



ADAPTATION FUND

AFB/PPRC.28/41
18 October 2021

Adaptation Fund Board
Project and Programme Review Committee
Twenty-eighth meeting
Bonn, Germany, (virtually), 11-13 October 2021

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

Agenda Item 1: Opening of the meeting

1. The meeting was opened at 2:15 p.m. Central European Time (UCT+2) on Monday, 11 October 2021, by Ms. Susana Castro-Acuña Baixauli (Spain, Western European and Others) who welcomed all the members of the Project and Programme Review Committee (PPRC).
2. The members present at the meeting are listed in Annex I to the present report.

Agenda Item 2: Organizational matters

(a) Adoption of the agenda

3. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.28/1/Rev.2) and the annotated provisional agenda (AFB/PPRC.28/2/Rev.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) Tanzania (United Republic of) (1);
 - b) Tanzania (United Republic of) (2);
 - c) Côte d'Ivoire;
 - d) Hati;

- e) Malaysia;
 - f) Costa Rica;
 - g) Honduras;
 - h) Tanzania (United Republic of) (3);
 - i) Uganda (2);
 - j) Trinidad and Tobago;
 - k) Nicaragua;
 - l) North Macedonia;
 - m) Vanuatu.
5. Review of regional project and programme proposals:
 - a) Benin, Burkina Faso, Côte d'Ivoire, Gambia (Republic of The), Ghana, Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo;
 - b) Botswana, Malawi, Mozambique, South Africa, Zambia, Zimbabwe;
 - c) Cuba, Panama;
 - d) India, Sri Lanka;
 - e) Benin, Togo;
 - f) Cambodia, Lao (People's Democratic Republic), Myanmar, Thailand, Viet Nam;
 - g) Costa Rica, Panama.
 6. Report of the secretariat on initial screening/technical review of enhanced direct access project and programme proposals.
 7. Review of enhanced direct access project and programme proposals:
 - a) Rwanda;
 - b) Belize.
 8. Report of the secretariat on initial screening/technical review of large innovation project proposals.
 9. Review of large innovation project proposals:
 - a) Belize;
 - b) Somalia;
 - c) Viet Nam;
 - d) Kenya, Uganda.
 10. Report of the secretariat on initial screening/technical review of small grant proposals.
 11. Review of innovation small grant proposals:
 - a) Bhutan;
 - b) Uganda.
 12. Report of the secretariat on initial screening/technical review of learning grant and project scale-up grant proposals.
 13. Review of learning grant proposals:
 - a) Costa Rica.

14. Other matters.
15. Adoption of the recommendations and report.
16. Closure of the meeting.

(b) Organization of work

4. The Chair said that 23 concrete projects and programmes had been processed and technically reviewed by the secretariat for the consideration of the PPRC and the Adaptation Fund Board (Board). Pursuant to decision B.34/50, the agenda included those proposals that had been technically recommended by the secretariat for endorsement or approval by the Board, as well as the enhanced direct access, innovation, large, small, and learning grant proposals. The agenda also included all the new submissions for concrete projects even though they had not been recommended for approval or endorsement.

5. One member sought clarification as to why some of the proposals that had not been recommended for approval had been placed on the agenda while others had not. The representative of the secretariat explained that only new submitted proposals that had not been technically recommended by the review process are included in the agenda for discussion by the PPRC, and those that were not first submissions, were not placed on the agenda for discussion by the PPRC. However, any of the members could request that any proposal not technically recommended could be placed on the agenda of the meeting should they wish to discuss them.

6. It was also explained that the document on the full cost of adaptation reasoning (AFB/PPRC.28/3) had been withdrawn from the agenda because of the heavy workload of the meeting and it was proposed to be discussed (a face-to-face meeting rather than in a virtual format). Given the complexity of the topic and since the secretariat had been unable to develop a full proposal that was both actionable and straightforward in time for the present meeting, the item is proposed to be postponed at next face-to-face meeting.

7. Several members expressed their concern that the item had been withdrawn. It had been over two years since the Board had considered the issue and it is important to make room on the agenda to discuss the matter especially given the importance of the related issue of co-financing. Although it would be challenging to discuss the issue virtually, with the restrictions of time, there was also no certainty that such a face-to-face meeting could be held in the near future. The Board had previously considered a document of the issue and it was asked whether that document could be updated by the secretariat orally at the present meeting. If so, the discussion of the full cost of adaptation could at least be started under the item any other matters of the agenda.

8. In response to the committee request, the Manager of the secretariat indicated that such a discussion could be facilitated by the secretariat at this present meeting. Another member asked about the role of civil society in the work of the Board to which the Manager responded that the issue was on the agenda for the upcoming meeting of the Board.

9. The Chair of the PPRC chaired the meeting with the exception of the discussions under the latter part of agenda item 4, and under agenda items 5, 6, 14, 15 and 16, which were chaired by the Vice-Chair.

10. The PPRC adopted the organization of work contained in the annotated provisional agenda for the meeting and agreed to consider the issue of the full cost of adaptation reasoning under agenda item 14, 'Other matters'.

11. The following members declared a conflict of interest:

Ms. Patience Dampsey (Ghana, Africa – concrete regional project (AFB/PPRC.28/20)); and

Mr. Tshering Tashi (Bhutan, Least Developed Countries – concrete single country project (AFB/PPRC.28/5) and innovation small grant (AFB/PPRC.28/38)).

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

12. In considering the agenda item the PPRC had before it documents AFB/PPRC.28/4 and Add.1, 'Report of the secretariat on initial screening/technical review of the project and programme proposals'.

Funding status and situation of the pipeline

13. The cumulative funding decisions for projects/programmes submitted by Multilateral Implementing Entities (MIEs) amounted to US\$ 530.42million, and the cumulative funding decisions for all projects/programmes amounted to US\$ 847.80 million. Funds available to support Adaptation Fund Board funding decisions amounted to US\$ 195.69 million based on the Trustee report dated 30 June 2021. In accordance with the Board decision B.12/9, the funds available for projects submitted by MIEs below the 50 per cent cap amounted to US\$ 3.85 million.

Funding Window for Regional Projects and Programmes

14. The total amount of funding for regional projects and programmes for the fiscal year 2022 to date was US\$ 11,941,038, and US\$ 48,058,962 remained from the initial amount approved for the fiscal year 2022 for regional programming. There were no regional projects or programmes currently on the waitlist for funding.

Status of project/programme waitlist

15. There were currently no projects on the waitlist.

Project/programme proposals submitted by implementing entities:

Single-country proposals

16. Accredited implementing entities submitted fifteen single-country project proposals to the secretariat, with the total requested funding amounting to US\$ 108,789,060, excluding project formulation grants (PFGs) and project formulation assistance (PFAs). The proposals included US\$ 8,354,181 or an average of 8.26 per cent in implementing entity management fees and US\$ 8,339,915 or an average of 8.3 per cent in execution costs.

17. Aside from one proposal that was requesting a PFG in excess of the allowed amount, all proposals, except one, were in compliance with decision B.13/17 to cap execution costs at 9.5 per cent of the project/programme budget. All proposals requested funding were in accord with the cap of US \$10 million decided on a temporary basis, for each country, in accordance with

decision B.13/23, or the possible additional amount of US \$10 million made available pursuant to decision B.36/41.

18. In response to a query as to why the proposals for Bhutan (AFB/PPRC.28/5) and Uganda (1) (AFB/PPRC.28/8) had not been placed on the agenda of the PPRC, the representative of the secretariat explained that the proposals had not been technically recommended and no member had requested them to be placed on the agenda.

Project/programme proposals submitted by implementing entities:

Regional proposals

19. Accredited implementing entities submitted eight proposals for regional projects and programmes, totalling US\$ 109,490,386. All eight were found to be complete and proceeded through the project review cycle. The total requested funding for the one fully-developed project proposal included US\$ 1,080,095, or 8.36 per cent, in implementing entity management fees and US\$ 1,120,905, or 8.68 per cent in execution costs.

Issues Identified During the Review Process

Issues related to the Multilateral Implementing Entity Cap

20. Based on the latest financial report the funds available for projects submitted by MIEs amounted to the US\$ 3.85 million available to finance them, and subject to the availability of resources, the three single country proposals under consideration might need to be placed on the waitlist.

Issues related to Unidentified Sub-projects

21. During the recent review cycles, it had been found that a large number of proposals had included unidentified sub-projects (USPs), some of which were of considerable size and represented up to 60 per cent of the proposed budgets. For most of those proposals an adequate justification for their use was not provided and they appeared to be part of the original project design. Given the challenges they presented for compliance with the Fund's Environmental and Social Policy and Gender Policy, it was suggested that the PPRC might recommend that the secretariat be requested to prepare an analysis on the use of USPs in projects submitted for AF funding and compliance with the Fund's Environmental and Social Policy and Gender Policy for the Board's consideration.

Issues related to the Execution Services and Costs

22. Several of the recent proposals submitted for the Board's consideration presented implementation arrangements whereby the implementing entities were involved in the execution of the projects and programmes. Although that was possible on an exceptional basis, execution costs in those cases were capped at 1.5 per cent of the project programme costs. That rule, however, might not cover the case of an implementing entity that only partially executed a project or programme. In such a case it was unclear whether the 1.5 per cent cap applied to the whole project, or just to that part of the project or programme being executed by the implementing entity. Additionally, it was unclear whether the current policy applied to regional projects or programmes and the PPRC might wish to provide guidance on the scope of the policy.

Issues related to Project Formulation Grants and Project Formulation Assistance Grants

23. During the review cycles it had been found that Project Formulation Grants and Project Formulation Assistance Grants were being used to fund similar activities. While the two types of grants had been created to support different objectives, given lack of difference in the way the grants were being used, the PPRC might wish to recommend discontinuing the Project Formulation Assistance Grants and increase the amount for the Project Formulation Grants in order to streamline the grant application process and make it more efficient.

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

25. Having considered the issues raised in document AFB/PPRC.28/4, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Request the secretariat to analyse the issues related to the use of Unidentified Sub-projects (USPs), and present the findings to the twenty-ninth meeting of the Project and Programme Review Committee (PPRC);
- b) Further request the secretariat to clarify regional implementation and execution costs, including where Implementing Entities (IEs) provide part or all of the execution services, and present the findings to the twenty-ninth meeting of the PPRC;
- c) Decide that for all projects, where the IE provides a portion of the execution services, the execution costs of the IE will be limited proportionally to the cost of the part of the project or programme executed by the IE;
- d) Decide to raise the maximum amount of individual Project Formulation Grant available to national implementing entities US\$ 50,000; and
- e) Decide to discontinue Project Formulation Assistance Grants for future review cycles.

