

Agenda item 12

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

Agenda Item 1: Opening of the meeting

1. The meeting was opened at 2:00 p.m., Central European Time, on Tuesday, 13 October 2020, by Mr. Lucas di Pietro (Argentina, Non-Annex I Parties), Chair of the Project and Programme Review Committee (PPRC). This was the second virtual meeting of the PPRC after its first successful meeting on 26 August 2020 under the *Ad Interim* intersessional process and he thanked the members for their very constructive participation and collaboration during and after that meeting. That had demonstrated the Board's ongoing commitment to support project and programme proponents from vulnerable developing countries during this challenging year and he hoped to continue in that spirit and conduct another successful virtual meeting, one which this time would be held over two days and address more agenda items.

2. The Chair said that there were currently 10 concrete project/programme proposals that had been processed and technically reviewed by the secretariat for the consideration of the PPRC and the Board. The agenda was devised accordance with decision B.34/50 by which the Board had decided to request the PPRC to pilot discussing technically-recommended pre-concepts, concepts and fully-developed project proposals for concrete adaptation projects and continue discussing innovation grants, project scale-up grants and learning grants. The decision also stated that any Board member can request a discussion at the PPRC of any proposal regardless of whether it is technically recommended or not. Therefore, only the proposals that had met those criteria would be considered at the present meeting. The agenda also contained three important project-related strategic matters for the PPRC's consideration: large grants for innovation; options for further defining innovation in adaptation projects and programmes; and the window for enhanced direct access under the Medium-term Strategy.

3. He said that in view of the lack of time to discuss them at the present meeting the last three items on the agenda would be considered intersessionally. Agenda item 14, 'Report on options for further supporting the work of the project and programme review committee' would be deferred until the next meeting of the PPRC.

4. At the request of one member. The agenda item 17 "the report of the secretariat on the intersessional review cycle of readiness grants", initially proposed to be considered intersessionally has been added under agenda item 11: 'Other matters'.

Agenda Item 2: Organizational matters

(a) Adoption of the agenda

5. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.26.b/1/Rev.2) and the annotated provisional agenda (AFB/PPRC.26.b/2).

1. Opening of the meeting.
2. Organizational matters:
 - a) Adoption of the agenda;
 - b) Organization of work.
3. Report of the secretariat on the initial screening/technical review of project and programme proposals.
4. Review of single-country project and programme proposals:
 - a) Côte d'Ivoire;
 - b) Republic of The Gambia.
5. Review of regional project and programme proposals:

- a) El Salvador and Honduras;
 - b) Costa Rica and Dominican Republic;
 - c) Cameroon, Central Africa Republic, Chad, Niger, and Nigeria;
 - d) India and Sri Lanka.
6. Report of the secretariat on initial screening/technical review of innovation small grant proposals.
 7. Review of innovation small grant proposals:
 - a) Antigua and Barbuda.
 8. Innovation: Large grant proposals.
 9. Innovation: Options for further defining innovation in adaptation projects and programmes.
 10. Options for a window on enhanced direct access under the Medium-term Strategy.
 11. Other matters.
 12. Adoption of the report.
 13. Closure of the meeting.

The following item would be deferred to the next PPRC meeting:

14. Report on options for further supporting the work of the project and programme review committee.

The following items would be tackled intersessionally:

15. Review of post approval major changes in projects and programmes:
 - a) Proposal for Federated States of Micronesia;
 - b) Proposal for Panama.
16. Report on the full cost of adaptation reasoning.
17. Report of the secretariat on the intersessional review cycle of readiness grants.

(b) Organization of work

6. The PPRC adopted the organization of work proposed by the Chair. It also agreed to consider the report of the secretariat on the intersessional review cycle of readiness grants under agenda item 11, 'Other matters'.

7. The following members declared a conflict of interest:

Ms. Fatou Ndeye (Republic of The Gambia, Africa); and

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

Agenda Item 3: Report of the secretariat on the initial screening/technical review of project and programme proposals

8. In considering the agenda item the PPRC had before it the report of the secretariat on initial screening/technical review of the project and programme proposals, documents AFB/PPRC.26.b/3 and Add.1.

Funding status and situation of the pipeline

9. According to the latest Financial Report prepared by the Trustee as of 30 June 2020 (AFB/EFC.26.b/5), the cumulative funding decisions for all projects/programmes amounted to US\$ 744.58 million and the funds available to support funding decisions amounted to US\$ 167.19 million. The cumulative funding decisions for projects/programmes submitted by Multilateral Implementing Entities (MIEs) amounted to US\$ 470.61 million, including approvals since 30 June 2020 and the approvals at the present meeting. The funds available to support Adaptation Fund Board funding decisions amounted to US\$ 273.49 million. In accordance with Board decision B.12/9, the funds available for projects submitted by MIEs below the 50 per cent cap amounted to US\$ 3.02 million.

Funding Window for Regional Projects and Programmes

10. The total amount of funding for regional projects and programmes in the fiscal year 2021 to date was US\$ 6,500,000, and a further US\$ 20,973,509 in regional projects was on the waitlist for approval, pending the availability of funding under the MIE cap or reaccreditation of the implementing entity.

Project/programme proposals submitted by implementing entities: *Single-country proposals*

11. Accredited implementing entities submitted 5 eligible fully-developed single-country project proposals to the secretariat, with a total requested funding amounting to US\$ 27,787,604. Those proposals included US\$ 2,168,400 or an average of 8.47 per cent in Implementing Entities management fees and US\$ 1,604,723 or an average of 7.10 per cent in project execution costs. Two of the submitted proposals were small-size projects that did not exceed US\$ 1,000,000.

12. All proposals were in compliance with Decision B.13/17 to cap execution costs at 9.5 per cent of the project/programme budget before the implementing entity fees, and all proposals requested funding below the cap of US \$10 million established on a temporary basis, for each country, in accordance with Decision B.13/23.

Project/programme proposals submitted by implementing entities: *Regional proposals*

13. Accredited MIEs and Regional Implementing Entities (RIEs) submitted five proposals for regional projects and programmes, totalling US\$ 64,421,417. Among the proposals there was a fully-developed project proposal with a total requested funding of US\$ 14,000,000. The requested funding for the fully-developed regional project included US\$ 1,190,000 in Implementing Entity' management fees, or 9.29 per cent, and US\$ 1,330,000 or 10.38 per cent, in execution costs.

