



ADAPTATION FUND

AFB/PPRC.31/68
24 March 2023

Adaptation Fund Board
Project and Programme Review Committee
Thirty-first meeting
Bonn, Germany
21–22 March 2023

REPORT OF THE THIRTY-FIRST MEETING OF THE PROJECT AND PROGRAMME REVIEW COMMITTEE

Agenda item 1: Opening of the meeting

1. The meeting was opened at 9:50 a.m. Central European Time (UCT+2) on Tuesday, 21 March 2023, by the incoming Vice-Chair, Ms. Fatou Ndeye Gaye (Gambia, Africa), who welcomed the participants.
2. The list of the members and alternate members who participated in the meeting is attached as annex I.

Agenda item 2: Transition of the Chair and the Vice-Chair

3. Following the election of the Chair of the Project and Programme Review Committee (PPRC) by the Board at the opening of its fortieth meeting of the Adaptation Fund Board, the outgoing Chair invited the incoming Chair, Ms. Sylviane Bilgischer (Belgium, Western Europe and Others), to conduct the meeting, and transitioned to Vice-Chair.

Agenda item 3: Organizational matters

(a) Adoption of the agenda

4. The following agenda was based on the provisional agenda for the meeting (AFB/PPRC.31/1/Rev.1) and the annotated provisional agenda (AFB/PPRC.31/2/Rev.1).
 1. Opening of the meeting.
 2. Transition of the Chair and the Vice-Chair
 3. Organizational matters:

- (a) Adoption of the agenda;
 - (b) Organization of work.
4. Report of the secretariat on the initial screening/technical review of project and programme proposals.
 5. Review of single-country project and programme proposals:
 - (a) Côte d'Ivoire;
 - (b) Nauru;
 - (c) Papua New Guinea;
 - (d) Mongolia;
 - (e) Montenegro
 - (f) Indonesia(1);
 - (g) Indonesia (5);
 - (h) Indonesia (6);
 - (i) Indonesia (7);
 - (j) Peru (1);
 - (k) Chad;
 - (l) Egypt;
 - (m) Mauritania;
 - (n) Peru (2);
 - (o) Fiji;
 - (p) Grenada;
 - (q) Cambodia.
 6. Review of regional project and programme proposals:
 - (a) Cabo Verde, Guinea Bissau, Sao Tome & Principe;
 - (b) Côte d'Ivoire, Ghana;
 - (c) Angola, Namibia;
 - (d) Botswana, Malawi, Mozambique, South Africa, Zambia, Zimbabwe;
 - (e) Bangladesh, Nepal;
 - (f) El Salvador, Honduras, Guatemala.
 7. Report of the secretariat on initial screening/technical review of enhanced direct access project and programme proposals.
 8. Review of enhanced direct access project and programme proposals:
 - (a) Belize;
 - (b) India.
 9. Report of the secretariat on initial screening/technical review of large innovation project proposals.
 10. Review of large innovation project proposals:
 - (a) Bangladesh;
 - (b) Viet Nam;
 - (c) Belize;
 - (d) India;
 - (e) Burundi;
 - (f) Gambia, United Republic of Tanzania.

11. Report of the secretariat on initial screening/technical review of small grant proposals.
12. Review of innovation small grant proposals:
 - (a) Chile;
 - (b) Indonesia (1);
 - (c) Indonesia (2);
 - (d) Uganda.
13. Report of the secretariat on initial screening/technical review of learning grant proposals.
14. Review of learning grant proposals:
 - (a) Peru.
15. Request for change in project implementation arrangements: Madagascar, Malawi, Mozambique, Union of Comoros (UN-Habitat).
16. Annually-determined funding provisions (FY24).
17. Review of the Expressions of Interest to join the Adaptation Fund Climate Innovation Accelerator partnership.
18. Operational policy for the implementation of the Adaptation Fund Climate Innovation Accelerator modality.
19. Options for further supporting the work of the PPRC.
20. Report of the secretariat on the Intersessional Review Cycle for Readiness Grants.
21. Assessment for extending the role of intermediary for readiness package grants.
22. Clarification of the innovation project design elements and risk.
23. Principles and draft Terms of Reference for the advisory body for innovation.
24. Other matters.
25. Adoption of the recommendations and report.
26. Closure of the meeting.

(b) *Organization of work*

5. The PPRC adopted the organization of work contained in the annotated provisional agenda for the meeting (AFB/PPRC.31/2/Rev.1).
6. Members and alternate members declared their conflicts of interest.

Agenda item 4: Report of the secretariat on the initial screening/technical review of project and programme proposals

7. The representative of the secretariat reported on: the funding status and situation of the pipeline; the funding window for regional projects and programmes; the project and programme proposals submitted by implementing entities for both single-countries and regions; and the review

process as well as the issues identified during the review process. The report of the secretariat on initial screening/technical review of the project and programme proposals is set out in documents AFB/PPRC.31/3 and AFB/PPRC.31/3/Add.1.