Recommendation PPRC.28/1

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

26. This addendum to the Report of the secretariat on initial review of project and programme proposals (document AFB/PPRC.28/4/Add.1) included summaries of the technical reviews of project and programme proposals carried out by the secretariat for proposals submitted to the thirty-seventh meeting of the Board, to be discussed at the twenty-eighth meeting of the PPRC. The document was complemented by the proposal-specific documents.

27. Each of the proposal-specific documents included an introduction, a summary prepared by the secretariat, the proposal as it was received, and the technical review undertaken by the secretariat.

Single-country projects and programmes

Fully-developed proposals

Proposals from National Implementing Entities (NIEs)

Regular proposals

Bhutan: Adaptation to Climate-induced Water Stresses through Integrated Landscape Management in Bhutan (Fully-developed project; Bhutan Trust Fund for Environmental Conservation (BT FEC); AF00000229; US\$ 9,998,955)

28. The objective of the proposal was to build resilience to climate change and the adaptive capacity of water stressed communities in the dzongkhags (districts) of Paro and Dagana. This was the first submission of the fully-developed project proposal, using a two-step approach.

29. Having considered the issues raised in documents AFB/PPRC.28/5 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not approve the fully-developed project proposal, as supplemented by the clarification responses provided by the Bhutan Trust Fund for Environmental Conservation (BT FEC) to the request made by the technical review;
- b) Suggest that BT FEC 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 inform the type and scale of envisaged adaptation measures;
 - (ii) The proponent should strengthen and justify the cost-effectiveness of the proposed measures, including quantitative data;
 - (iii) The proposal should clarify how lessons learned and best practices from other projects in sustainable land management have been taken into account for the project's development;
 - (iv) The proposal should ensure compliance with the Fund's Environmental and Social Policy; and
- c) Request BT FEC to transmit the observations under subparagraph (b) to the Government of Bhutan.

Recommendation PPRC.28/2

United Republic of Tanzania (1): Karatu Climate Resilience and Adaptation Project for Hadzabe and Datoga Communities – KARAHADA (Fully-developed project; National Environment Management Council (NEMC); AF00000255; US\$ 2,500,000)

30. The objective of the proposal was to enable climate resilient livelihoods in climate change affected areas by building capacity of Hadzabe (hunter-gatherers) and Datoga (blacksmiths) communities. This was the first submission of the fully-developed project proposal, using a one-step approach.

31. It was noted that with respect to the indigenous people involved in project that at one point the document seemed to indicate that there were no indigenous peoples in the area within the

meaning of the laws of the United Republic of Tanzania. It was also asked how the sustainability of the project would be secured given the lack of figures on costs for the project. The representative of the secretariat agreed that the technical reviews had found that there was insufficient information of the issue of sustainability, inconsistency in the reference to indigenous peoples and concerns with the use of USPs.

32. Having considered the issues raised in documents AFB/PPRC.28/6 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the National Environment Management Council (NEMC) to the request made by the technical review;
- b) Suggest that NEMC 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 fully identify the project activities and demonstrate compliance with the Fund's Environmental and Social Policy and Gender Policy;
 - (ii) The proposal should include gender-disaggregated data and project indicators;
 - (iii) The proposal should include quantified details regarding the sustainability of the project components; and
- c) Request NEMC to transmit the observations under subparagraph b) to the Government of the United Republic of Tanzania.

Recommendation PPRC.28/3

United Republic of Tanzania (2): Restoration of Lake Babati for Enhanced Climate Change Adaptation in Babati District (Fully-developed project; National Environment Management Council (NEMC); AF00000256; US\$ 4,000,000)

33. The objective of the proposal was to restore the severely degraded ecosystems of Lake Babati, enabling climate resilient livelihoods in environmentally degraded areas of the Babati District. This was first submission of the fully-developed project proposal, using a one-step approach.

34. It was pointed out that there could be covid-19-related trade supply risks related to the tenders for equipment being proposed and it was suggested that those risks should be considered more deeply during the technical review of the reformulated proposal.

35. Having considered the issues raised in documents AFB/PPRC.28/7 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the National Environment Management Council (NEMC) to the request made by the technical review;
- b) Suggest that NEMC reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should clearly identify the climate impacts on targeted communities and clarify how the proposed scale of the project can deliver meaningful outcomes to beneficiaries and help build their adaptive capacity;
 - (ii) The proposal should provide all impact assessments that the project activities require as well as a project-specific summary overview of how the risks identified are managed in line with the Fund's Environmental and Social Policy and Gender Policy. In doing so, it should clarify what approach the project will use for the inclusion of gender during the project's design and execution, and in the delivery of all project components;
 - (iii) The proponents should demonstrate how consultations have been conducted in gender-sensitive ways and how those consultations have concretely shaped the selected project activities; and
- c) Request NEMC to transmit the observations under subparagraph b) to the Government of the United Republic of Tanzania.

Recommendation PPRC.28/4

Uganda (1): Enhancing Resilience of Communities and Fragile Ecosystems to Climate Change in Katonga Catchment, Uganda (Fully-developed project; Ministry of Water and Environment (MoWE); AF00000236; US\$ 2,249,000).

36. The objective of the proposal was to strengthen the resilience of communities and fragile ecosystems to climate change impacts through promoting appropriate water infrastructure investments and nature-based solutions. This was the second submission of the fully developed project proposal, using a two-step approach.

37. Having considered the issues raised in documents AFB/PPRC.28/8 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not approve the fully-developed project, as supplemented by the clarification responses provided by the Ministry of Water and Environment (MoWE) to the request made by the technical review;
- b) Suggest that MoWE 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 fully identify the project activities and demonstrate compliance with the Fund's Environmental and Social Policy and Gender Policy;

- (ii) The proposal should address issues related to the budget and the project execution costs; and
- c) Request MoWE to transmit the observations under subparagraph b) to the Government of Uganda.

Recommendation PPRC.28/5

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); AF00000222; US\$ 6,000,000)

38. The objective of the proposal 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 second submission of the fully-developed project proposal, using a one-step approach.

39. The representative of the secretariat said that the proposal had also been commented on by two civil society organizations. In response to a query about the annex related to free prior and informed consent, the secretariat confirmed that the annex was no longer required and would be removed from the project document before its final posting on the Fund's website.

40. Having considered the issues raised in documents AFB/PPRC.28/9 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended 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 International Fund for Agricultural Development (IFAD) to the request made by the technical review;
 - (ii) Approve the funding of US\$ 6,000,000 for the implementation of the project, as requested by IFAD; and
 - (iii) Request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project. The agreement should include a commitment from IFAD that, prior to the second disbursement, IFAD will submit a report on how they have addressed the civil society organization(s) (CSO) comments during project implementation, with particular emphasis on how the CSO engagement in the project implementation was improved; and
- b) Place the project on the waitlist pursuant to Decisions B.17/19, B.19/5, B.28/1 and B.35.a35.b/46.

Recommendation PPRC.28/6

Haiti: Implementing Measures for Climate Change Adaptation and Disaster Risk Reduction Mitigation of School Facilities in Haiti (Fully-developed project; United Nations Educational, Scientific and Cultural Organization (UNESCO); AF00000235; US\$ 9,916,344)

41. The objective of the proposal was to enhance the adaptive capacity and resilience of the Haitian education sector to disaster risk of natural hazards related to climate change. This was the first submission of the fully-developed project proposal, using a two-step approach.

42. The representative of the secretariat said that the proposal had also been commented on by one civil society organization.

43. Having considered the issues raised in documents AFB/PPRC.28/10 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended 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 of the United Nations Educational, Scientific and Cultural Organization (UNESCO) to the request made by the technical review;
- (ii) Approve the funding of US\$ 9,916,344 for the implementation of the project, as requested by UNESCO;
- (iii) Request the secretariat to draft an agreement with UNESCO 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.a35.b/46.

Recommendation PPRC.28/7

Malaysia: Nature-based Climate Adaptation Programme for the Urban Areas of Penang Island (Fully-developed project; United Nations Human Settlements Programme (UN-Habitat); AF00000232: US\$ 10,000,000)

44. The objective of the proposal was to enhance urban resilience and reduce human and ecosystem health vulnerability to climate change impacts and extreme weather events by implementing nature-based solutions (NbS). This was the first submission of the fully-developed project proposal, using a two-step approach.

45. The proposal was applauded for its innovative component related to health and for linking the co-benefits of health with climate-related issues.

46. Having considered the issues raised in documents AFB/PPRC.28/11 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended 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 United Nations Human Settlements Programme (UN-Habitat) 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 UN-Habitat;
 - (iii) Request the secretariat to draft an agreement with UN-Habitat 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.a35.b/46.

Recommendation PPRC.28/8

47. Ms. Ala Druta (Vice-Chair, Moldova, Eastern Europe) took over as chair of the meeting.

Concepts

Proposals from National Implementing Entities (NIEs)

Regular proposals

Costa Rica: Increasing the Resilience of Vulnerable Populations in Costa Rica by Scaling Up Adapta2+; (Concept note; Fundecooperación para el Desarrollo Sostenible (Fundecooperación); AF00000257; US\$ 10,000,000)

48. The objective of the concept note was to increase the resilience of vulnerable populations in the food systems of Costa Rica. This was the first submission of the concept note, using a two-step approach.

49. Clarification was sought on the link between laws and policies and technical standards, and it was asked: whether there was a necessary connection between them, and how nature-based investments would be linked to technical standards. The representative of the secretariat gave the example of green infrastructure which would still need to be compliant with local building codes.

50. Having considered the issues raised in documents AFB/PPRC.28/12, AFB/PPRC.28/12/Add.1, AFB/PPRC.28/12/Add.2 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the concept note, as supplemented by the clarification responses provided by the Fundecooperación para el Desarrollo Sostenible (Fundecooperación) to the request made by the technical review;
- b) Suggest that Fundecooperación 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 justify the full cost of adaptation reasoning, explaining how funding the proposed activities will lead to the expected adaptation objectives;

- (ii) The proposal should provide an overview of environmental and social risks ensuring compliance with the Fund's Environmental and Social Policy;
 - (iii) The proponent should clarify how compliance with relevant national technical standards related to the specific sector of intervention will be achieved;
 - (iv) The proposal should explain how it will avoid duplication with climate change adaptation projects, under implementation and to be implemented, in the country;
- c) Not approve the project formulation grant of US\$ 30,000;
 - d) Not approve the project formulation assistance grant of US\$ 20,000; and
 - e) Request Fundecooperación to transmit the observations under subparagraph b) to the Government of Costa Rica.