The review process

14. In accordance with the operational policies and guidelines the secretariat screened and prepared technical reviews for the ten project and programme proposals and shared the initial technical reviews with the Implementing Entities and solicited their responses. The secretariat subsequently reviewed the responses and compiled its comments and recommendations in the addendum to its report (AFB/PPRC.26.b/3/Add.1).

Issues Identified During the Review Process

Issues related to the Multilateral Implementing Entity cap

15. As there remained only US\$ 3.02 million to fund projects submitted by MIEs below the 50 per cent cap, a single country proposal, to be implemented by a MIE and submitted for consideration at the second session of the thirty-fifth meeting of the Board, would be placed in a waitlist, and would be subject to the availability of resources under the 50 per cent cap.

16. In response to a request for clarification of the total amounts that had been set aside by the Board to fund regional projects and programmes, the representative of the secretariat said that for the fiscal year 2021 US\$ 30 million had been set aside, and that US\$ 60 million had been set aside for each of the fiscal years 2019 and 2020, for a total of US\$ 150 million. She said that she would verify the additional amounts that had been set aside for regional projects and programmes under the previous pilot programme but agreed that it was likely to have been on the order of US\$ 30 million, which if correct would make a total of US\$ 180 million.

17. The PPRC took note of the report by the secretariat.

Agenda Item 4: Review of single-country project and programme proposals

Fully-developed proposals

Proposals from Multilateral Implementing Entities (MIEs)

Regular proposals

Côte d'Ivoire: Increasing rural communities' adaptive capacity and resilience to climate change in Bandama basin in Côte d'Ivoire (Fully-developed project; International Fund for Agricultural Development (IFAD); CIV/MIE/Agric/2020/1; US\$ 6,000,000),

18. The objective of the proposed project was to address key climate vulnerabilities in the agriculture and water resources management systems in the rice, cassava and cocoa value chain in Bandama basin. This was the first submission of the fully developed project document, using a one-step approach.

19. It was observed that sometimes reference was made to adaptive capacity and sometimes to resilience and it was asked how the secretariat defined those two different ideas and what the difference was between them. It was explained that the secretariat generally used the terminology of the proponents but agreed that the concepts shared certain elements and that there are several definitions in the literature. However, it was the view of the secretariat that resilience generally referred to a more comprehensive concept that can involve concrete interventions. Adaptive capacity, for example, pertained to communities building their capacity, their understanding and mechanisms for adaptation which was a necessary component of achieving resilience. With respect to the difference between pre-concepts and concepts it was explained that when the Board had agreed to fund regional projects and programmes it had anticipated that there would be a great deal of demand for the available funding, and had decided, to allow an additional step for the proponents of regional projects and programme. It had created a three-step process which allowed for the submission of an initial shorter and less detailed pre-concept of some ten pages which could be evaluated before the proponents put the effort into developing a more detailed concept.

20. It was generally agreed that the proposal was strong but it was pointed out that the proponents should provide more information about the provision of any co-financing by the Food and Agricultural Organization of the United Nations and the United Nations Environment Programme. However, concern was also expressed on the need to provide more information on other projects and initiatives implemented in the country and it was suggested that more guidance was needed on that. The issue of duplication of effort had been raised previously, inter alia for

projects funded by the Global Environment Facility, but that had not stopped those projects from going forward in the past.

21. The representative of the secretariat agreed that more clarification was needed on the issue of co-financing and it was explained that while it was a strong proposal there had been a lack of clarity on the concrete actions to be implemented, and it was unclear what role co-financing had in the development of adaptive capacity and resilience. With respect to duplication of effort he said that the issue was that there were six other proposals under implementation in the same area, two of which were focusing on the same crops that were being addressed by the proposal. He said that it was important for the proponents to clarify how the project would be additional or complementary to the other projects.

22. It was observed that with that explanation the suggested subparagraph appeared to be too general and risked being applied as a precedent to other proposals. It was proposed that it be redrafted to narrow its scope to the present project. One suggestion was to use the same wording that was found in recommendation PPRC 26.b/6, but others asked if that would be appropriate given that the recommendation referred to a pre-concept while the present discussion related to a fully-developed project document.

23. The issues involved were different. In some cases there was an issue of potential duplication whereas in other cases, such as the pre-concept note for India and Sri Lanka, there were already a number of projects being implemented in the region. In the present case it was necessary to understand what projects were already being implemented, which was something that the implementing entity should be urged to look at.

24. The representative of the secretariat explained that the issue was one of the complementarity with, and possible duplication of, the work of some other projects already underway in the country and which covered a similar area to that of the proposal and addressed similar crops. As the proposal was not being recommended for approval the secretariat hoped that the proponents would also provide information on how the proposal would build complementarity with those projects and avoid duplicating their work. He said that at the present time there was not enough information available to make an assessment of that, but that was something that the secretariat always assessed. He said that with the revised language it should be possible for the secretariat to make an assessment of both the complementarity of the proposal with those other projects and any possible duplication of work, in the next iteration of project review.

25. Having considered the issues raised in document AFB/PPRC.26.b/3/Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- a) Not approve the fully-developed project document, as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- b) Suggest that IFAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should better define and provide more specificity about the sub-projects, including on entities that the project is aiming to develop partnerships with;

- (ii) The proposal should consider restructuring the outputs of component 2, to clearly show concrete adaptation actions versus others, and revise the detailed budget to show the percentage of funding dedicated to concrete adaptation measures;
 - (iii) The proposal should provide further justification on how the selected solutions are cost effective compared to alternative solutions;
 - (iv) The proposal should further elaborate on the complementarity and coherence with other relevant initiatives in the country;
 - (v) The proposal should better articulate the knowledge management approach, including how learning and lessons will be disseminated; and
- c) Request IFAD to transmit the observations under subparagraph b) to the Government of Côte d'Ivoire.

(Recommendation PPRC 26.b/1)

Gambia, Republic of The: Rural integrated climate adaptation and resilience building project (RICAR) (Fully-developed project; World Food Programme (WFP); GMB/MIE/Rural/2019/1; US\$ 10,000,000)

26. The objective of the proposed project was to enhance the adaptive capacity of rural populations in the Republic of The Gambia, through support to climate-resilient and diversified livelihoods. That would be done using an integrated risk management approach to address the interface between climate change, agriculture and food security. This was the first submission of the fully developed proposal, using a two-step approach.

27. It was observed that the proposal was also very strong and could serve as a model for other proposals especially with respect to the issue of complementarity.