8. It was observed that the projects being approved might require more funding than was currently available under the regional funding provisions and it was asked how the PPRC would address not having enough funding for all the projects being recommended for approval. The representative of the secretariat explained that in such a case some of the projects would be placed on a waitlist for funding, and when asked to explain that process she explained that waitlist had been established pursuant to decision B.12/9 of the Board and that the prioritization criteria had been established in decision B.17/19 and clarified in decisions B.19/5 and B35.a-B35. In response to a query on how long projects waited in the pipeline, she said that while there was no fixed period it was generally a few months between the PPRC's recommendation to approve and funding.

9. It was noted with appreciation that an annex with table of regional projects and programmes previously approved was included, and it was suggested that a similar annex be attached to future such reports.

10. **Issues identified during the review process**

The continuous increase in the number of submitted proposals

11. The representative of the secretariat explained that the current review cycle had confirmed the trend of a continuous increase in the number of new proposals submitted to the Board. The secretariat had prepared a recommendation to further enhance the review process and better organize the work under PPRC in view of that expected continuing increase. The recommendation was presented in document AFB/PPRC.31/60, on options for further supporting the work of the PPRC.

Issues identified with the page limits for regional projects

12. The representative of the secretariat explained that, as in previous review cycles, a number of implementing entities (IEs) had had difficulty submitting proposals that remained within the page limits while effectively addressing all the clarification requests made, which often required providing additional explanations and details. Currently, the IEs used the response sheets to provide their responses and clarifications in order to remain within the page limit; however, many of these details also needed to be included within the main text of the proposal, which formed the basis of the eventual project agreement. Consequently, it might be necessary to revisit the policy on page limits at a future meeting of the PPRC.

Issues identified with copying the designated authority pursuant to Board decision B.39/3

13. The secretariat had communicated to the IEs decision B.39/3, which requested them to consistently copy the designated authority (DA) when submitting proposal to the Adaptation Fund Board secretariat. During the current review cycle, the secretariat had noticed that the relevant DA had only been copied on the submission email for about half the proposals received. The secretariat had reminded the IEs of the requirement when sharing the initial technical review, and the DA had subsequently been copied on the resubmission emails for 75 per cent of the proposals resubmitted for review. The secretariat would continue to highlight the requirement in all future courtesy notices to the IEs and again when sharing the initial technical reviews with them.

14. Concern was expressed that simply copying the DA on the project proposals did not seem to adequately ensure government participation in the development of the projects or that the proposals

were aligned with national priorities or expenditures. The representative of the secretariat said that the procedure of copying the DAs had been suggested by the Board at its thirty-ninth meeting and was an improvement over past practice. The Board may wish to suggest additional means to ensure that the DAs were more involved in the development of the proposals and the secretariat would be ready to support these.

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

Agenda item 5: Review of single-country project and programme proposals

16. The addendum to the report of the secretariat on initial review of project and programme proposals (AFB/PPRC.31/3/Add.1) included summaries of the technical reviews carried out by the secretariat for project and programme proposals submitted for the fortieth meeting of the Board, to be discussed at the thirty-first meeting of the PPRC. The document was complemented by the proposal-specific documents.

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

18. It was suggested that the technical review for all the project proposals should consistently highlight the project alignment with the Sustainable Developments Goals, and the the Paris Agreement, the Nationally Determined Contributions, National Adaptation Plans and other relevant Multilateral Environmental Agreements such as the Convention on Biological Diversity. It was also asked how innovation was being defined by the Adaptation Fund; despite having a separate window for innovation, all of its projects could be considered innovative and it was asked how that distinction could be made.

19. It was also asked, given the issues related to the DAs involvement raised under the previous agenda item, whether projects were really aligned with country priorities and whether they were actually budgeted for in national planning. The representative of the secretariat explained that those questions are part of the technical review and are asked when appraising the proposal.

Single-country projects and programmes proposals

Fully developed project proposals

Proposals from national implementing entities

Regular proposals

Belize: Enhancing the Resilience of Belize's Coastal Communities to Climate Change Impacts (fully developed project proposal; Protected Areas Conservation Trust (PACT); AF00000182; US\$ 4,000,000)

20. The objective of the proposed project was to address the high vulnerability of Belize's coastal communities through a multisectoral, systemic approach to building coastal resilience. This was the second submission of the fully developed project proposal, using a two-step approach.