Recommendation PPRC.28/9

Honduras: Let's Save the Merendon (Concept note; Comisión de Acción Social Menonita (CASM); AF00000258; US\$ 4,000,000)

51. The objective of the concept note was to introduce adaptation practices to strengthen resilience of communities living in the Sierra del Merendon. This was the first submission of the concept note, using a two-step approach.

52. Having considered the issues raised in documents AFB/PPRC.28/13, AFB/PPRC.28/13/Add.1, AFB/PPRC.28/13/Add.2 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the concept note, as supplemented by the clarification responses provided by the Comisión de Acción Social Menonita (CASM) to the request made by the technical review;
- b) Suggest that CASM 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 describe how the proposed activities are suited to the current and anticipated type and scale of impacts from specified climate hazards to demonstrate the adequateness of the project interventions;
 - (ii) The proposal should provide a higher level of granularity to the description of the proposed components to highlight the concreteness of the proposed activities and their expected visible and tangible impact on the ground;
 - (iii) The proposal should identify all relevant potentially overlapping on-going or soon-to-be-implemented projects and programmes and state lack of overlap and/or complementarity in a logical manner;

- (iv) The proposal should elaborate on the arrangements through which sustainability of the proposed components will be ensured, covering all areas of sustainability including but not limited to economic, social, environmental, institutional, and financial;
 - (v) The proposal should identify potential Environmental and Social Policy-related impacts and risks, determine whether or not the project requires further environmental and social assessment, mitigation, and management and update the associated checklist accordingly;
- c) Not approve the project formulation grant of US\$ 30,000;
 - d) Not approve the project formulation assistance grant of US\$ 20,000; and
 - e) Request CASM to transmit the observations under subparagraph b) to the Government of Honduras.

Recommendation PPRC.28/10

United Republic of Tanzania (3): Climate Change Adaptation in Saltwater Stressed and Freshwater Deficient Communities in Zanzibar (Concept Note; National Environment Management Council (NEMC); AF00000259; US\$ 3,500,000)

53. The objective of the concept note was to build the capacity of smallholder farmers in tackling climate change impacts through practical and innovative solutions. This was the first submission of the concept note, using a two-step approach.

54. It was observed that the proposal aims to restore farmlands affected by salination, which was innovative but difficult to do, and it was suggested that the proponents should involve a research institution, such as a university in the project. Sea walls, dykes and the establishment of mangroves required maintenance and the costs of the operation of the proposed solutions needed to be clarified. It was also pointed out that further elaboration was needed on the potential conflicts between tourism and agriculture as well as on the complementarity and coherence of the proposal with other similar projects in the area, such as the two projects being funded by the Global Environment Facility. The proposal also seemed similar to one that had already been considered by the PPRC and it was asked whether this was really the first time that the PPRC was considering the project.

55. The representative of the secretariat clarified that the approved project for the same implementing entity in Zanzibar, has a different scope and that additional observations will be added to the text for the proposed recommendation.

56. Having considered the issues raised in documents AFB/PPRC.28/14, AFB/PPRC.28/14/Add.1 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the concept note as supplemented by the clarification responses provided by the National Environment Management Council (NEMC) to the request made by the technical review;

- b) Request the secretariat to notify NEMC of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully developed project proposal should consider opportunities for the involvement of universities and research institutions;
 - (ii) The fully-developed project proposal should further expand on how it will address the potential conflict in resources use between the agriculture and tourism sectors;
 - (iii) The fully-developed project proposal should provide more details on how it would enhance complementarity and synergies with other projects and programmes, including by the projects funded by the Adaptation Fund;
- c) Approve the project formulation grant of US\$ 30,000; and
- d) Encourage the Government of the United Republic of Tanzania to submit, through NEMC, a fully-developed project proposal that would also address the observations under subparagraph b), above.

Recommendation PPRC.28/11

Uganda (2): Enhancing Community Adaptation to Climate Change through Climate Resilient Flood Early Warning, Catchment Management and Wash Technologies in Mpologoma Catchment, Uganda (Concept note; Ministry of Water and Environment (MoWE); AF00000260; US\$9,504,600)

57. The objective of the concept note was to increase the resilience of communities to climate change risks of floods and landslides through sustainable community access to water, sanitation and hygiene services and integrated catchment management measures in the Mpologoma catchment area. This was the first submission of the concept note, using a two-step approach.

58. It was observed that further elaboration was needed on the complementarity and coherence of the proposal with projects being funded by other donors such as the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) which already had a bilateral project with the same Rwandan ministry.

59. Having considered the issues raised in documents AFB/PPRC.28/15, AFB/PPRC.28/15/Add.1 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the concept note, as supplemented by the clarification responses provided by the Ministry of Water and Environment (MoWE) to the request made by the technical review;
- b) Suggest that MoWE 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 increase the robustness of the described climate scenarios, and their relevance to the project target areas. It should also provide insight on causal linkages between the project outputs and outcomes;

- (ii) The proposal should improve the cost effectiveness analysis to include expected tangible impact and long-term sustainability of activities;
 - (iii) The proposal should provide clearer information on how the knowledge management component is tailored to policymakers and relevant organizations;
 - (iv) The proposal should clarify the existing funding that ministries (and other entities if relevant) provide and clarify its adequacy for long-term planning and coordination;
 - (v) The proposal should elaborate on the complementarity and coherence with other donor-funded projects and programmes;
- c) Not approve the project formulation grant of US\$ 45,000; and
 - d) Request MoWE to transmit the observations under subparagraph b) to the Government of Uganda.

Recommendation PPRC.28/12

Proposals from Regional Implementing Entities (RIEs) *Regular proposals*

Trinidad and Tobago: Multisectoral Adaptation Measures to Climate Change in the South Oropouche Basin for River Flood Relief (Concept note; Development Bank of Latin America (CAF); AF00000261; US\$ 10,000,000)

60. The objective of the concept note was to increase the resilience of the South Oropouche River Basin's population and ecosystems. This was the first submission of the concept note, using a two-step approach.

61. It was pointed out that the phrasing of the recommendation was ambiguous and difficult to understand, and it was asked whether different language was used in the recommendations for concept notes. It was also pointed out that there was insufficient information on the sustainability of the project, whether that would be assured by private or public resources, and on the complementarity and coherence of the project with other projects.

62. The representative of the secretariat explained that while the proponents had provided detailed information on the institutional mechanism to maintain the infrastructure there was a lack of information on the financial mechanisms that would be used to ensure that. The PPRC was assured that the wording used in the recommendation was the standard language that had been used by the PPRC since its inception.

63. Having considered the issues raised in documents AFB/PPRC.28/16 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the 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;

- b) Request the secretariat to notify CAF of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed proposal should demonstrate the overall sustainability of the selected adaptation measures;
 - (ii) The fully-developed proposal should further elaborate on the complementarity and coherence with other relevant initiatives in the country; and
- c) Encourage the Government of Trinidad and Tobago to submit, through CAF, a fully developed project proposal that would also address the observations under subparagraph b), above.

Recommendation PPRC.28/13

Proposals from Multilateral Implementing Entities (MIEs) Regular proposals

Nicaragua: Climate Resilience and Livelihoods in the Nicaraguan Dry Corridor (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000262; US\$ 10,000,000)

64. The objective of the concept note was to reduce the climate vulnerability of smallholder families and their agro-ecosystems in the Nicaraguan Dry Corridor. This was the first submission of the concept note, using a two-step approach.

65. Having considered the issues raised in documents AFB/PPRC.28/17 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the concept note, as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- b) Suggest that FAO 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 reinforce its compliance with the Gender Policy of the Adaptation Fund;
 - (ii) The proponent should substantiate the full cost of adaptation reasoning in order to show how the adaptation outcomes will be achieved through the project components;
 - (iii) The proponent should provide an explanation of the project's social and economic benefits and its equitable distribution to vulnerable communities;
 - (iv) The proponent should explain how the project will avoid duplication with climate change adaptation projects under implementation in the country; and

- c) Request FAO to transmit the observations under subparagraph b) to the Government of Nicaragua.

Recommendation PPRC.28/14

North Macedonia: Building Climate Resilience of the Agricultural System in Radovish Region through Improved Irrigation, Land and Water Management (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000263; US\$ 9,991,711)

66. The objective of the concept note was to establish a climate-resilient agricultural system in the Radovish valley by removing structural land barriers to adaptation and minimizing threats to agricultural production. This was the first submission of the concept note, using a two-step approach.

67. Having considered the issues raised in documents AFB/PPRC.28/18 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the concept note as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- b) Request the secretariat to notify FAO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project proposal should further elaborate on issues of gender empowerment and benefits, for example, through presenting different scenarios;
 - (ii) The fully-developed project proposal should further elaborate on the impact of climate change on the concrete investments' assets;
- c) Request FAO to transmit the observations under subparagraph b) to the Government of North Macedonia; and
- d) Encourage the Government of North Macedonia to submit, through FAO, a fully-developed project proposal that would also address the observations under subparagraph b), above.

Recommendation PPRC.28/15

Vanuatu: Enhancing Livelihood Resilience in Vanuatu through Forest and Landscape Restoration (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000264; US\$ 7,128,450)

68. The objective of the concept note was to reduce the exposure to impacts of climate change on food security and livelihood through an integrated, overarching and ecosystem-based approach. This was the first submission of the concept note, using a two-step approach.

69. Having considered the issues raised in documents AFB/PPRC.28/19 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the concept note as supplemented by the clarification responses provided by the Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- b) Request the secretariat to notify FAO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project proposal should demonstrate how the proposed investments in the country's early warning systems will address investment and capacity gaps identified;
 - (ii) The fully-developed project proposal should explore possible policies and governance arrangements which will ensure the nurseries' sustainability once the project ends;
- c) Request FAO to transmit the observations under subparagraph b) to the Government of Vanuatu; and
- d) Encourage the Government of Vanuatu to submit, through FAO, a fully-developed project proposal that would also address the observations under subparagraph b), above.

Recommendation PPRC.28/16

Recommendation for projects or programmes placed on the waitlist

70. Having considered the issues raised in documents AFB/PPRC.28/9, AFB/PPRC.28/10, AFB/PPRC.28/11 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Note the recommendation of the Project and Programme Review Committee to approve the following projects or programmes:
 - (i) Haiti (AFB/PPRC.28/10);
 - (ii) Côte d'Ivoire (AFB/PPRC.28/9);
 - (iii) Malaysia (AFB/PPRC.28/11);
- b) Add them to the waitlist established according to subparagraph a) above in the pipeline according to the prioritization criteria established in Decision B.17/19 and clarified in Decision B.19/5; and
- c) Consider the projects in the pipeline for approval, subject to the availability of funds, at a future Board meeting, or intersessionally, in the order in which they are prioritized in the pipeline.