28. Having considered the issues raised in document AFB/PPRC.26.b/3/Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- a) Note the recommendation that the Adaptation Fund Board:
 - (i) Approve the fully-developed project proposal, as supplemented by the clarification responses provided by the World Food Programme (WFP) to the request made by the technical review;
 - (ii) Approve the funding of US\$ 10,000,000 for the implementation of the project, as requested by the WFP; and
 - (iii) Request the secretariat to draft an agreement with WFP as the multilateral implementing entity for the project; and
- b) Place the project on the waitlist pursuant to Decisions B.17/19, B.19/5, B.28/1 and B.35.a-35.b/46.

(Recommendation PPRC 26.b/2)**Agenda Item 5: Review of regional project and programme proposals****Concepts***Proposals from Multilateral Implementing Entities (MIEs)*

El Salvador, Honduras: Strengthening the adaptive capacities of climate-vulnerable communities in the Goascorán watershed of El Salvador and Honduras through integrated community-based adaptation practices and services (Concept note; World Food Programme (WFP); LAC/MIE/Food/2018/PD/1; US\$ 11,886,691).

29. The objective of the proposed project was to strengthen the climate change adaptive capacity of vulnerable households in the degraded transboundary watershed of Goascorán across El Salvador and Honduras, by providing communities with integrated climate risk management tools and services that enhance their resilience to climate variability and change. This was the second submission of the concept note, using a three-step approach.

30. It was observed that in the fully-developed proposal the proponents should provide greater clarity about the sustainability of the proposed insurance products especially as they are addressed to some of the most vulnerable people. More information was also required on climate information needs, and the issue of already existing funding also needed to be explored. Doubts were also expressed about the activities that would be implemented and it was asked whether the local population had sufficient training to use the techniques and technologies being proposed, which also required time to be adjusted to local conditions; more time than was being foreseen in the proposed timelines being developed for subsequently upscaling the project. It was suggested that the timelines were not feasible although it would be necessary to wait for the fully-developed proposal to know whether the time issue or the sequencing of the activities had been adequately addressed. A great deal of money had been requested from the Fund but there was little information on the sustainability of the project in the post-implementation period, and the sustainability of the project had not been demonstrated, by for example the inclusion of small or medium sized enterprises at the local level.

31. Having considered the issues raised in document AFB/PPRC.26.b/3/Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- a) Endorse the concept note submitted by the World Food Programme (WFP);
- b) Approve the project formulation grant of US \$ 80,000; and
- c) Encourage the Governments of El Salvador and Honduras to submit, through WFP, a fully-developed project proposal.

(Recommendation PPRC 26.b/3)**Pre-concepts***Proposals from Regional Implementing Entities (RIEs)*

Costa Rica, Dominican Republic: Improving the adaptive capacity of coastal communities in Costa Rica and the Dominican Republic through ecosystem-based adaptation strategies (Pre-concept note; Development Bank of Latin America (CAF); LAC/RIE/EBA/2020/PPC/1; US\$ 13,919,202).

32. The objective of the proposed project was to improve local adaptive capacity to reduce the vulnerability to climate change of Cocos and Catalina islands and the production sectors that depend on their ecosystem services. This was the first submission of the pre-concept note, using a three-step approach.

33. With respect to a query about the meaning of ecosystem health in the recommendation and whether it referred to human health or the health of biodiversity, the representative of the secretariat explained that ecosystem health particularly referred to the health of coral reefs and the effect of climate change on those ecosystems.

34. It was pointed out that it was a very interesting proposal but that it was unclear whether the problem with the proposal was that it had raised the issue of the anthropogenic impact on the ecosystem as a specific component rather than as part of the adaptation rationale. If that were the case then the recommendation should make that clear.

35. The representative of the secretariat explained that the issue was a more general question that went beyond the specific proposal. It was often the case that the anthropogenic impacts on an area or an ecosystem went beyond the issue of impacts of climate change and went to the ability of the system to absorb such impacts. The Fund has supported and supports components that could be implemented to build resilience, including directly or indirectly through the ecosystem so that it provided a buffer against climate change.

36. Having considered the issues raised in document AFB/PPRC.26.b/3/Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

37. Not endorse the pre-concept note, as supplemented by the clarification responses provided by the Development Bank of Latin America (CAF) to the request made by the technical review;

- a) Suggest that CAF reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide a clear articulation of the adaptation rationale, particularly under component 1;
 - (ii) The proponent should elaborate more on the impact of current and predicted climate hazards, and specify their link with the ecosystem health, management and restoration investments;
 - (iii) The proposal should include an initial indication of the anticipated or desired adaptation impacts on people and their livelihoods; and
- b) Request CAF to transmit the observations under subparagraph b) to the Governments of Costa Rica and Dominican Republic.

(Recommendation PPRC 26.b/4)

Proposals from Multilateral Implementing Entities (MIEs)

Cameroon, Central African Republic, Chad, Niger, Nigeria: Integrated water resources management and early warning system for climate change resilience in the Lake Chad basin (Pre-concept note; World Meteorological Organisation (WMO); AFR/MIE/Water/2020/PPC/1; US\$ 10,620,000).

38. The objective of proposed project was to provide concrete technical solutions to climate resilience and water resource management in the Lake Chad basin. This was the first submission of the pre-concept note, using a three-step approach.

39. It was observed that there were already a large number of projects addressing early-warning systems in the Lake Chad basin and it was asked to clarify the added value of the proposed project. The Fund had already supported a project on resilience in the Lake Chad basin countries and it was asked whether any assessment had been made of all the projects that had already been undertaken as it was not clear that the proposal did not duplicate work that had already been done. It was also asked why the proponent was only being asked to provide an approximation of the investments to be funded. The sustainability of the project required that those involved understood what it would really cost. The systems being developed to capture meteorological and hydrological information needed to be sustainable and should be checked during the appraisal of the document.

40. The representative of the secretariat said that it had been noted that there were many projects in the Lake Chad region, which included some of the same countries, and that it was important to ensure that they were taken into account. That was the point of the first subparagraph of the recommendation. It was also pointed out that while a great deal of support had already been given for monitoring and early-warning systems the proponents had assured the secretariat that they would undertake an analysis of any overlaps between what they were proposing and what other projects had already implemented in the region. He said that that response was satisfactory for the pre-concept stage the proponents but that it would need to be further elaborated in the concept note or in the fully-developed proposal. It was also explained that while the Fund had supported individual countries in the Lake Chad basin this was the first regional project submitted for funding by the Adaptation Fund.

41. It was also explained that as the proposal was a pre-concept note the information provided in relation to proposed the investments to be funded was sufficient at this stage of the project development.