21. Having considered the issues raised in documents AFB/PPRC.31/4 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not approve the fully developed project proposal as supplemented by the clarification responses provided by the Protected Areas Conservation Trust (PACT) to the request made by the technical review;
- (b) Suggest that PACT reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should provide more information on the measures to be put in place for the management of environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Adaptation Fund;
 - (ii) The proposal should provide more detailed information on the cost-effectiveness of the proposed measures;
 - (iii) The proposal should clarify the arrangements to be put in place for the maintenance of the infrastructure in Dangriga once the project ended;
 - (iv) The proposal should include quantified expected results (targets) with indicators that allow for the measurement of progress in the project results framework;
- (c) Request PACT to transmit the observations under subparagraph (b) to the Government of Belize.

(Recommendation PPRC.31/1)

Côte d'Ivoire: Strengthen the Resilience of Smallholder Farmers to the Effects of Climate Change through the Adoption of Proven Innovative Technologies and Practices (fully developed project proposal; Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles (FIRCA); AF00000294; US\$ 4,000,000)

22. The objective of the proposed project was to strengthen the resilience of smallholder farmers to the effects of climate change through the adoption of proven innovative technologies and practices in a context of variability and irregularity of rainy seasons. This was the first submission of the fully developed project proposal, using a two-step approach.

23. Having considered the issues raised in documents AFB/PPRC.31/5 and AFB/PPRC.31/3/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 Fonds Interprofessionnel pour la Recherche et le Conseil Agricoles (FIRCA) to the request made by the technical review;
- (b) Approve the funding of US\$ 4,000,000 for the implementation of the project, as requested by FIRCA;
- (c) Request the secretariat to draft an agreement with FIRCA as the national implementing entity for the project.

(Recommendation PPRC.31/2)

Panama: Strengthening Climate Resilience in Livelihoods and Coastal Ecosystems of the Central Pacific of Panama (fully developed project proposal; Fundación Natura; AF00000289; US\$ 10,000,000)

24. The objective of the proposed programme was to enhance the resilience and livelihoods of the most vulnerable coastal communities and communities located in the climate region of the Arco Seco of Panama and improve the management of high-value ecosystems such as blue carbon sinks in the Central Pacific of Panama. This was the second submission of the fully developed project proposal, using a one-step approach.

25. Having considered the issues raised in documents AFB/PPRC.31/6 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not approve the fully developed project proposal as supplemented by the clarification responses provided by the Fundación Natura to the request made by the technical review;
- (b) Suggest that Fundación Natura 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 issue:
 - (i) The proposal should demonstrate compliance with the Environmental and Social Policy and Gender Policy of the Adaptation Fund and address the use of unidentified subprojects;
- (c) Request Fundación Natura to transmit the observations under subparagraph (b) to the Government of Panama.

(Recommendation PPRC.31/3)

Uganda: Enhancing Resilience of Communities and Fragile Ecosystems to Climate Change in Katonga Catchment, Uganda (fully developed project proposal; Ministry of Water and Environment (MWE); AF00000236; US\$ 2,249,000)

26. The objective of the proposed project 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 fourth submission of the fully developed project proposal, using a two-step approach.

27. Having considered the issues raised in documents AFB/PPRC.31/7 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not approve the fully developed project proposal as supplemented by the clarification responses provided by the Ministry of Water and Environment (MWE) to the request made by the technical review;
- (b) Suggest that MWE 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 Environmental and Social Policy and Gender Policy of the Adaptation Fund;

- (ii) The proposal should clarify how the proposed activities constitute concrete actions that will build adaptive capacity to the adverse effects of climate change, both for communities and ecosystems;
- (c) Request MWE to transmit the observations under subparagraph (b) to the Government of Uganda.

(Recommendation PPRC.31/4)

Zimbabwe: Enhancing Resilience of Communities and Ecosystems in the Face of a Changing Climate in Arid and Semi-Arid Areas of Zimbabwe (Fully developed project proposal; Environmental Management Agency (EMA); AF00000233; US\$ 4,989,000)

28. The objective of the proposed project was to enhance the adaptive capacity of vulnerable communities to effectively engage in sustainable livelihoods in a changing climate. This was the third submission of the fully developed project proposal, using a two-step approach.

29. Having considered the issues raised in documents AFB/PPRC.31/8 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not approve the fully developed project proposal as supplemented by the clarification responses provided by the Environmental Management Agency (EMA) to the request made by the technical review;
- (b) Suggest that EMA reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should demonstrate compliance with national technical standards;
 - (ii) The proposal should provide more details on management of the risk of involuntary resettlement in the Environmental and Social Management Plan;
 - (iii) The proposal should further demonstrate the adequacy of the grievance mechanism;
- (c) Request EMA to transmit the observations under subparagraph b) to the Government of Zimbabwe.