Recommendation PPRC.28/17

Agenda Item 5: Review of regional project and programme proposals

Fully-developed proposals

Proposals from Regional Implementing Entities (RIEs)

Benin, Burkina Faso, Côte d'Ivoire, Gambia (Republic of The), Ghana, Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo: Scaling-up Climate-Resilient Rice Production in West Africa (Fully-developed project; Sahara and Sahel Observatory (OSS); AF00000190; US\$ 14,000,000)

71. The objective of the proposed project was to improve climate resilience and increase rice system productivity of smallholder rice farmers across West Africa using a climate-resilient rice production approach. This was the second submission of the fully-developed project proposal using a three-step approach.

72. While there was agreement with the recommendations, it was pointed out that the indicators being proposed seemed to focus on evaluating processes such as workshops rather than on concrete results. It was also asked if there was a way to ensure that women also benefited from the project as the proposal focused on land ownership which was predominantly held by men in the region.

73. The representative of the secretariat said that while several of the indicators related to processes some also addressed outcomes, such as the number of partnerships or the functionality of networks being established. The project was complex with a strong research and monitoring component to track the efficacy of the programme which would monitor the number of beneficiaries and changes in household income. While ownership of land was an issue in the region, the project did attempt to include women as well.

74. Having considered the issues raised in documents AFB/PPRC.28/20 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Approve the fully-developed project proposal, as supplemented by the clarification responses provided by the Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- b) Approve the funding of US\$ 14,000,000 for the implementation of the project, as requested by OSS; and
- c) Request the secretariat to draft an agreement with OSS as the regional implementing entity for the project.

Recommendation PPRC.28/18**Concepts***Proposals from Multilateral Implementing Entities (MIEs)*

Botswana, Malawi, Mozambique, South Africa, Zambia, Zimbabwe: Enhancing Water and Food Security through Sustainable Groundwater Development in the Southern African Development Community (SADC) Region (Concept note; International Fund for Agricultural Development (IFAD); AF00000265; US\$ 13,932,000)

75. The objective of the regional concept note was to provide concrete adaptation measures to increasingly variable and scarce water resources by promoting the sustainable use of unexplored transboundary groundwater resources. This was the first submission of the regional concept note, using a two-step approach.

76. It was observed that the proposal was a very interesting and innovative project that addressed transboundary ground water.

77. Having considered the issues raised in documents AFB/PPRC.28/21 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the concept note 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 outline the process and significance of the development of a "mutually agreed governance and cooperation framework" (Objective 2), outlining key strategic steps towards the pursuit of an 'agreed governance' of the resource beyond a solely technical focus;
 - (ii) The proponent should provide a clear documentation of the consultations held and provide evidence that international River Basin Organizations (RBOs) and national entities have been sufficiently consulted and expressed interest;
 - (iii) The proposal should attend more comprehensively to managing the risk of the use of groundwater, addressing more specifically what it intends by "sustainable groundwater use";
 - (iv) The proposal should build on ongoing and previous cooperation with the partners mentioned, considering their experience, expertise and lessons learned; and
- c) Request IFAD to transmit the observations under subparagraph b) to the Governments of Botswana, Malawi, Mozambique, South Africa, Zambia and Zimbabwe.

Recommendation PPRC.28/19

Cuba, Panama: Strengthening the Adaptive Capacity of Coastal Communities of Cuba and Panama to Climate Change through the Binational Exchange of Best Practices for Climate Management and Local Food Security (Concept note; Food and Agriculture Organization of the United Nations (FAO); AF00000266; US\$ 14,000,000)

78. The objective of the regional concept note was to enhance the adaptive capacities of coastal municipalities and local agricultural and fishing production in Cuba and Panama. This was the first submission of the regional concept note, using a two-step approach.

79. It was noted that the proposal raised the issue of loss and damage which would be addressed at the upcoming climate negotiations in Edinburgh. Support was expressed for the request for quantitative estimates of the project's environmental benefits. A stronger regional climate justification was also needed if the project was to go forward as well as more information on the different alternatives and methods that could be used.

80. The representative of the secretariat said that the proponent had explained that the two countries selected, one an island and the other a coastal state, had been chosen because the proponents wished to test the different approaches in the two settings which would later be applied more generally in the Caribbean region.

81. Having considered the issues raised in documents AFB/PPRC.28/22, AFB/PPRC.28/22/Add.1 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the concept note as supplemented by the clarification responses provided by Food and Agriculture Organization of the United Nations (FAO) to the request made by the technical review;
- b) Request the secretariat to notify FAO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project proposal should provide quantitative estimates of the project's environmental benefits;
 - (ii) The fully-developed project proposal should further elaborate on the regional climate change rationale and provide stronger justification of the regional approach;
 - (iii) The fully-developed project proposal should provide more details on the planned ecosystem-based adaptation interventions;
- c) Approve the project formulation grant of US\$ 100,000;
- d) Request FAO to transmit the observations under subparagraph b) to the Governments of Cuba and Panama; and
- e) Encourage the Governments of Cuba and Panama to submit, through FAO, a fully-developed project proposal that would also address the observations under subparagraph b), above.

Recommendation PPRC.28/20

India, Sri Lanka: Strengthening Resilience of Vulnerable Communities in Sri Lanka and India to Increased Impacts of Climate Change (Concept note; United Nations World Food Programme (WFP); AF00000225; US\$ 13,995,524)

82. The objective of the regional concept note was to strengthen the climate change adaptive capacity of vulnerable households facing similar climate risks within India and Sri Lanka. This was the first submission of the regional concept note, using a two-step approach.

83. In response to a query, it was explained by the secretariat that currently it was difficult to indicate the proportion of the project cost to be allocated towards USPs that would be involved in the project, as a detailed budget is not required at concept note stage. The proponents would need, in the next stage of the project, to fully identify the risks for those activities not including unidentified sub-projects. With respect to the issue of similar projects being implemented by the Green Climate Fund in the region, there were two projects of possible concern, one in India and one in Sri Lanka. Both projects were determined to be sufficiently different in scope, so that it did not appear that they overlapped with the present proposal.

84. Having considered the issues raised in documents AFB/PPRC.28/23, AFB/PPRC.28/23/Add.1 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the concept note as supplemented by the clarification responses provided by the United Nations World Food Programme (WFP) to the request made by the technical review;
- b) Request the secretariat to notify WFP of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully-developed project proposal should ensure that all risks are fully identified for the activities that are fully identified and do not involve unidentified sub-projects, and that the risk identification considers all potential direct, indirect, transboundary, and cumulative impacts that could result from the proposed project;
 - (ii) The fully-developed project proposal should use more recent and relevant climate and vulnerability data, if available, as a basis for the interventions;
 - (iii) The fully-developed project proposal should further expand on how it will ensure synergies, complementarities and coherence with other projects in the region;
- c) Approve the project formulation grant of US\$ 80,000;
- 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 fully-developed project proposal that would also address the observations under subparagraph b), above.

Recommendation PPRC.28/21

Regional pre-concepts

Proposals from Regional Implementing Entities (RIEs)

Benin, Togo: Towards a Climate Risks Shield in the Mono River Basin (Benin, Togo): Strengthening Adaptation and Resilience to Climate Change through Integrated Water Resources and Flood Management (Project: BOUCLIER-CLIMAT1/Mono) (Pre-concept note; Sahara and Sahel Observatory (OSS); AF00000267; US\$ 14,000,000)

85. The objective of the regional pre-concept note was to enhance the resilience of vulnerable communities and develop their adaptation capacities to climate change in the Mono catchment area. This was the first submission of the regional pre-concept note, using a three-step approach.

86. It was observed that an important aspect of the proposal was the strengthening of the resilience of communities. While information had been provided for the water sector, more information was required on both the other stakeholders and the how the proposed revenue generating activities would be funded in a climate resilient way.

87. In response to a query about the lack of a quantitative analysis of the sustainability of the project, it was explained by the secretariat that such an analysis was not required at the pre-concept stage. An overall estimate, by component, of the full costing would take place at the next stage of the proposal. It was also explained that there was no clear understating of the proposed roles of the executing entities, or the role of the Global Water Partnership. That would also be further developed in the next stage of the proposal.

88. Having considered the issues raised in documents AFB/PPRC.28/24, AFB/PPRC.28/24/Add.1 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the pre-concept note as supplemented by the clarification responses provided by the Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- b) Request the secretariat to notify OSS of the observations in the review sheet annexed to the notification of the Board's decision;
- c) Approve the project formulation grant of US\$ 20,000;
- d) Request OSS to transmit the observations under subparagraph b) to the Governments of Benin and Togo; and
- e) Encourage the Governments of Benin and Togo to submit, through OSS, a concept note proposal that would also address the observations under subparagraph b), above.

Recommendation PPRC.28/22

Proposals from Multilateral Implementing Entities (MIEs)

Cambodia, Lao People's Democratic Republic (PDR), Myanmar, Thailand, Viet Nam: Enhancing Climate Resilience of Mekong River Communities through Strengthening Climate Services (ECRMEKONG) (Pre-concept note; World Meteorological Organization (WMO); AF00000268; US\$ 13,662,862)

89. The objective of the regional pre-concept note was to reduce vulnerability and increase resilience of the Mekong River communities in Cambodia, Lao People's Democratic Republic, Myanmar, Thailand and Viet Nam to climate variability and change. This was the first submission of the regional pre-concept note, using a three-step approach.

90. It was pointed out that the issue of intersectoral capacity was the key issue for the sustainability for climate change services in the medium and longer term. No figures had been provided in the proposal on how that would be achieved. In response, it was explained that the

issue of sustainability had been raised during the review of the proposal and those views would be communicated to the proponent in the review sheets. However, detailed figures to support sustainability were not expected at the pre-concept note stage.

91. Having considered the issues raised in documents AFB/PPRC.28/25, AFB/PPRC.28/25/Add.1 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the pre-concept note, as supplemented by the clarification responses provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- b) Suggest that WMO 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 concreteness of the proposed investments;
 - (ii) The proposal should clarify how the investments proposed under each component feed into each other to help demonstrate cohesion among themselves;
 - (iii) The proponent should demonstrate the adequateness and relevance of the proposed investments;
 - (iv) The proposal should provide improved justification of the project's sustainability;
- c) Not approve the project formulation grant of US\$ 19,980; and
- d) Request WMO to transmit the observations under subparagraph b) to the Governments of Cambodia, Lao People's Democratic Republic (PDR), Myanmar, Thailand and Viet Nam.