42. Having considered the issues raised in document AFB/PPRC.26.b/3/Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- a) Not endorse the pre-concept note, as supplemented by the clarification responses provided by the World Meteorological Organisation (WMO) to the request made by the technical review;
- b) Not approve the project formulation grant of US\$ 20,000;
- c) Suggest that WMO reformulates 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 a brief description of the country level context, challenges and gaps to be addressed by this project as well as a brief

description of existing activities addressing the climate vulnerability issues at country and regional level;

- (ii) The proponent should provide an approximate estimate of investments (weather/monitoring stations) to be funded; and
- d) Request WMO to transmit the observations under subparagraph b) to the Governments of Cameroon, Central African Republic, Chad, Niger, Nigeria.

(Recommendation PPRC 26.b/5)

India, Sri Lanka: Strengthening resilience of vulnerable communities in Sri Lanka and India to increased impacts of climate change (Pre-concept note; World Food Programme (WFP); ASI/MIE/Food/2020/1; US\$ 13,995,524).

43. The objective of the proposed project was to strengthen the climate change adaptive capacity of vulnerable households facing similar climate risks within both countries, through a regional, integrated approach. This was the first submission of the pre-concept note, using a three-step approach.

44. Concern was expressed at the large amounts of funding that the Green Climate Fund (GCF) had already awarded to the two countries; some US\$ 52 million to Sri Lanka and some US\$ 131 million to India for adaptation projects. It was suggested that the regional project could benefit from understanding the additionality provided by those projects. It was also suggested that the pre-concept should not be endorsed given substantial support from the GCF. However, others were of the view that it was an excellent proposal that should not be turned down simply because the GCF had already provided funding for other projects in the two countries. Both countries had large populations and climate change had a significant impact on both of them. Whether or not funding had also been received from the GCF should not be a reason for not endorsing the project unless it resulted in duplication. The issue should be one of complementarity and not the actual source of the funding.

45. The representative of the secretariat stressed that other relevant projects would be considered at a later stage, although the secretariat had considered the issue of duplication at the project level. With a pre-concept it was often too early to understand the exact nature of the project of the complementarity of the proposal with other projects especially in complex areas, such as the project for Lake Chad which had been discussed previously. The issue of whether a project was complementary or additional to, or overlapping with, another project was important but it might not be possible to address the issue at this stage.

46. It was also explained that the GCF projects related farming in Sri Lanka and water management and ground water while the present project focused on 'last-mile access' and took a more integrated approach to adaptation with exchanges between India and Sri Lanka. As the proposal was at the pre-concept stage there would be further opportunity to seek its complementarity with other projects, particularly as the proponent intends to undertake stakeholder consultations to refine the activities.

47. It was pointed out that the issue was really about identifying the added value of the proposal given the scale of the interventions in the region. The recommendation was to endorse the concept and award a project formulation grant which would send a positive signal to the proponents by supporting project formulation and it was asked if the PPRC was ready to send such a signal

especially in view of the lack of available information. Once that signal was sent the PPRC would be on track to a US\$ 14 million grant. Once the decision was taken to fund a project formulation grant it was very rare for the PPRC to stop the approval process and so it was important to understand where the process was going before that step was taken. Funding from the Adaptation Fund was also a way for the proponents to get funding from other sources such as the GCF but in the present case funding had already come from the GCF and it was asked what scaling up of the project could take place now.

48. The representative of the secretariat reiterated that based on the currently available information there was no evidence of any overlap between the projects. That the issue would be revisited at both the concept note and the fully-developed project stages. Every submission was treated as a new submission especially at each stage of the process. The provision of a project formulation grant, especially at the pre-concept stage did not guarantee that the concept would be endorsed or that the fully-developed proposal would be approved. She said that while the GCF was an important source of funding for scaling up projects it was not the only source of funding for that, which potentially include, inter alia, the private sector and other domestic sources of funding.

49. It was observed that the concept note for Costa Rica and Dominican Republic had not been endorsed due to the lack of an adaptation rationale and the lack of clarity in the design of the project but here the PPRC was prepared to endorse the pre-concept even with the lack of clarity as to how the project would fit into the pre-existing projects. If the project was to be endorsed there should be a clear condition that the concept note would further elaborate on the complementarity and coherence with other relevant initiatives in the region.

50. Having considered the issues raised in document AFB/PPRC.26.b/3/Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- a) Endorse the pre-concept note 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 concept note should substantially develop the cost-effectiveness justification for the selected adaptation measures;
 - (ii) The concept note should explore additional opportunities for partnerships with the private sector, beyond the development of technologies;
 - (iii) The concept note should further elaborate on the complementarity and coherence with other relevant initiatives in the region;
- c) Approve the project formulation grant of US\$ 20,000;
- d) Request WFP to transmit the observations under subparagraph b) to the Governments of India and Sri Lanka; and
- e) Encourage the Governments of India and Sri Lanka to submit, through WFP, a concept note that would also address the observations under subparagraph b), above.

(Recommendation PPRC 26.b/6)

Agenda Item 6: Report of the secretariat on the initial screening/technical review of innovation small grant proposals

51. The representative of the secretariat introduced the report on the initial screening/technical review of innovation small grant proposals contained documents AFB/PPRC.26.b/14 and Add.1, and the proposal for Antigua and Barbuda contained in documents AFB/PPRC.26.b/15 and Add.1. She said that the current review cycle had included one innovation small grant proposal that had been submitted during the intersessional period between the first and second sessions of the thirty-fifth meeting of the Board and then deferred to the second session of the thirty-fifth meeting of the Board.

52. That proposal had been previously received and reviewed while the implementing entity was still accredited. However, during the *Ad Interim* intersessional project review cycle, the status of the implementing entity, the Department of Environment (DOE) for Antigua and Barbuda had changed to “under reaccreditation”. The discussion of the innovation small grant proposal for Antigua and Barbuda at the additional virtual PPRC meeting in the intersessional period between the first and second sessions of the thirty-fifth meeting of the Board, had also raised questions on the innovation rationale, and the cost-effectiveness of the technologies being proposed.

53. Considering that the implementing entity was under reaccreditation, the PPRC had recommended to defer the consideration of this proposal to the following PPRC meeting, allowing more time to the implementing entity to provide the supplementary information related to the innovative nature of the proposed technologies as requested by the PPRC. In line with Decision B.35.a-35.b/71, that supplementary information had been submitted by the NIE and the details of the proposal and the supplementary information are contained in documents, AFB/PPRC.26.b/15 and Add.1 respectively.