(Recommendation PPRC.31/5)

Proposals from regional implementing entities
Regular proposals

Nauru: Resilient Coastal Fisheries and Aquaculture in Nauru; (fully developed project proposal; Pacific Community (SPC); AF00000329; US\$ 7,999,493)

30. The objective of the proposed project was to utilize an integrated approach to natural resource management to address a number of long-standing barriers that have hampered the implementation of climate adaptation solutions. This was the first submission of the fully developed project proposal, using a one-step approach.

31. In response to a query on how funding for the sustainability of the project could be assured and how to verify the costs covered, the representative of the secretariat explained that it had received supplementary information that would be monitored by the secretariat through the project performance report which would be submitted by the entity.

32. Having considered the issues raised in documents AFB/PPRC.31/9 and AFB/PPRC.31/3/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 Pacific Community (SPC) to the request made by the technical review;
- (b) Approve the funding of US\$ 7,999,493 for the implementation of the project, as requested by SPC;
- (c) Request the secretariat to draft an agreement with SPC as the regional implementing entity for the project.

(Recommendation PPRC.31/6)

Papua New Guinea: Adaptation of Small-Scale Agriculture for improved food security of resilient communities in Papua New Guinea (ASSA) (fully developed project proposal; The Pacific Community (SPC); AF00000298; US\$ 10,000,000)

33. The objective of the proposed project was to enhance the sustainability of main agricultural value chains through the adoption of climate-smart practices, contributing to improving produce quality, increasing access to markets and creating green jobs for women and young people in vulnerable communities. This is the first submission of the fully developed project proposal using a two-step approach.

34. Having considered the issues raised in documents AFB/PPRC.31/10 and AFB/PPRC.30/3/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 Pacific Community (SPC) to the request made by the technical review;
- (b) Approve the funding of US\$ 10,000,000 for the implementation of the project, as requested by SPC;
- (c) Request the secretariat to draft an agreement with SPC as the regional implementing entity for the project.

(Recommendation PPRC.31/7)

Proposals from multilateral implementing entities
Regular proposals

Central African Republic: Increasing the Adaptation Capacity and Resilience of Rural Communities to Climate Change in the Central African Republic (fully developed project proposal; International Fund for Agricultural Development (IFAD); AF00000278; US\$ 10,000,000)

35. The objective of the proposed project is to reduce the direct effects of climate change on 20,000 direct and 119,000 indirect beneficiaries. This was the fourth submission of the fully developed project proposal, using a one-step approach.

36. Having considered the issues raised in documents AFB/PPRC.31/11 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not 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;
- (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 provide a better description and quantification of the economic, social and environmental benefits provided by the project and include information on the particular benefits for marginalized and vulnerable groups and Indigenous communities;
 - (ii) The proposal should include a gender assessment and an action plan that are in line with the Gender Policy of the Adaptation Fund;
 - (iii) The proposal should clarify whether the vulnerable, marginalized and Indigenous groups present in the target areas were consulted and provide information on their specific concerns and input to the project;
 - (iv) The proposal should include an environmental and social risk and impact assessment and management plan that includes a detailed analysis and substantiation of the risk findings and mitigation measures for the proposed Adaptation Fund project and is in compliance with the Environmental and Social Policy of the Adaptation Fund;
- (c) Request IFAD to transmit the observations under subparagraph (b) to the Government of the Central African Republic.

(Recommendation PPRC.31/8)

Lao People's Democratic Republic: Enhancing Adaptive Capacity in Lao PDR Provinces, and Building Resilient Housing in Vulnerable Communities (fully developed project proposal; United Nations Human Settlements Programme (UN-Habitat); AF00000295; US\$ 7,323,750)

37. The objective of the proposed project was to enhance climate resilience of vulnerable communities across six provinces through the improvement of provincial adaptation capacity and increasing resilience of shelters and houses. This was the first submission of the fully developed project proposal, using a two-step approach.

38. Having considered the issues raised in documents AFB/PPRC.31/12 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not 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;

(b) Suggest that UN-Habitat reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The proposal should strengthen the proposed investment in early warning systems;
- (ii) The proposal should describe the framework for coordinating with relevant initiatives during implementation;
- (iii) The proposal should ensure compliance with the Environmental and Social Policy of the Adaptation Fund;

(c) Request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Lao People's Democratic Republic.

(Recommendation PPRC.31/9)

Libya: Increasing Resilience to Climate-Aggravated Water Scarcity in the Agriculture Sector in Libya (fully developed project proposal; International Fund for Agricultural Development (IFAD); AF00000315; US\$ 9,997,156)

39. The objective of the proposed project was to increase climate change resilience of the agriculture sector to water scarcity in Libya. This was the second submission of the fully developed project proposal, using a two-step approach.