Recommendation PPRC.28/23

Cambodia, Viet Nam: Increasing Climate Resilience in Food Systems through the Expansion of Smart (Peri-) Urban Agriculture (Pre-concept note; United Nations Industrial Development Organization (UNIDO); AF00000269; US\$ 14,000,000)

92. The objective of the regional pre-concept note was to develop innovative adaptation strategies and measures through the expansion of smart (peri)-urban agriculture that will build the adaptive capacity of urban and peri-urban farmers. This was the first submission of the regional pre-concept note, using a three-step approach.

93. In response to a query on the involvement of UNIDO in the project it was explained by the secretariat that UNIDO had only been recently accredited with the Fund. It had experience with other similar projects from the Least-developed Country Fund where it had done innovative work related to technological solutions for agriculture. It was also explained that the proponent was being requested to demonstrate the adaptation needs of the malnourished urban poor because the proposal addressed the adaptive capacity of urban and peri-urban farmers.

94. Having considered the issues raised in documents AFB/PPRC.28/26, AFB/PPRC.28/26/Add.1 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the pre-concept note, as supplemented by the clarification responses provided by the United Nations Industrial Development Organization (UNIDO) to the request made by the technical review;
- b) Suggest that UNIDO 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 adaptation needs of the malnourished urban poor and develop relevant activities addressing those;
 - (ii) The proposal should demonstrate the appropriateness and feasibility of the proposed activities and consider the risks of maladaptation;
- c) Not approve the project formulation grant of US\$ 20,000; and
- d) Request UNIDO to transmit the observations under subparagraph b) to the Governments of Cambodia and Viet Nam.

Recommendation PPRC.28/24

Costa Rica and Panama: Enhancing the Climate Resilience of Coastal Communities in Limon, Costa Rica and Bocas del Toro, Panama through Nature-based Solutions for Local Livelihoods (Pre-concept note; United Nations Environment Programme (UNEP); AF00000251; US\$ 11,900,000)

95. The objective of the regional pre-concept note was to increase the climate change resilience of coastal communities of Limon and Bocas del Toro to cope with both rapid and slow-onset climate change events. This was the second submission of the regional pre-concept note, using a three-step approach.

96. It was suggested that a regional project should be based on regional climate needs and it was unclear why a regional approach was required for the proposed activities. In order to fully understand the project, a stronger justification was needed for the substantial part of the budget that supported ecosystem interventions in the region and more clarity was required on the proposed methods.

97. Having considered the issues raised in documents AFB/PPRC.28/27, AFB/PPRC.28/27/Add.1 and AFB/PPRC.28/4/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the pre-concept note as supplemented by the clarification responses provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- b) Request the secretariat to notify UNEP 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 proposal should further justify the climate rationale of the regional approach;
 - (ii) The concept proposal should provide more details on the ecosystem-based adaptation approaches and options that will be implemented;
- c) Approve the project formulation grant of US\$ 20,000; and
- d) Encourage the Governments of Costa Rica and Panama to submit, through UNEP, a concept note proposal that would also address the observations under subparagraph b), above.

Recommendation PPRC.28/25

Agenda Item 6: Report of the secretariat on initial screening/technical review of enhanced direct access project and programme proposals

98. The representative of the secretariat introduced the report on the initial screening/technical review of enhanced direct access project and programme proposals (AFB/PPRC.28/28 and Add.1). Accredited NIEs had submitted two direct access proposals, with total requested funding amounting to US\$ 10,050,000 including one project formulation grant and one project formulation assistance grant of US\$ 30,000 and US\$ 20,000, respectively. Both submissions met the requirements for undergoing a complete technical review. The proposals included US\$ 870,620 in implementing entity management fees, or an average of 9.54 per cent, and US\$ 454,480 in execution costs, or an average of 4.96 per cent. The two projects submitted were: Rwanda (AFB/PPRC.28/29) and Belize (AFB/PPRC.28/30).

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

Agenda Item 7: Review of enhanced direct access project and programme proposals

Fully-developed proposal Rwanda

Rwanda: Rwanda Sub-National Adaptation Fund EDA (Fully-developed proposal; Ministry of Environment (MoE); AF00000270; US\$ 5,000,000)

100. The objective of the project was to increase devolved adaptation decision making and finance through direct enhanced access to the sub-national level. This was the first submission of the enhanced direct access proposal, using a one-step process.

101. It was observed that with a requested funding of US\$ 5 million, the proposal could also have been considered as a regular project proposal. In that case it would have been subject to a more rigorous review. It was observed that elements of the project all seemed to involve activities such as capacity building and knowledge sharing and no information had been provided on their cost effectiveness, something which would normally be requested during the regular review process. It was asked how the issues of cost-effectiveness and sustainability had been applied, how the US\$ 4 million had been accounted for and how the additional US\$ 1 million would be used.

102. It was explained by the secretariat that the proposed small-grants mechanism involved devolved responsibility and it was expected a large part of the project would involve USPs. More information was needed on the small grants and the granting mechanism as well, and the proponents would need to rework the proposal in light of the comments in the review sheet.

103. The PPRC was also informed that there was ongoing collaboration between the German government and the Rwandan ministry concerned which was reassuring with respect to the sustainability of the proposal.

104. Having considered the issues raised in documents AFB/PPRC.28/29 and AFB/PPRC.28/28/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not approve the fully-developed enhanced direct access proposal, as supplemented by the clarification responses provided by the Ministry of Environment (MoE) to the requests made by the technical review;
- b) Suggest that MoE reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should clarify if the enhanced direct access (EDA) model will see transfer of finance directly to rural community members and rural farmers or if funds will flow only up to the civil society organizations (CSOs) and local governments who have been described as the executing entities;
 - (ii) The proposal should provide information on the expected beneficiaries of the EDA programme, with particular reference to the equitable distribution of benefits to vulnerable communities, households, and individuals;
 - (iii) The proposal should broadly indicate the type of projects expected to be funded by the sub-project funding envelopes, including the expected adaptation outcomes from the EDA model;
 - (iv) A gender assessment that determines the different needs, capabilities, roles and knowledge resources of women and men, and how changing gender dynamics might drive lasting change within the targeted beneficiaries of the EDA mechanism, should be submitted; and
- c) Request MoE to transmit the observations under subparagraph b) to the Government of Rwanda.

Recommendation PPRC.28/26

*Concept proposal
Belize*

Belize: Building Community Resilience via Transformative Adaptation (Concept note; Protected Areas Conservation Trust (PACT); AF00000271; US\$ 5,000,000)

105. The objective of the concept note was to restore and enhance the protection of vital ecosystem and corresponding ecosystem services to improve the well-being and livelihoods of vulnerable communities that are dependent on natural resources in the face of climate change and variability. This was the first submission of the enhanced direct access concept note, using a two-step process.

106. It was pointed out that while the proposal was interesting, there was insufficient detail on the proposed investments. It was also asked whether the Fund should take the size of the population of a country in relation to the requested financing into consideration when granting funding. The proposal was for US\$ 5 million, and there was another proposal for a large innovation grant for the country for a similar amount. The country cap for regular projects of US\$ 10 million was applied regardless of the size of the population of the applicant countries, which could number in the many millions: the population of Belize was about 350,000 people.

107. The representative of the secretariat explained that funding was not always proportionate to population and that some activities, such as the building of sea-walls cost the same regardless of population size. He also confirmed that Belize had already received a grant of US\$ 6 million from the Board.

108. Having considered the issues raised in documents AFB/PPRC.28/30, AFB/PPRC.28/30/Add.1 and AFB/PPRC.28/28/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the enhanced direct access project concept, as supplemented by the clarification responses provided by the Protected Areas Conservation Trust (PACT) to the requests made by the technical review;
- b) Request the secretariat to notify PACT of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully developed project proposal should include a diagram which presents the structure of the proposed enhanced direct access model and the decision-making processes, including how funds will flow from the national implementing entity to second-tier and onwards to third-tier groups;
 - (ii) The fully developed project proposal should include a gender assessment that describes how the project will address the different needs, capabilities, roles and knowledge resources of women and men;
 - (iii) The fully developed project proposal should provide a cost-effectiveness analysis, including quantitative estimates of the cost differentiation between the chosen activities and those of alternatives that were considered;
 - (iv) At the fully developed project proposal stage a description of the outcomes gender-responsive consultative process, along with consultation reports should be included in compliance with the Fund's Environmental and Social Policy;
- c) Approve the project formulation grant of US\$ 30,000
- d) Approve the project formulation assistance grant of US\$ 20,000;

- e) To request PACT to transmit the observations under subparagraph b) to the Government of Belize; and
- f) To encourage the Government of Belize to submit, through PACT, a fully-developed proposal that would also address the observations under subparagraph b) above.

Recommendation PPRC.28/27

Agenda Item 8: Report of the secretariat on initial screening/technical review of large innovation project proposals

109. The representative of the secretariat introduced the report of the secretariat on initial screening/technical review of large innovation project proposals (AFB/PPRC.28/31 and Add.1). Accredited multilateral and national implementing entities had submitted four large innovation project proposals to the secretariat, with a total requested funding amounting to US\$ 20,020,000 including one project formulation grant and one project formulation assistance grant of US\$ 30,000 and US\$ 20,000, respectively. All four submissions met the requirements for undergoing a complete technical review and included US\$ 1,533,630 in implementing entity management fees, or an average of 8 per cent, and US\$ 1,679,461 in execution costs, or an average of 9.11 per cent. The national implementing entity for Belize, had submitted one project while three projects, including one regional project, had been submitted by multilateral implementing entities.

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

Agenda Item 9: Review of large innovation project and programme proposals

Concepts

Proposals from National Implementing Entities

Belize

Belize: Securing Water Resources through Solar Energy and Innovative Adaptive Management (SEAM) (Concept note; Protected Areas Conservation Trust (PACT); AF00000272; US\$ 4,970,000)

111. The objective of the concept note was to decrease the uncertainty of water availability in communities by providing climate innovative and adaptive mechanisms to address current and future climate change impacts on water resources. This was the first submission of the large innovation concept note, using a two-step process.

112. It was asked how the proposed hybrid solar power techniques were innovative and how the project was substantially different from the project previously considered under agenda item 7.

113. It was explained that while both projects addressed water issues, the previous project involved different target areas and that the present project would help develop a water management system in Belize. The representative of the secretariat explained that the enhanced direct access project will provide further context to the riparian forest management practices in other parts of the country and the aim of the innovation project is to devise suitable management practices and learn from the actions being implemented in other parts of the country. There was agreement that the synergies between the two projects would need to be more clearly explained in the revised proposal specifically, the riparian forests work. While there were insufficient details on the selection

of all five target communities, all shared the common feature that they were not connected to the national water supply.