Agenda Item 7: Review of innovation small grant proposals

Innovative technologies for improved water availability to increase food security in Antigua and Barbuda (Innovation Small Grant; Department of Environment, Ministry of Health, Wellness and the Environment (DOE); ATG/NIE/Water/2020/1/Innovation; US\$ 250,000).

54. The objective of the project was to improve water and food security in Antigua and Barbuda by facilitating the availability and use of ground or surface water for agricultural purposes to vulnerable populations via innovative technologies. This was the first submission of the innovation small grant proposal, however, supplementary information had been provided since the first submission as requested.

55. The secretariat’s review of the supplementary information found that it provided greater clarity on, and justification for, the two issues that had been raised by the Board and provided more detail on the innovativeness and cost-effectiveness of the proposed technologies compared with alternative technologies within the context of Antigua and Barbuda, as well as within the context of the existing legal and economic barriers to adopting more innovative approaches and technologies.

56. It was observed that as the project was one of the first to be considered under the innovation small grants funding window it was necessary to be cautious about what the Fund was doing in term of innovation. A member stated that neither reverse osmosis technology nor solar power were innovative in themselves but it might be that if they were taken together they could be interpreted as being innovative. However, the member raised that the document did not contain any figures on the economic sustainability of such important systems or on their running or operational costs,

how the costs will be covered or on the income from the project. It was asked how it would be possible, given that, to check the sustainability of the innovation programme.

57. The representative of the secretariat said, with respect to the sustainability of the proposed interventions, that with respect to costs the proponents provided information that compared the project against the costs of the current situation and found that it would be beneficial in comparison with a similar investment in fossil fuel; the operating costs would be lower with a renewable energy system. That would also be complemented by independence from a volatile fossil fuel market. She said that while sustainability was not specifically mentioned there were two relevant components to the project: standards and policies would be developed to ensure the availability of the technologies and a scoping study would be undertaken and its lessons would stimulate more market uptake of the technologies and demonstrate that they were viable in an area where there were legal and technical barriers to their use.

58. It was agreed that the project should be endorsed and that it was important to keep up with the pace of technological development taking place around the world. There were important co-benefits from linking mitigation and adaptation. It was also suggested that the scoping study should pay attention to the skills and abilities that needed to be developed to implement the technology at the country level. Green jobs that would be created through the development of local capacity, but certification that would be required for that. Innovativeness should be assessed relative to the country concerned and in the context of Antigua and Barbuda the project was innovative.

59. Having considered the issues raised in documents AFB/PPRC.26.6/14 and Add.1, and AFB/PPRC.26.6/15 and Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

a) Note the recommendation to:

- (i) Approve the innovation small grant, as supplemented by the additional information provided by the Department of Environment (DOE) to the issues raised by the Board in decision B.35.a-35.b/71;
- (ii) Approve the funding of US\$ 250,000 for the implementation of the project, as requested by DOE;
- (iii) Request the secretariat to draft an agreement with DOE as the national implementing entity for the project; and

b) Consider the recommendation under subparagraph a) i-iii above when DOE has the status of “accredited” with the Fund, as defined in document AFB/B.34/5.

(Recommendation PPRC 26.b/7)

Agenda Item 8: Innovation: large grants for innovation

60. Ms. Susana Castro-Acuña Baixauli (Spain, Western European and Others), Vice-chair of the PPRC invited the secretariat to introduce the report on the programme on innovation: large grants for innovation contained documents AFB/PPRC.26.b/16 and Add.1. The representative of the secretariat provided background on the creation of the programme that was more fully-described in the documents. She said that the objective of the innovation pillar of the medium-term strategy of the Fund was to support the development and diffusion of innovative practices, tools

and technologies and that for large grants specifically it was expected that successful innovations would be rolled out and viable innovations would be scaled up. All accredited implementing entities, whether national, regional or multilateral would be eligible to receive large grants for innovation which could fund single country, regional or multi-regional projects and programmes. The criteria for eligibility included: country eligibility, project or programme eligibility and the implementation arrangements as well as the rolling out of successful innovations and the scaling up of viable innovations.

61. She said that according to the implementation plan of the medium-term strategy, the innovation facility would provide at least six large grants of up to US\$ 5 million through US\$ 30 million that had been set aside for the programme. The implementation modalities would be similar to those that applied to single-country and regional concrete adaptation projects and programmes and would follow either the two-step or the three-step process respectively. Monitoring and reporting on the large grants would be done annually, at mid-term and at the end of the projects, and potentially through portfolio monitoring missions as well. The secretariat would also assess the need to develop specific objectives and indicators for the innovation aspects of the projects beyond those included in the regular project performance reporting process and would make relevant recommendations to the Board as necessary.

62. One member asked what specific objectives and indicators the secretariat was considering beyond those already included in the regular project performance reports. Others said that the scaling up of innovation was recognized as being very important and that the Board should work with the secretariat to develop new indicators such as those for sustainability.

63. The representative of the secretariat said that because there were several things happening in parallel it would be important to take stock to improve the objectives and indicators for the innovation aspects of the projects and capture the knowledge and experience that was emerging as well as the ongoing discussions on how to measure innovation. She said that the secretariat was asking to be given the space to consider a mechanism to ensure continued coherence throughout Fund's programmes with respect to innovation.

64. Another member said that the issue was a question of the ownership of innovation and asked who would be eligible for the large grants for innovation and whether any implementing entity be eligible or would they be limited to those that had already implemented a small-scale grant for innovation or who had implemented a regular project with an innovation component. The questions raised were also whether implementing entities would be allowed to apply for a large grant for innovation using the innovation that had been developed by another implementing entity at a smaller scale, and who owned the innovation and who would assess whether there would be third-party involvement in the review of the proposals.

65. The representative of the secretariat said that it had not been foreseen that access to large grants for innovation would be limited to those who had already had experience with the implementation of small-scale grants for innovation and wished to scale them up. She said that one practical difficulty with that approach was that only a small number of small-scale grants were being currently implemented. That implied that the Board would not be able to go ahead with such large grants. However, many of the current regular projects had aspects that could be classified as being innovative, although those interventions had not been deliberately developed under the innovation pillar of the Fund. While that sort of restriction was possible it was an open question whether such a restriction should apply to those wishing to access large grants for innovation and whether that was something that the Fund wished to have, especially when it also was trying to explore the best innovative ideas available. The medium-term strategy had not foreseen large

grants for innovation being linked to scaling up innovation that had already been demonstrated in other projects of the Fund. The representative of the secretariat indicated that it was not foreseen that the review process would differ substantially from that followed with the small-scale grants.