40. Having considered the issues raised in documents AFB/PPRC.31/13 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not 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;
- (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 proponent should improve the formulation of the project activities and explain how they lead to achieving the desired project outputs and outcomes;
 - (ii) The proponent should strengthen the cost-effectiveness analysis by providing a rationale for the proposed solutions and comparison with alternative adaptation measures;
 - (iii) The proponent should carry out consultations on the project at the local level and present their findings, and explain how the interests and concerns of marginalized and vulnerable groups were considered in the project design;
 - (iv) The proponent should further develop concrete mechanisms to ensure the long-term sustainability of the project;
 - (v) The proposal should provide an improved analysis of the rationale for the funding requested based on the full cost of adaptation reasoning;

- (c) Request IAFD to transmit the observations under subparagraph (b) to the Government of Libya.

(Recommendation PPRC.31/10)

Mongolia: Ger Community Resilience Project (GCRP) (fully developed project proposal; United Nations Human Settlements Programme (UN-Habitat); AF00000317; US\$ 7,965,882)

41. The objective of the proposed project was to enhance the resilience of communities in eight Khoroos of Ulaanbaatar to floods caused by snowmelt, bursting springs and melting permafrost. This was the first submission of the fully developed project proposal, using a two-step approach.

42. It was observed that no figures for the maintenance of the project had been provided and that it was important to know whether those involved had the capacity to maintain expected results. The representative of the secretariat explained that the issue of sustainability had been addressed on pages 58 and 59 of the proposal.

43. Having considered the issues raised in documents AFB/PPRC.31/14 and AFB/PPRC.31/3/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 United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) Approve the funding of US\$ 7,965,882 for the implementation of the project, as requested by (UN-Habitat);
- (c) Request the secretariat to draft an agreement with UN-Habitat as the multilateral implementing entity for the project.

(Recommendation PPRC.31/11)

Montenegro: Adaptation to Climate Change and Resilience in the Montenegrin mountain areas - Gora (fully developed project proposal; International Fund for Agricultural Development (IFAD); AF00000300; US\$ 10,000,000)

44. The objective of the proposed project was to reduce vulnerability of livelihoods and ecosystems in northern Montenegro to the negative impacts of climate change. This was the second submission of the fully developed project proposal, using a two-step approach.

45. Having considered the issues raised in documents AFB/PPRC.31/15 and AFB/PPRC.31/3/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\$ 10,000,000 for the implementation of the project, as requested by (IFAD);
 - (iii) Request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project.

- (b) Place the project on the waitlist pursuant to decisions B.17/19, B.19/5, B.28/1 and B.35.a-35.b/46.

(Recommendation PPRC.31/12)

Zambia: Climate Change Adaptation of Livelihoods through Rural Finance (CALRF) (fully developed project proposal; International Fund for Agricultural Development (IFAD); AF00000280; US\$ 10,000,000)

46. The objective of the proposed project was to increase the climate resilience of rural populations through access to finance for investments in adaptation solutions and best practices. This was the first submission of the fully developed project proposal, using a two-step approach.

47. Having considered the issues raised in documents AFB/PPRC.31/16 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not 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;
- (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 fully define the activities that will be undertaken;
 - (ii) The proposal should include more details on the sustainability of the project and the maintenance of any infrastructure or equipment after the project ends;
 - (iii) The proposal should include a gender assessment that is in line with the Gender Policy of the Adaptation Fund;
 - (iv) The environmental and social impact assessment and the environmental and social management plan should be in line with the Environmental and Social Policy of the Adaptation Fund;
 - (v) The proposal should include a clear description of the role of the executing entities;
- (c) Request IFAD to transmit the observations under subparagraph (b) to the Government of Zambia.

(Recommendation PPRC.31/13)

Concept notes*Proposals from national implementing entities
Small-size proposals*

Indonesia (1): Sustainable Landscape Governance; Towards Climate Resilience of Community in Tempe Lake Ecosystem (concept note; Partnership for Governance Reform (Kemitraan); AF00000302; US\$ 993,081))

48. The objective of the proposed project was to encourage sustainable governance as an effort to adapt and increase the climate resilience of the Tempe Lake ecosystem community. This was the second submission of the concept note, using a two-step approach.

49. In response to a query on where the Adaptation Fund had defined risk categories the representative of the secretariat explained that risks were defined in section D of the Environmental and Social Policy of the Fund: projects/programmes likely to have significant adverse environmental or social impacts being categorized as category A projects/programmes; projects/programmes with less adverse potential impacts that are less adverse being categorized as category B; and those projects/programmes with no adverse environmental or social impacts being categorized as category C.