114. Further clarification was required on the innovative nature of the proposal, especially as it might be maladaptive. The representative from the secretariat explained that the resubmission has improved in terms of innovation content particularly around the acknowledgment of how the participatory processes will support the innovation pathway, the use of a roll out methodology, and the inclusive nature of the project. It was further explained that project will consider the design of emPOWER's microgrid for the design of the water systems being proposed.

115. It was pointed out that the project proposed a watershed management hydrological assessment once the project had commenced but it was suggested that it would be important to undertake such an assessment prior to project start. More information was also needed on the complementarity and coherence of the proposal with similar environmental projects in the area.

116. Having considered the issues raised in documents AFB/PPRC.28/32, AFB/PPRC.28/32/Add.1, AFB/PPRC.28/32/Add.2 and AFB/PPRC.28/31/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the large innovation project concept, as supplemented by the clarification responses provided by the Protected Areas Conservation Trust (PACT) to the requests made by the technical review;
- b) Suggest that PACT reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should further elaborate on the innovation rational by clarifying the rollout methodology of the proposed innovation;
 - (ii) The proposal should describe the expected benefits of the proposed actions in the vulnerable communities;
 - (iii) The proposal should clarify the alternative livelihood actions that will be considered under component two and further elaborate on the process by which this will occur;
 - (iv) The proposal should provide consultation reports for all target communities, including those conducted with women and identified vulnerable groups;
 - (v) The proposal should provide an estimate of the maintenance cost of systems to be installed;
 - (vi) The proposal should further provide information on coherence and complementarity with other projects;
- c) Not approve the project formulation grant of US\$ 30,000;
- d) Not approve the project formulation assistance grant of US\$ 20,000; and
- e) Request PACT to transmit the observations under subparagraph b) to the Government of Belize.

Recommendation PPRC.28/28*Proposals from Multilateral Implementing Entities
Somalia*

Somalia: Enhancing Adaptation and Resilience through Nature-based Solutions (EARNSS) in Somalia (Concept note; United Nations Environment Programme (UNEP); AF00000275; US\$ 5,000,000)

117. The objective of the concept note was to improve climate adaptation and resilience of communities in the Hirshabelle and Afgooye (Lower Shabelle region). This was the first submission of the large innovation concept note, using a two-step process.

118. Having considered the issues raised in documents AFB/PPRC.28/33 and AFB/PPRC.28/31/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the large innovation project concept, as supplemented by the clarification responses provided by the United Nations Environment Programme (UNEP) to the request made by the technical review;
- b) Suggest that the UNEP reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) An initial gender assessment that adequately describes the climate change differentiated impacts on women in the target areas should be submitted along with the proposal;
 - (ii) The proposal should provide an explanation on the criteria and process for ensuring cost-effectiveness for projects selected under the community innovation fund; and
- c) Request UNEP to transmit the observations under subparagraph b) to the Government of Somalia.

Recommendation PPRC.28/29*Viet Nam*

Viet Nam: Promoting Financial Incentive Mechanisms for Community-based Sustainable Coastal Wetland Management in Viet Nam (CM-FIM) (Concept note; International Fund for Agricultural Development (IFAD); AF00000274; US\$ 5,000,000)

119. The objective of the concept note was to reduce the vulnerabilities of rural communities to adverse impacts of climate change through enhancing coastal wetland management. This was the first submission of the large innovation project concept note, using a two-step process.

120. Having considered the issues raised in document AFB/PPRC.28/34 and AFB/PPRC.28/31/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not endorse the large innovation project concept, as supplemented by the clarification responses provided by the International Fund for Agricultural Development (IFAD) to the requests made by the technical review;
- b) Suggest that IFAD reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should describe how the project /programme would promote new and innovative solutions to climate change adaptation, and how it aims to roll out and/or scale up successful innovative adaptation practices, tools, and technologies;
 - (ii) The proposal should describe or justify the novelty or newness of the proposed practice for the area, and how it will modify the practice to match the project context;
 - (iii) The proposal should clarify why or how some of the elements, such as mobilizing the existing financial services, matching grants and financial incentives are considered innovative, and justify how these are not well-established financial tools that could be employed without the use of funding dedicated to innovation in adaption;
 - (iv) The proposal should clarify how capacity building will be tailored to support innovation;
 - (v) The proposal should elaborate on the criteria that will be used to select and negotiate the preferred financial mechanism;
 - (vi) The proposal should elaborate on the mangrove management and income generating activities; and
- c) Request IFAD to transmit the observations under subparagraph b) to the Government of Viet Nam.

Recommendation PPRC.28/30

Pre-concepts

Proposals from Regional Implementing Entities Kenya and Uganda

Kenya, Uganda: Unlocking Investments in Female and Youth-led Early-growth Stage Adaptation Micro, Small and Medium-sized Enterprises in Kenya and Uganda (Pre-concept note; United Nations Industrial Development Organization (UNIDO); AF00000276; US\$ 5,000,000)

121. The objective of the pre-concept note was to support mainly, women and youth-led early growth adaptation Micro, Small and Medium-sized Enterprises (MSMEs) through innovative and

performance-based blended financing. This was the first submission of the large innovation project pre-concept note, using a three-step process.

122. Having considered the issues raised in document AFB/PPRC.28/35 , the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Endorse the large innovation project pre-concept note as supplemented by the clarification responses provided by the United Nations Industrial Development Organization (UNIDO) to the request made by the technical review;
- b) Request the secretariat to notify UNIDO 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 provide more detail on the specific climate issues and their impacts, both from the regional perspective and in the individual countries;
 - (ii) The concept note should describe the selection criteria of beneficiary Micro, Small and Medium-sized Enterprises (MSMEs) and clarify if they will be completely developed at full proposal stage, or if there will be further development and refinement as the project progresses during implementation;
 - (iii) The concept note should provide more specific mapping of the adaptation Small and Medium-sized Enterprises (SMES) based on a detailed market assessment;
 - (iv) At the concept stage, sustainability considerations should be described from environmental, social, institutional, economic and financial perspectives;
 - (v) The concept note should be accompanied by an initial gender assessment and community consultation reports;
- c) Request UNIDO to transmit the observations under subparagraph b) to the Governments of Kenya and Uganda; and
- d) To encourage the Governments of Kenya and Uganda to submit, through UNIDO, a concept note that would also address the observations under subparagraph b) above.

Recommendation PPRC.28/31

Item 10: Report of the secretariat on initial screening/technical review of innovation small grant proposals

123. The representative of the secretariat introduced the report on small grants for innovation (AFB/PPRC.28/36 and Add.1). Accredited national implementing entities had submitted two innovation small grant proposals to the secretariat, with the total requested funding amounting to US\$ 500,000. Both proposals met the requirements for undergoing a complete technical review. The proposals included US\$ 22,000 in implementing entity management fees, or an average of 4.72 per cent, and US\$ 35,000 in execution costs, or an average of 7.4 per cent.

124. In response to a query about the number of innovation projects that had already been approved, it was explained that four small grant innovation projects had been approved and were listed on the innovation microsite of the Fund's website.

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

Agenda Item 11: Review of innovation small grant project proposals

Bhutan

Bhutan: Building Adaptive Capacity through Innovative Management of Pests/Disease and Invasive Alien Species (IAS) in Bhutan to Enhance Sustainable Agro-Biodiversity and Livelihoods (Innovation Small Grant; Bhutan Trust Fund for Environmental Conservation (BT FEC); AFRDG00056; US\$ 250,000)

126. The objective of the project was to protect agricultural production and improve food security in the district of Mongar in Bhutan through the introduction of innovative pest management systems to eradicate the invasive Giant African Land Snails (GALS) by moving away from current management practices and allowing communities to adapt and become resilient to the changes brought by climate change. This was the second submission of the innovation small grant proposal.

127. Having considered the issues raised in document AFB/PPRC.28/37 and AFB/PPRC.28/36/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Approve the innovation small grant, as supplemented by the clarification responses provided by the Bhutan Trust Fund for Environmental Conservation (BT FEC) to the requests made by the technical review;
- b) Approve the funding of US\$ 250,000 for the implementation of the project, as requested by BT FEC; and
- c) Request the secretariat to draft an agreement with BT FEC as the national implementing entity for the project.

Recommendation PPRC.28/32

Uganda

Uganda: Enhancing Resilience to Climate-induced Flooding and Drought through the Deployment of a Water-filled Barrier (Ministry of Water and Environment (MoWE); AFRDG00060; US\$ 250,000)

128. The objective of the project was to increase the resilience of communities to the risk of floods and droughts at the Obongi district through the deployment of a scalable water-filled barrier technology known as SLAMDAM to prevent flooding and simultaneously store and harvest water. This was the first submission of the innovation small grant proposal.

129. It was noted that while the proposed water barriers were innovative, it was unclear how effective they would be; the technology was already being used in Nigeria and the results of that should be considered before proceeding with this proposal. The equipment was being built in the Netherlands by a Dutch company and it was asked how it would be adapted to local conditions. Further the proposed system would need to be inflated to be deployed and it was asked how that would be accomplished, how much energy that would require and whether the system was too small and inefficient to protect against the risk of floods.

130. The representative of the secretariat said that when the proposal had been first submitted, the challenge previously identified in the innovation context of this project was the assumption that the SLAMDAM is ready to roll out in Uganda, and therefore not an innovation but an implementation project. The resubmission provides some support to resolve this challenge through text that clarifies that the technology can be adapted if needed, there is a possibility to change the manufacturing to suit local requirements and the project is based around the community with a focus on working with the demonstration community to meet their needs.

131. It was further explained that the innovation is not only the SLAMDAM but also the broader context of the project, in the collection of data and understanding the flood patterns and needs of the region. The project is supportive of a wider innovation process at play, not just a deployment of a technology, but as adaptation of a technology to local needs. The secretariat agreed that it would be important to consider the experience in Nigeria. The secretariat explained that the technology required two people to inflate the dams, would be leased from the company, and had the dual role of acting as a store of water in times of drought as well as a barrier in times of flooding. With respect to the sustainability of the project she said that it was unknown what would happen after the project's completion, as the technology would be leased for only the duration of the project. The proponent expects that if it was successful it will be scaled up to the national level.

132. It was pointed out that the concept of innovation was subjective and needed to be applied flexibly in these cases especially as the countries concerned often lacked capacity and resources. As important an issue was the low cost of the programme, and its ability to be scaled up. It was important to remember that only a limited number of proposals had been submitted and those that were should be carefully considered.