66. Having considered the issues raised in document AFB/PPRC.26.b/16 and Add.1, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board decide:

- a) To approve the process for providing funding for innovation through large grants to Implementing Entities (IEs) as described in document AFB/PPRC.26.b/16; including the proposed objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features as described in document;
- b) That the large grants for innovation would fall outside the country cap approved by the Board in decision B.13/23 or, in the case of regional or multi-regional proposals, the regional provision, whereas they would count against the Multilateral Implementing Entity cap as per decision B.12/9;
- c) To request the secretariat to prepare the first Request for Proposals to IEs for US \$30 million to be launched by the first quarter of calendar year of 2021; and
- d) To request the secretariat to consider the need to develop specific objectives and indicators for the innovation aspects of the projects, beyond what is included in the regular project performance reporting process, and make relevant recommendations to the Board at its thirty-seventh meeting.

(Recommendation PPRC 26.b/8)

Agenda Item 9: Innovation: Options for further defining innovation in adaptation projects and programmes

67. The representative of the secretariat introduced the report on options for further defining innovation in adaptation projects and programmes contained in document AFB/PPRC.26.b/17. With respect to the role of innovation in supporting adaptation to climate change she said that the Theory of Change of the Fund, contained in the medium-term strategy, was aligned with Article 7 of the Paris Agreement which had called for enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change. The importance of innovation had been highlighted in Article 10 of the Paris Agreement which had stressed the need to accelerate, encourage, and enable innovation for an effective, long-term global response to climate change.

68. In 2010 the UNFCCC had established its technology mechanism which supported developing countries to address their nationally determined mitigation and adaptation technology needs. The Conference of the Parties had established in Decision 15/CMA.1 that innovation was one of the five pillars of the technology framework of the UNFCCC. The Fund's innovation pillar, as presented in the medium-term strategy of the Fund, built on the Paris Agreement and was more fully described in document AFB/PPRC.26.6/17.

69. It was pointed out that the Adaptation Fund had 12 years of experience with adaptation and was one of organizations best able to speak on the issue. The Adaptation Fund was taking the lead in defining what was innovation in that area. However, if the secretariat was to prepare a new document to further clarify and guide actions what additional guidance would the secretariat be

looking for. Would it work with outside research centres or universities, would it develop capacity within the secretariat or would it be better to establish a task force to prepare such an important document which would probably be sent to the Conference of the Parties and shared with the donors.

70. The representative of the secretariat said that it would be helpful to take the present opportunity, or future opportunities, to have an exchange of ideas with the members of the PPRC and to learn their preferences on the definition of innovation under the Adaptation Fund. She said that the secretariat had not prejudged the way forward and if there was agreement to go forward with the preparation of the document there could be discussion within the PPRC to further refine the initial views that had been developed by the secretariat and reflect the outcomes of the PPRC discussions. It would be important to know the preferences for the PPRC before deciding whether the next step involved the creation of a small task force or working with a research centre or an academic institution.

71. It was observed that it would be good to take advantage of the opportunity to link the Adaptation Fund with an external partner. The Adaptation Fund did not have a scientific and technical advisory panel and this would be an opportunity to create such a capacity. The suggestion to create a task force to look into that was also supported. The paper before the PPRC had raised a number of substantial questions about the current funding priorities, such as the risk appetite of the Fund. More needed to be done and there were many specialized think-tanks that specialized in analysing adaptation funding that would be eager to work with the Adaptation Fund and the secretariat.

72. Having considered the issues raised in document AFB/PPRC.26.b/17, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board decide to:

- a) Request the secretariat to prepare a document that further clarifies the definition and elaborates on the vision for innovation under the Fund, to guide further programming, taking into account the views and considerations expressed by the members of the Project and Programme Review Committee (PPRC) at its additional virtual and its twenty-sixth meeting and by the Board at the second part of its thirty-fifth meeting, and in consultation with the Board and other stakeholders, for consideration by the Board at its thirty-sixth meeting;
- b) Request the secretariat to present as part of the above-mentioned document an analysis on the relevant elements related to innovation and adaptation, including but not limited to definition of innovation, innovation rationale, innovation review criteria, risk appetite, focus on particularly vulnerable groups, countries, sectors or themes, as well as innovation in the context of COVID-19;
- c) Establish a task force composed of Board members to guide the work under the subparagraphs a) and b) above; and
- d) Request the secretariat to prepare, based on the above-mentioned analysis, guidance on review criteria for innovation grant proposals for consideration by the Board at its thirty-sixth meeting.

(Recommendation PPRC 26.b/9)

Agenda Item 10: Options for a window on enhanced direct access under the Medium-term Strategy

73. The representative of the secretariat introduced the pilot window for enhanced direct access under the medium-term strategy contained in document AFB/PPRC.26.b/18. He said that one of the outputs of the medium-term strategy had been the funding for enhanced direct access through a dedicated funding window with a tentative budget of US\$ 20 million a year for five years. He explained that enhanced direct access went beyond what could be achieved through the direct access modality and allowed decision-making on the programming of internationally allocated funds to be devolved to the national and sub-national levels. Such enhanced direct access was already being used by other organizations such as the GCF and the lessons learnt from that experience had shown that in all models, the involvement of multiple local stakeholders in funding approvals and other decision-making processes had greatly enhanced locally led adaptation action. He said that while it was costly in the short term it was worth it as it facilitated innovation and built capacity and support across the project cycle. He also stressed that each project required complex implementation arrangements, extensive stakeholder engagement, needed flexible systems.

74. He said that it was proposed that a separate funding window be set up as a pilot of US\$ 5 million per country to only be made available to NIEs and that the funding window would not count against the cap of funding for each country that had been established by the Board. The Board could review the funding envelope on an annual basis and if the submitted proposals exceeded the funding envelope during a fiscal year, the proposals would be placed in a pipeline. The proposals would follow the Fund's regular project review and approval process for single country projects and programmes and the existing monitoring and reporting mechanisms would apply. He said that additional costs were expected due to the need for greater oversight responsibility and it was proposed to increase the limit on execution costs and management fees to 12 per cent and 10 per cent respectively. Due to a higher need for capacity-building support, it was proposed that existing project formulation assistance and project formulation grants be extended to implementing entities submitting such proposals using the two-step project approval process.