50. Having considered the issues raised in documents AFB/PPRC.31/17, AFB/PPRC.31/17/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the concept note as supplemented by the clarification responses provided by the Partnership for Governance Reform (Kemitraan) to the request made by the technical review;
- (b) Request the secretariat to notify Kemitraan 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 more details on the project rationale and the proposed components and associated outcomes, outputs and activities;
 - (ii) The fully developed project proposal should provide detailed information on the cost-effectiveness of the selected approach;
 - (iii) The fully developed project proposal should include a revised and substantiated project risk category corresponding to the proposed activities;
- (c) Approve the project formulation grant of US\$ 50,000;
- (d) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.
- (e) Encourage the Government of Indonesia to submit, through Kemitraan, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/14)

Indonesia (2): Adaptation to Climate Change through Integrated Forest Management and Sericulture Business to Achieve Ecosystem Resilience to Food Security for the Lake Tempe Catchment Area Community (concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000303; US\$ 996,633)

51. The objective of the proposed project was to increase ecosystem and community resilience to climate change impacts in the Lake Tempe Catchment Area. This was the second submission of the concept note, using a two-step approach.

52. Having considered the issues raised in documents AFB/PPRC.31/18, AFB/PPRC.31/18/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not endorse the concept note as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) Suggest that Kemitraan reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept note should include an improved project rationale and clarified project outputs and outcomes;
 - (ii) The concept note should provide more details and demonstrate compliance with the Gender Policy of the Adaptation Fund;
 - (iii) The concept note should include comprehensive mapping of ongoing and planned activities identifying synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
 - (iv) The concept note should describe the project's full cost of adaptation reasoning;
- (c) Not approve the project formulation grant of US\$ 50,000;
- (d) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC.31/15)

Indonesia (3): Strengthening the Adaptive Capacity of Coastal Village Communities in Supporting Food Security as a Response to Climate Change through Stakeholder Elaboration Actions in West Sulawesi Province (concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000304; US\$ 970,503)

53. The objective of the proposed project was to strengthen food security and livelihoods of coastal communities in the West Sulawesi Province. This is the second submission of the concept note, using a two-step approach.

54. Having considered the issues raised in documents AFB/PPRC.31/19, AFB/PPRC.31/19/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not endorse the concept note as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;

(b) Suggest that Kemitraan reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The concept note should include an explanation of the full cost of adaptation reasoning for each project output;
 - (ii) The concept note should include a strengthened cost-effectiveness analysis by providing different scenarios and a rationale for the proposed solutions;
 - (iii) The concept note should include comprehensive mapping of ongoing and planned activities identifying synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
- (c) Not approve the project formulation grant of US\$ 50,000;
- (d) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC.31/16)

Indonesia (4): Collaboration for the Conservation of Cimandiri Watershed Landscapes through the Potential of Silvopasture and Community Agroforestry (concept note; Partnership for Governance Reform (Kemitraan); AF00000305; US\$ 960,225)

55. The objective of the proposed project was to improve the adaptation of farming communities that depend on forest areas as water catchments, vulnerable to the impacts of climate change and natural disasters. This was the second submission of the concept note, using a two-step approach.

56. Having considered the issues raised in documents AFB/PPRC.31/20, AFB/PPRC.31/20/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not endorse the concept note as supplemented by the clarification responses provided by the Partnership for Governance Reform (Kemitraan) to the request made by the technical review;
- (b) Suggest that Kemitraan reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept note should include comprehensive mapping of ongoing and planned activities identifying synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
 - (ii) The concept note should include a description of the consultations process with vulnerable groups and a report of its outcomes;
- (c) Not approve the project formulation grant of US\$ 50,000;
- (d) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC.31/17)

Indonesia (5): Village Based Coastal Adaptation and Resilience in Lombok Province of West Nusa Tenggara (concept note; Partnership for Governance Reform (Kemitraan); AF Project ID AF00000307; US\$ 998,739)

57. The objective of the proposed project was to implement a coastal village-based climate adaptation and resilience project on Lombok Island. This was the second submission of the concept note, using a two-step approach.

58. It was suggested that the risks should be identified for the whole project and not just the components of the project.

59. Having considered the issues raised in documents AFB/PPRC.31/21, AFB/PPRC.31/21/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the concept note as supplemented by the clarification responses provided by the Partnership for Governance Reform (Kemitraan) to the request made by the technical review;
- (b) Request the secretariat to notify Kemitraan 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 strengthened environmental and social risk screening that is in line with the Environmental and Social Policy of the Adaptation Fund;
 - (ii) The fully developed proposal should include an Environmental and Social Policy categorization that is based on and reflects all risks identified for the entire project, not only per project component;
- (c) Approve the project formulation grant of US\$ 50,000;
- (d) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia;
- (e) Encourage the Government of Indonesia to submit, through Kemitraan, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/18)

Indonesia (6): Increasing the Resilience of Smallholders from Climate Impacts through Smart Agriculture based on Livelihood Diversification in Indonesia (concept note; Partnership for Governance Reform (Kemitraan); AF00000309; US\$ 977,939)

60. The objective of the proposed project was to increase the resilience and adaptive capacity of individuals and communities, especially small farmers, to climate change. This was the second submission of the concept note, using a two-step approach.