133. Having considered the issues raised in document AFB/PPRC.28/38 and AFB/PPRC.28/36/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Not approve the innovation small grant, as supplemented by the clarification responses provided by the Ministry of Water and Environment (MoWE) to the requests made by the technical review;
- b) Suggest that MoWE reformulate the proposal taking into account the observations in the technical review sheet annexed to the notification of the Board's decision as well as the following issue:
 - (i) Provide more information on the effectiveness of the proposed intervention, especially through lessons learned of the experience in other countries; and
- c) Request MoWE to transmit the observations under subparagraph b) to the Government of Uganda.

Recommendation PPRC.28/33**Agenda Item 12: Report of the secretariat on initial screening technical review of learning grant and project scale-up grant proposals**

134. The representative of the secretariat introduced the report on initial screening technical review of learning grant and project scale-up grant proposals (AFB/PPRC.28/39 and Add.1). One proposal had been submitted to the secretariat by an accredited national implementing entity, Fundecooperación para el Desarrollo Sostenible (Fundecooperación) of Costa Rica, which had been deemed eligible. The total requested funding amounting to US\$ 149,994 and included US\$ 11,689 in management fees, or 8.45 per cent.

135. She also said that pursuant to decisions B.34/38 and B.34/41 the review cycles for project scale-up and learning grant proposals had followed the regular review cycle for concrete projects and programme. The proposals had only been considered at regular meetings of the Board, an approach that allowed for an in-depth discussion of any issues concerning the submission, review and approval of the proposals. After four review cycles, however, no significant issues regarding the submission and review of project scale-up or learning grant proposals had arisen and the Board had not made any changes to the nature, scope, review and approval processes for the grants. While only a small number of proposals had been received so far, that might have been due to the effects of the Covid-19 pandemic. The volume of work had been manageable at the regular meetings of the Board but as the pandemic was brought under control, and normal activities were resumed, the number of proposals submitted could be expected to rise, which could have implications on the workload of the Board and secretariat, which in turn might indicate that the intersessional review of project scale-up and learning grants would be desirable to help manage the increased workload.

136. The secretariat was congratulated on the amount of work it had done on all of the projects. Although it was agreed that there was a need to work more efficiently, perhaps by the use of intersessional approvals, it was still important for the PPRC to continue allowing the discussion of the learning grants face-to-face. There had to be a balance struck between efficiency and scrutiny by the PPRC, especially with these new programmes. Although the members of the PPRC could still comment on the proposals during an intersessional review of them, outside the formal meeting of the committee not all of them were able to devote as much time as was needed, either individually or collectively, as the approval of the project scale-up and learning grants deserved.

137. In response to a query, the representative of the secretariat confirmed that as yet only two project scale-up grants had been submitted of which only one had been approved by the Board.

138. The PPRC took note of the presentation by the secretariat and agreed to defer the consideration of the intersessional review of project scale-up and learning grants until its next meeting.

Agenda Item 13: Review of learning grant proposal

Proposal for learning grant

Costa Rica

Costa Rica: Grant to Facilitate Learning and Knowledge Sharing (Learning grant; Fundecooperación para el Desarrollo Sostenible (Fundecooperación); AFRDG00059; US\$ 149,994)

139. The objective of the project was to share experiences, information and products generated by the Adapta2+ programme to promote good climate change adaptation practices via platforms using adaptation results and lessons generated through Adapta2+.

140. It was pointed out that there were not many concrete adaptation activities being proposed and it was asked what indicators were being provided to ensure the success and long-term sustainability of those soft activities. More information was requested on the proposed website and how it was to be maintained and monitored, and a detailed explanation of the recurring costs needed to be included in the document.

141. It was explained by the secretariat that as this was a learning grant, components were for soft activities that were related to supporting ongoing learning through knowledge exchanges, developing knowledge management systems, repositories of knowledge and knowledge products. A report on those activities would be provided upon completion of the project. It was also explained that the first activity would involve making a compendium of information on a website, which would be created, while another activity would involve creating learning modules that would be uploaded and made available on a pre-existing website.

142. Having considered the issues raised in document AFB/PPRC.28/40 and AFB/PPRC.28/39/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- a) Approve the learning project, as supplemented by the clarification responses provided by Fundecooperación para el Desarrollo Sostenible (Fundecooperación) to the request made by the technical review;
- b) Approve the funding of US\$ 149,994 for the implementation of the project, as requested by Fundecooperación; and
- c) Request the secretariat to draft an agreement with Fundecooperación as the national implementing entity for the project.

Recommendation PPRC.28/34

143. Ms. Ala Druta (Vice-Chair, Moldova, Eastern Europe) took over as chair of the meeting.

Agenda Item 14: Other matters

Full cost of adaptation reasoning

144. The representative of the secretariat introduced the note by the secretariat on the process for updating the full cost of adaption reasoning (AFB/PPRC.27/3) and a summary discussion note. The secretariat had analysed the relevant concepts and fully-developed proposals submitted from January 2019 to July 2021, and had found that 20 per cent of the proposals had included co-financing or some other type of blended finance. She highlighted the opportunities and challenges

of using co-financing and explained the difference between it and parallel financing. She also said that the issue was how to enable countries, in partnership with the implementing entities, to mobilize co-financing by clarifying the operational and legal requirements for co-financed projects. Clarity was needed on whether the Fund's policies applied to co-financing, and whether different rules for the for different types of co-financing were needed.

145. In the discussion that followed it was observed that adaptation financing had been changing over the years and the situation that the Adaptation Fund had originally confronted was no longer the same. The Fund had been established to fund the full cost of adaptation for its projects and programmes, but what was now needed was further cooperation among a variety of sectors and actors. Co-financing would be an opportunity to bring them together, and while co-financing should not be a requirement for projects, it was suggested that no project should be rejected simply because it included co-financing, whether that co-financing had been provided internationally or locally. Others were of the view that the Fund had been created to focus both on concrete adaptation activities and funding of the full cost of adaptation, something that the other funds of the time were not doing. That was one of the reasons why the Fund was so insistent on ensuring the complementarity and coherence of its projects with other projects, past or current, being implemented in a given country. The formal acceptance of co-financing by the Fund would be controversial. While recipient countries were already providing some form of in-kind financing for the projects, subjecting recipient countries to co-financing could be a deterrent. It was asked whether the secretariat could give examples of projects with co-financing that had worked well or projects without co-financing that had worked badly.

146. The issue of co-financing would require recalling the goals and mission of the Adaptation Fund. It had been created to address the difficulties that especially vulnerable communities in developing countries faced when adapting to climate change. Given their situation the Fund could neither provide loans to nor require loans from them: it could only give grants. The goal was to focus on local concerns and not on macro-economic strategies or the leveraging of finance; the goal was to work on the ground with the people concerned through small projects and programmes. By providing funding of up to US\$ 10 million, which was within the scope of small financing activities, the Fund was able to support the full cost of adaptation. While it was true that adaptation needs were growing and required substantially greater funding, that had been the reason for the creation of such funds as the Green Climate Fund, where US\$ 10 million would not be considered a large project, whereas for the Adaptation Fund it was the maximum amount that can be accessed per single-country project or programme. If the Fund retained its goal of helping vulnerable people locally it would not be obliged to look for co-financing; by not requiring co-financing the Adaptation Fund had created a specific and efficient niche for itself that did not preclude working with other funds through parallel financing. Funding the full cost of adaptation was both an innovative and specific aspect of the Fund that ought to be retained as its hallmark.

147. It was recalled that the original plan for funding the Adaptation Fund through the carbon market mechanism had to change, which led to putting in place the initial per-country limit of US\$ 10 million. Co-financing came in many forms and any definition of it would need to be explicit. The Fund had been created to support the interests of very vulnerable communities from the effects of climate change. If co-financing meant that those vulnerable communities had to come up with additional funding, then this would effectively create a barrier in accessing resources from the Fund.

148. The representative of the secretariat said that the issue of concern was the next step to be undertaken to facilitate the leveraging of co-financing by countries if they themselves wished to do that. A deeper analysis was required of the lessons learned and practices of other funds with respect to co-financing and the related compliance with safeguards; the secretariat had already considered

the practices of the Green Climate Fund and the Least Developed Countries Fund. She stressed that the intention was not to change the status quo but to address the problem of projects that proposed activities that were highly dependent on co-financing. Guidance was needed on the full cost of adaptation and what that exactly entailed, and how co-financing could be enabled, where it was available. Many recipients already received in-kind support or other financial support and it would be informative to have a way to know when that co-financing was actually occurring.

149. Guidance was also needed for those cases where co-financing had not been forthcoming and on the legal and operational issues associated with ensuring, for instance, that the whole project including co-financing met the requirements of the Environmental and Social Policy and Gender Policy of the Fund. The document under consideration could also be updated to provide more information on the evolution of the concept of adaptation as well as any guidance that the Adaptation Committee had provided on the subject.

150. The Vice-Chair said that even the best designed adaptation projects could not address all the needs of a country. The projects being funded by donors should not be developed in isolation; even the best of them would not have an effect at the country level. She drew the attention of the PPRC to the donor coordination committees that existed in the countries of her region. They coordinated the different projects at the country level to ensure that they effectively fit into the national planning process. Most countries had some form of national adaptation plans and it was important for the donors to collaborate with the country concerned so that their projects fit into the adaptation landscape at the country level. The national focal points for the Adaptation Fund should also cooperate with those coordination committees to ensure that projects fit into the national planning process, something which would reinforce the country ownership of the projects. Otherwise, even actions that were responding to the needs of the most vulnerable would remain isolated in their effects.

151. In response to a query, the representative of the secretariat explained that the secretariat was still working within the scope of Decision B.36/29 and would present an updated paper on the full cost of adaptation at the next meeting of the PPRC.

152. The PPRC took note of the discussion in the issue.

Agenda Item 15: Adoption of the Recommendations and the Report

153. The representative of the secretariat explained that the secretariat would consolidate all inputs from the meeting, as well as any comments shared in writing ahead of the meeting, and prepare the recommendations of the PPRC to the Board and circulate them to the PPRC in the days before the meeting of the thirty-seventh meeting of the Board.

Agenda Item 16: Closure of the meeting

154. Following the customary exchange of courtesies, the Vice-Chair declared the meeting closed at 4.40 p.m. Central European Time (UCT+1).