75. Having considered the issues raised in document AFB/PPRC.26.b/18, the Project and Programme Review Committee decided to recommend that the Adaptation Fund Board:

- a) Approve the pilot for projects submitted through the window for enhanced direct access (EDA) to promote EDA and further promote locally led adaptation under the Fund;
- b) Decide that the pilot window to promote EDA projects/programmes shall be available to national implementing entities (NIEs) only, in the form of a grant up to a maximum of US\$5 million per country;
- c) Decide that the window for EDA will not count against what the country could access under the country cap established by the Board for regular concrete projects/programmes;
- d) Decide that the execution costs for proposals submitted under the EDA window should be up to a maximum of 12% of the total project/programme budget requested before the implementing entity fees, and should not exceed 1.5% in cases where the Implementing Entity has also taken on the role of Execution Entity for the proposed project/programme activities, and that the implementing entity fee should be up to a maximum of 10% of the total project costs;
- e) Decide that NIEs submitting proposals through the EDA window should do so using the existing approved proposal template and guideline materials for regular concrete projects/programmes nonetheless taking note of the project fees in (d) and that EDA proposals submitted through the two-step project approval process are eligible for the

project formulation grant and project formulation assistance grant as per the approved criteria by the Board for those grants;

- f) Decide that the review cycle and approval of projects/programmes submitted through the EDA window shall follow the review and approval process as well as reporting requirements for regular projects/programmes under the Fund notwithstanding adherence to (d) where it concerns the review and approval of project fees; and
- g) Request the secretariat to present to the PPRC at its twenty-eighth meeting, an analysis of the project review cycle for EDA projects including an update on implementation status of the EDA window.

(Recommendation PPRC 26.b/10)

Agenda Item 11: Other matters

Report of the secretariat on the intersessional review cycle of readiness grants

76. The representative of the secretariat introduced the report of the secretariat on the 5th intersessional review cycle of readiness grants (AFB/PPRC.26.b/Inf.2), which was being presented on an exceptional basis at the present virtual meeting because of the ongoing COVID-19 pandemic. He said that during the review cycle five proposals had been received for which US\$ 175,000 had been set aside.

77. The analysis of the intersessional review cycle had shown that there had been a general decrease by two in total grants received in comparison to the previous review cycle. While the number of South-South cooperation grants was consistent with the average of three per year for previous years there had been a slowing of the grants for technical assistance. In part that was because technical assistance grants could be accessed only as a once off grant for each NIE, some NIEs had established adequate gender and environmental and social safeguard policies, screening and management procedures and manuals and consequently had not requested such grants, while others could be prioritizing concrete projects with larger grants over the smaller grant available for readiness projects. He said that to date there had been approval of: 17 south-south cooperation grants, 22 technical assistance grants, 2 readiness package grants and 1 project scale-up grant. The secretariat will continue to work closely with NIEs to raise awareness through the Fund website and through readiness events.

78. One member observed that the results being reported always concerned projects from Africa only and he asked if other information was available for South-South cooperation outside of that region, and if so where it could be found. He also asked if there had been any assessment of the efficiency of the South-South cooperation grants in terms of the beneficiaries helped to develop NIEs and the number of projects that had been prepared by those NIEs.

79. The representative of the secretariat explained that the South-South cooperation grants were available to all developing countries that wanted to access that form of support, but it was country driven and depended on the countries themselves initiating the process. There had been much awareness raising by the secretariat especially at readiness events to promote those grants and there had been a number of candidates outside the African region that had applied for and received such grants. With respect to efficiency, he said that currently there were three NIEs that had been accredited through South-South cooperation grants. All had been from Africa and the accreditations had taken a little under three years to complete. He added that information on the

beneficiaries of the South-South cooperation grants could be found on the website of the Fund under the readiness section.

80. The PPRC took note of the report by the secretariat.

Agenda Item 12: Adoption of the Recommendations and the Report

81. The Vice-chair said that the secretariat will prepare the report of the meeting and circulate it to the members of the PPRC for endorsement prior to the second part of the 35th meeting of the Board (AFB35.b). The present report was adopted intersessionally by the PPRC following its twenty-sixth meeting.

Agenda Item 13: Closure of the meeting

82. Following the customary exchange of courtesies, the Vice-chair declared the meeting closed at 4.45 p.m. Central European Time.

Annex I

**Project and Programme Review Committee
Twenty-sixth Meeting
Bonn, Germany (held virtually),
13-14 October, 2020**

PPRC members present at the meeting

Ms. Patience DAMPTEY (Ghana, Africa)

Ms. Fatou NDEYE (Republic of The Gambia, Africa)

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

Mr. Ahmed WAHEED (Maldives, Asia-Pacific)

Ms. Ala DRUTA (Moldova, Eastern Europe)

Ms. Margarita CASO CHÁVEZ (Mexico, Latin America and the Caribbean)

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

Ms. Claudia KELLER (Germany, Western European and Others)

Ms. Susana CASTRO-ACUÑA BAIXAULI (Vice-Chair, Spain, Western European and Others)

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

Mr. Tshering TASHI (Bhutan, Least Developed Countries)

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

Mr. Lucas DI PIETRO (Chair, Argentina, Non-Annex I Parties)

Annex II

Recommendations for projects and programmes not discussed at the twenty-sixth (b) meeting of the Project and Programme Review Committee

Following the decision B.34/50, which states that the PPRC would pilot discussing only those projects and programmes that are technically recommended, and any projects or programmes that any Board member requests a discussion on, there were four submissions that did not meet the criteria under the decision and therefore were not added to the agenda. Below are the proposed recommendations for those projects.

Single-country projects and programmes

Fully-developed proposals

Proposals from National Implementing Entities (NIEs)

Small-size proposals:

Indonesia: Enhancing the Adaptation Capability of Coastal Community in Facing the Impacts of Climate Change in Negeri (Village) Asilulu, Ureng and Lima of Leihitu District Maluku Tengah Regency Maluku Province (Fully-developed project; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/CZM/2019/1; US\$ 963,456).

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

- a. Not approve the fully-developed project document, as supplemented by the clarification 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 selected measures to ensure sustainability of fish stocks;
 - ii. The proposal should indicate how the project will evaluate the success of activities focusing on preventing reef bombing;
 - iii. The proposal should provide a sound justification for why an Environmental Impact Analysis (AMDAL) permit is not required for coral restoration activities, as well as a rationale for the relevance of the previously conducted impact assessment for the seawall restoration activity;

- iv. The proposal should clarify the process for obtaining an Environmental Management Business Permit and an Environmental Monitoring Business license;
 - v. The proposal should update the ESMP to include alignment with the Fund's ESP principles; and
- c. Request Kemitraan to transmit the observations under subparagraph b) to the Government of Indonesia.