61. It was suggested that the proposal should also improve the readability of the text and of the charts.

62. Having considered the issues raised in documents AFB/PPRC.31/22, AFB/PPRC.31/22/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the concept note as supplemented by the clarification responses provided by the Partnership for Governance Reform (Kemitraan) to the request made by the technical review;
- (b) Request the secretariat to notify Kemitraan of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
 - (i) The fully developed project proposal should provide more details on how the project will comply with relevant national technical standards;
- (c) Approve the project formulation grant of US\$ 50,000;
- (d) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia;
- (e) Encourage the Government of Indonesia to submit, through Kemitraan, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/19)

Indonesia (7): Strengthening Community Adaptation toward Climate Change through ProKlim in Ecoregion Neck of Sulawesi Island (concept note; Partnership for Governance Reform (Kemitraan); AF00000310; US\$ 999,226)

63. The objective of the proposed project was to increase effectiveness and adaptive capacity of rural communities to the impacts of climate change in the Sulawesi Neck Ecoregion, Central Sulawesi Province. This was the second submission of the concept note using a two-step approach.

64. Having considered the issues raised in documents AFB/PPRC.31/23, AFB/PPRC.31/23/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the concept note as supplemented by the clarification responses provided by the provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) Request the secretariat to notify Kemitraan 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 present updated milestones in the project calendar;
 - (ii) The fully developed project proposal should further clarify the theory of change;
- (c) Approve the project formulation grant of US\$ 50,000;
- (d) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia;
- (e) Encourage the Government of Indonesia to submit, through Kemitraan, a fully developed project proposal that would also address the observations under subparagraph (b) above.

(Recommendation PPRC.31/20)

Indonesia (8): Change Climate and Adaptation in the Buffer Area of the New National Capital (concept note; Partnership for Governance Reform in Indonesia (Kemitraan); AF00000308; US\$ 999,984)

65. The objective of the proposed project was to revive the local wisdom of Indigenous Peoples for sustainable management of their customary areas. This was the second submission of the concept note, using a two- step approach.

66. Having considered the issues raised in documents AFB/PPRC.31/24, AFB/PPRC.31/24/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not endorse the concept note as supplemented by the clarification responses provided by the Partnership for Governance Reform in Indonesia (Kemitraan) to the request made by the technical review;
- (b) Suggest that Kemitraan reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept note should provide an enhanced justification of the relevance of the project to addressing climate change;
 - (ii) The concept note should include sufficient explanation of the selected project approach and scope, demonstrating the cost-effectiveness of each project component compared to alternative viable adaptation options;
 - (iii) The concept note should include more details to justify the sustainability from an economic, environmental and social perspective;
 - (iv) The concept note should also include an initial gender assessment, in compliance with the Gender Policy of the Adaptation Fund;
- (c) Not approve the project formulation grant of US\$ 50,000;
- (d) Request Kemitraan to transmit the observations under subparagraph (b) to the Government of Indonesia.

(Recommendation PPRC.31/21)

Regular proposals

Peru (1): Building a Program for Adaptation and Resilience to Climate Change of Andean Local Communities and Ecosystems in Peru (concept note: Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE); AF00000296; US\$ 5,465,145)

67. The objective of the proposed project was to increase the adaptive capacity of the productive systems of the Andean rural communities and to reduce the vulnerability of the Peruvian Andean ecosystems. This was the third submission of the concept note, using a two-step approach.

68. Having considered the issues raised in documents AFB/PPRC.31/25, AFB/PPRC.31/25/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the concept note as supplemented by the clarification responses provided by the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to the request made by the technical review;
- (b) Request the secretariat to notify PROFONANPE of the observations in the review sheet annexed to the notification of the Board's decision;
- (c) Approve the project formulation grant of US\$ 45,000;
- (d) Request PROFONANPE to transmit the observations under subparagraph (b) to the Government of Peru;
- (e) Encourage the Government of Peru to submit, through PROFONANPE, a fully developed project proposal that would also address the observations under subparagraph (b) above.

(Recommendation PPRC.31/22)

Proposals from regional implementing entities

Regular proposals

Chad: Reversing the degradation trend in the oases of Borkou, Ennedi West and Wadi Fira through strengthening adaptation measures and improving resilience to climate change of vulnerable communities (concept note; Sahara and Sahel Observatory (OSS); AF00000330; US\$ 10,000,000)

69. The objective of the concept note was to strengthen the resilience of vulnerable communities in Borkou, West Ennedi and Wadi-Fira by building adaptive capacity. This was the first submission of the concept note, using a two-step approach.