Annex I

Project and Programme Review Committee Twenty-eighth Meeting Bonn, (virtually) 11-13 October, 2021

PPRC members present in the meeting

Ms. Patience DAMPTEY (Ghana, Africa)

Ms. Fatou NDEYE GAYE (The Gambia, Africa)

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

Mr. Ahmed WAHEED (Maldives, Asia-Pacific)

Ms. Ala DRUTA, (Vice-Chair, Moldova, Eastern Europe)

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

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

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

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

Mr. Tshering TASHI (Bhutan, Least Developed Countries)

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

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

Annex II

AFB37: Summary of recommendations for projects and programmes at the twenty-eighth 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 | | | | | | | | |
| | Bhutan | BTSEC | AFB/PPRC/28/5 | 9,998,955 | | | Not approve | 0 |
| | Tanzania (United Republic of) (1) | NEMC | AFB/PPRC/28/6 | 2,500,000 | | | Not approve | 0 |
| | Tanzania (United Republic of) (2) | NEMC | AFB/PPRC/28/7 | 4,000,000 | | | Not approve | 0 |
| | Uganda (1) | MoWE | AFB/PPRC/28/8 | 2,249,000 | | | Not approve | 0 |
| MIE | | | | | | | | |
| | Côte d'Ivoire | IFAD | AFB/PPRC/28/9 | | | 6,000,000 | Waitlist (2 nd) | 0 |
| | Haiti | UNESCO | AFB/PPRC/28/10 | | | 9,916,344 | Waitlist (1 st) | 0 |
| | Malaysia | UN-Habitat | AFB/PPRC/28/11 | | | 10,000,000 | Waitlist (3 rd) | 0 |
| Sub-total, USD | | | | 18,747,955 | - | 25,916,344 | | 0 |
| 2. Concepts: Single-country | Country | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| NIE | | | | | | | | |
| | Costa Rica | Fundecooperación | AFB/PPRC/28/12 | 10,000,000 | | | Not endorse | - |
| | Honduras | CASM | AFB/PPRC/28/13 | 4,000,000 | | | Not endorse | - |
| | Tanzania (United Republic of) (3) | NEMC | AFB/PPRC/28/14 | 3,500,000 | | | Endorse | - |
| | Uganda (2) | MoWE | AFB/PPRC/28/15 | 9,504,600 | | | Not endorse | - |
| RIE | | | | | | | | |
| | Trinidad and Tobago | CAF | AFB/PPRC/28/16 | | 10,000,000 | | Endorse | - |
| MIE | | | | | | | | |
| | Nicaragua | FAO | AFB/PPRC/28/17 | | | 10,000,000 | Not Endorse | - |
| | North Macedonia | FAO | AFB/PPRC/28/18 | | | 9,991,711 | Endorse | - |
| | Vanuatu | FAO | AFB/PPRC/28/19 | | | 7,128,450 | Endorse | - |
| Sub-total, USD | | | | 27,004,600 | 10,000,000 | 27,120,161 | | - |
| 3. Project Formulation Grants (PFG) / Project Formulation Assistance (PFA): Single-country | Country | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| NIE | | | | | | | | |
| PFG | Costa Rica | Fundecooperación | AFB/PPRC/28/12/Add.1 | 30,000 | | | Not approve | 0 |
| PFA | Costa Rica | Fundecooperación | AFB/PPRC/28/12/Add.2 | 20,000 | | | Not approve | 0 |
| PFG | Honduras | CASM | AFB/PPRC/28/13/Add.1 | 30,000 | | | Not approve | 0 |
| PFA | Honduras | CASM | AFB/PPRC/28/13/Add.2 | 20,000 | | | Not approve | 0 |
| PFG | Tanzania (United Republic of) (3) | NEMC | AFB/PPRC/28/14/Add.1 | 30,000 | | | Approve | 30,000 |
| PFG | Uganda (2) | MoWE | AFB/PPRC/28/15/Add.1 | 45,000 | | | Not approve | 0 |
| Sub-total, USD | | | | 175,000 | - | - | | 30,000 |

| 4. Full Proposals: Regional | Region/Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
|--|---|-------|----------------------|-------------------|-------------------|--------------------|-------------|------------------------|
| RIE | | | | | | | | |
| | Benin, Burkina Faso, Côte d'Ivoire, Gambia (Republic of The), Ghana, Guinea, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo | OSS | AFB/PPRC/28/20 | | 14,000,000 | | Approve | 14,000,000 |
| Sub-total, USD | | | | - | 14,000,000 | - | | 14,000,000 |
| 5. Concepts: Regional | Region/Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| MIE | | | | | | | | |
| | Botswana, Malawi, Mozambique, South Africa, Zambia, Zimbabwe | IFAD | AFB/PPRC/28/21 | | | 13,932,000 | Not endorse | - |
| | Cuba, Panama | FAO | AFB/PPRC/28/22 | | | 14,000,000 | Endorse | - |
| | India, Sri Lanka | WFP | AFB/PPRC/28/23 | | | 13,995,524 | Endorse | - |
| Sub-total, USD | | | | - | - | 41,927,524 | | - |
| 6. Project Formulation Grants (PFG): Regional Concepts | Region/Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| MIE | | | | | | | | |
| PFG | Cuba, Panama | FAO | AFB/PPRC/28/22/Add.1 | | | 100,000 | Approve | 100,000 |
| PFG | India, Sri Lanka | WFP | AFB/PPRC/28/23/Add.1 | | | 80,000 | Approve | 80,000 |
| Sub-total, USD | | | | - | - | 180,000 | | 180,000 |
| 7. Pre-concepts: Regional | Region/Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| RIE | | | | | | | | |
| | Benin, Togo | OSS | AFB/PPRC/28/24 | | 14,000,000 | | Endorse | - |
| MIE | | | | | | | | |
| | Cambodia, Lao (People's Democratic Republic), Myanmar, Thailand, Viet Nam | WMO | AFB/PPRC/28/25 | | | 13,662,862 | Not endorse | - |
| | Cambodia, Viet Nam | UNIDO | AFB/PPRC/28/26 | | | 14,000,000 | Not endorse | - |
| | Costa Rica, Panama | UNEP | AFB/PPRC/28/27 | | | 11,900,000 | Endorse | - |
| Sub-total, USD | | | | - | 14,000,000 | 39,562,862 | | - |
| 8. Project Formulation Grants (PFG): Regional pre-concepts | Region/Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| RIE | | | | | | | | |
| PFG | Benin, Togo | OSS | AFB/PPRC/28/24/Add.1 | | 20,000 | | Approve | 20,000 |
| MIE | | | | | | | | |
| PFG | Cambodia, Lao (People's Democratic Republic), Myanmar, Thailand, Viet Nam | WMO | AFB/PPRC/28/25/Add.1 | | | 19,980 | Not approve | 0 |
| PFG | Cambodia, Viet Nam | UNIDO | AFB/PPRC/28/26/Add.1 | | | 20,000 | Not approve | 0 |
| PFG | Costa Rica, Panama | UNEP | AFB/PPRC/28/27/Add.1 | | | 20,000 | Approve | 20,000 |
| Sub-total, USD | | | | - | 20,000 | 59,980 | | 40,000 |
| GRAND TOTAL (1+2+3+4+5+6+7+8) | | | | 45,927,555 | 38,020,000 | 134,766,871 | | 14,250,000 |

| 9. Full Proposal: Enhanced Direct Access | Country | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
|---|------------------|------------------|----------------------|-------------------|-------------------|--------------------|-------------|------------------------|
| NIE | | | | | | | | |
| | Rwanda | MoE | AFB/PPRC/28/29 | 5,000,000 | | | Not approve | 0 |
| Sub-total, USD | | | | 5,000,000 | - | - | | 0 |
| 10. Concept: Enhanced Direct Access | Country | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| NIE | | | | | | | | |
| | Belize | PACT | AFB/PPRC/28/30 | 5,000,000 | | | Endorse | - |
| Sub-total, USD | | | | 5,000,000 | - | - | | - |
| 11. Project Formulation Grants (PFG) / Project Formulation Assistance (PFA): Enhanced Direct Access | Country | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| NIE | | | | | | | | |
| PFG | Belize | PACT | AFB/PPRC/28/30/Add.1 | 30,000 | | | Approve | 30,000 |
| PFA | Belize | PACT | AFB/PPRC/28/30/Add.2 | 20,000 | | | Approve | 20,000 |
| Sub-total, USD | | | | 50,000 | - | - | | 50,000 |
| GRAND TOTAL (9+10+11) | | | | 10,050,000 | - | - | | 50,000 |
| 12. Concepts Single-country: Large Innovation Projects | Country | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| NIE | | | | | | | | |
| | Belize | PACT | AFB/PPRC/28/32 | 4,970,000 | | | Not endorse | - |
| MIE | | | | | | | | |
| | Somalia | UNEP | AFB/PPRC/28/33 | | | 5,000,000 | Not endorse | - |
| | Viet Nam | IFAD | AFB/PPRC/28/34 | | | 5,000,000 | Not endorse | - |
| Sub-total, USD | | | | 4,970,000 | - | 10,000,000 | | - |
| 13. Project Formulation Grants (PFG) / Project Formulation Assistance (PFA): Single-country Large Innovation Projects | Region/Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| NIE | | | | | | | | |
| PFG | Belize | PACT | AFB/PPRC/28/32/Add.1 | 30,000 | | | Not approve | 0 |
| PFA | Belize | PACT | AFB/PPRC/28/32/Add.2 | 20,000 | | | Not approve | 0 |
| Sub-total, USD | | | | 50,000 | - | - | | - |
| 14. Pre-concepts Regional: Large Innovation Projects | Region/Countries | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| MIE | | | | | | | | |
| | Kenya, Uganda | UNIDO | AFB/PPRC/28/35 | | 5,000,000 | | Endorse | - |
| Sub-total, USD | | | | - | 5,000,000 | - | | - |
| GRAND TOTAL (12+13+14) | | | | 5,020,000 | 5,000,000 | 10,000,000 | | - |
| 15. Innovation Small Grants | Country | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| NIE | | | | | | | | |
| | Bhutan | BTFEC | AFB/PPRC/28/37 | 250,000 | | | Approve | 250,000 |
| | Uganda | MoWE | AFB/PPRC/28/38 | 250,000 | | | Not approve | 0 |
| Sub-total, USD | | | | 500,000 | - | - | | 250,000 |
| 16. Learning Grants | Country | IE | PPRC Document number | NIE funding, USD | RIE funding, USD | MIE funding, USD | Decision | Funding set aside, USD |
| NIE | | | | | | | | |
| | Costa Rica | Fundecooperación | AFB/PPRC/28/40 | 149,994 | | | Approve | 149,994 |
| Sub-total, USD | | | | 149,994 | - | - | | 149,994 |
| GRAND TOTAL (1+2+3+4+5+6+7+8+9+10+11+12+13+14+15+16) | | | | 61,647,549 | 43,020,000 | 144,766,871 | | 14,699,994 |