(Recommendation PPRC 26.b/11)

Indonesia: EMBRACING THE SUN: Redefining Public Space as a Solution for the Effects of Global Climate Change in Indonesia's Urban Areas (Fully-developed project; Partnership for Governance Reform in Indonesia (Kemitraan); IDN/NIE/Urban/2019/1; US\$ 824,853).

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

- a. Not approve the fully-developed project document, as supplemented by the clarification 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 more design details on proposed flood resilience measures, specifically regarding public space;
 - ii. The proposal should include specific estimations of the intended social and economic benefits of the selected concrete interventions, particularly regarding vulnerable groups;
 - iii. The proposal should provide justification of the cost-effectiveness of the selected adaptation interventions;
 - iv. The proposal should demonstrate its alignment with any national/technical standards related to the specific sectors/areas of intervention (e.g. standards related to flood resilience);
 - v. The proposal should include plans for the consultations to refocus component 1 and details on how to integrate outputs from these consultations in the design and implementation of the sector-based interventions;
 - vi. The proposal should include a Gender Assessment, in line with the Fund's Gender Policy;

- vii. The proposal should include a complete M&E plan, including sex-disaggregated data, targets and indicators (based on the gender assessment), as well indicators for project component 1, specifying the arrangements to be used for monitoring and evaluation; and
- c. Request Kemitraan to transmit the observations under subparagraph b) to the Government of Indonesia.

(Recommendation PPRC 26.b/12)

Proposals from Multilateral Implementing Entities (MIEs)

Regular proposals

Kyrgyzstan: Regional Resilient Pastoral Communities Project – ADAPT (Fully-developed project; International Fund for Agricultural Development (IFAD); KGZ/MIE/Agric/2019/1; US\$ 9,999,313).

85. 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 International Fund for Agricultural Development (IFAD) to the request made by the technical review;
- b. Suggest that IFAD reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - i. The proposal should demonstrate compliance with national technical standards, and with the ESP and the GP of the Adaptation Fund;
 - ii. The proponent should clarify the co-financing aspect and justify the requested financing on the basis of the full-cost of adaptation reasoning; and
- c. Request IFAD to transmit the observations under subparagraph b) to the Government of Kyrgyzstan.

(Recommendation PPRC 26.b/13)

Regional projects and programmes

Fully-developed proposals

Proposals from Multilateral Implementing Entities (MIEs)

Angola, Mozambique, Namibia, South Africa, Zimbabwe: Strengthening Adaptive Capacities for Smallholder Farmers in Water Stressed River Basin in Southern Africa (Fully-developed project; United Nations Educational, Scientific and Cultural Organization (UNESCO); AFR/MIE/Water/2019/1; US\$ 14,000,000).

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

- a. Not approve the fully-developed project document, as supplemented by the clarification responses provided by the United Nations Educational, Scientific and Cultural Organization (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 demonstrate the added value of the specific regional approach involving the five beneficiary countries and the two river basins;
 - ii. The proposal should demonstrate coherence and synergy between its two components;
 - iii. The proponent should clarify how the investments under component 2 may not lead to maladaptation, as well as the feasibility of the value chain-aggregator concept and how it will deliver concrete adaptation benefits; and
- c. Request UNESCO to transmit the observations under subparagraph b) to the Governments of Angola, Mozambique, Namibia, South Africa and Zimbabwe.

(Recommendation PPRC 26.b/14)

Annex III

AFB35.b: Summary of recommendations for projects and programmes at the twenty-sixth (b) meeting of the Project and Programme Review Committee

1. Full Proposals: Single-country	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Indonesia (1)	Kemitraan	AFB/PPRC.26.b/4	963,456			Not approve	0
	Indonesia (2)	Kemitraan	AFB/PPRC.26.b/5	824,835			Not approve	0
MIE								
	Côte d'Ivoire	IFAD	AFB/PPRC.26.b/6			6,000,000	Not approve	0
	Gambia	WFP	AFB/PPRC.26.b/7			10,000,000	Waitlist	0
	Kyrgystan	IFAD	AFB/PPRC.26.b/8			9,999,313	Not approve	0
Sub-total, USD				1,788,291	-	25,999,313		0
2. Full Proposals: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Angola, Mozambique, Namibia, South Africa, Zimbabwe	UNESCO	AFB/PPRC.26.b/9			14,000,000	Not approve	0
Sub-total, USD					-	14,000,000		0
3. Concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	El Salvador, Honduras	WFP	AFB/PPRC.26.b/10			11,886,691	Endorse	-
Sub-total, USD					-	11,886,691		0
4. Project Formulation Grants: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	El Salvador, Honduras	WFP	AFB/PPRC.26.b/10/Add.1			80,000	Approve	80,000
Sub-total, USD					-	80,000		80,000
5. Pre-concepts: Regional	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
RIE								
	Costa Rica, Dominican Republic	CAF	AFB/PPRC.26.b/11		13,919,202		Not endorse	0
MIE								
	Cameroon, Chad, Central African Republic, Niger, Nigeria	WMO	AFB/PPRC.26.b/12			10,620,000	Not endorse	0
	India, Sri Lanka	WFP	AFB/PPRC.26.b/13			13,995,524	Endorse	-
Sub-total, USD					13,919,202	24,615,524		0
6. Project Formulation Grants: Regional pre-concepts	Region/Countries	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
MIE								
	Cameroon, Chad, Central African Republic, Niger, Nigeria	WMO	AFB/PPRC.26.b/12/Add.1			20,000	Not approve	0
	India, Sri Lanka	WFP	AFB/PPRC.26.b/13/Add.1			20,000	Approve	20,000
Sub-total, USD					-	40,000		20,000
TOTAL (1+2+3+4+5+6)				1,788,291	13,919,202	76,621,528		100,000
7. Innovation Small Grants	Country	IE	PPRC Document number	NIE funding, USD	RIE funding, USD	MIE funding, USD	Decision	Funding set aside, USD
NIE								
	Antigua and Barbuda	DOE	AFB/PPRC.26.b/15	250,000			Not approve*	0
Sub-total, USD				250,000	-	-		0
GRAND TOTAL (1+2+3+4+5+6+7)				2,038,291	13,919,202	76,621,528		100,000

* Approval will be considered after the status of the IE changes to "accredited".