70. It was asked why the proposal made no reference to the lessons learnt from a similar project in Morocco previously approved by the Adaptation Fund. The representative of the secretariat explained that one reason might be that while the project was nearing completion it had not yet been completed. He said that those lessons could be captured later when the proposal advanced beyond the concept stage. In response to a query about the lack of a project formulation grant (PFG) the representative of the secretariat explained that only proposals submitted by national implementing entities were eligible for PFGs for single country regular proposals.

71. Having considered the issues raised in documents AFB/PPRC.31/26 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the 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, as well as the following issues:
 - (i) The fully developed project proposal should provide more details to strengthen the adaptation rationale of this project;
 - (ii) The fully developed project proposal should further clarify the maintenance of infrastructure after the project closes to ensure sustainability;
 - (iii) The fully developed project proposal should provide additional justification for project category (B) in the light of the proposed project activities;

- (c) Request OSS to transmit the observations under subparagraph (b) to the Government of Chad;
- (d) Encourage the Government of Chad to submit, through OSS, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/23)

Egypt: Climate Change Adaptation to Improve Livelihoods in Siwa Oasis (CCAILSO) (concept note; Sahara and Sahel Observatory (OSS); AF00000331; US\$ 8,000,000)

72. The objective of the proposed project was to strengthen the resilience of the SIWA Ecosystem while improving the community's livelihoods to climate impacts. This was the first submission of the concept note, using a two-step approach.

73. It was suggested that it was too onerous to ask the proponent to address long-term climate scenarios which should be removed from the recommendation.

74. Having considered the issues raised in documents AFB/PPRC.31/27 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not endorse the 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) Suggest that OSS reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept note should be considerably reframed to focus on concrete adaptation measures that deliver substantial tangible benefits to communities vulnerable to climate change;
 - (ii) The concept note should demonstrate that the selected project activities are in line with the adaptation challenges;
 - (iii) The concept note should provide more detail on the intended project beneficiaries;
 - (iv) The concept note should include details of how the detailed consultation process will take place during the formulation of the fully developed proposal;
- (c) Request OSS to transmit the observations under subparagraph (b) to the Government of Egypt.

(Recommendation PPRC.31/24)

Mauritania: Enhancing the Resilience of Communities of Agropastoral and Oases Ecosystems of Ziyara and Dhaya to the Adverse Effects of Climate Change in the Adrar Region in Mauritania (concept note; Sahara and Sahel Observatory (OSS); AF00000332; US\$ 10,000,000)

75. The objective of the proposed project was to strengthen the resilience of the Ziyara and Dhaya oases ecosystems communities (women and young people) to climate change impacts. This was the first submission of the concept note, using a two-step approach.

76. Having considered the issues raised in documents AFB/PPRC.31/28 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the 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, as well as the following issues:
 - (i) In developing the full proposal, the proponent should consider putting more focus on catchment protection, development and rehabilitation, along with other planned investments in infrastructure and water use optimization;
 - (ii) The fully developed project proposal should include a more detailed cost-effectiveness analysis;
 - (iii) The fully developed project proposal should include a more detailed discussion on the institutional capacities and means to ensure the sustainability of the project outcomes;
 - (iv) The fully developed project proposal should include a more comprehensive gender assessment, including a gender action plan for the project;
- (c) Request OSS to transmit the observations under subparagraph (b) to the Government of Mauritania.
- (d) Encourage the Government of Mauritania to submit, through OSS, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/25)

Peru (2): Implementing Protection Technologies to Foster the Resilience of Aquaculture in the Regions of Huanuco, Junin and Puno to Strengthen Food Security in the Context of Extreme Events Associated with Climate Change (concept note; Development Bank of Latin America (CAF); AF00000340; US\$ 5,298,180)

77. The objective of the proposed project was to reduce aquaculture's vulnerability to climate change and climate variability, as the principal means of livelihood of communities in the regions of Huanuco, Junin and Puno, Peru. This was the first submission of the concept note, using a two-step approach.

78. It was observed that the designated authority should be made aware of the possible effects on the country cap of the endorsement of the project.

79. Having considered the issues raised in documents AFB/PPRC.31/29 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the 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;
- (c) Request CAF to transmit the observations under subparagraph (b) to the Government of Peru;
- (d) Encourage the Government of Peru to submit, through CAF, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/26)

Proposals from multilateral implementing entities
Regular proposals

Fiji: Enhancing Climate Adaptation Through Scaling Up Fiji's Coastal Inundation Forecasting Early Warning System (concept note; World Meteorological Organization (WMO); AF00000333; US\$ 5,560,000)

80. The objective of the proposed project was to prepare for and respond to natural hazards induced from climate change. This was the first submission of the concept note, using a two-step approach.

81. In response to query about the time limit between a concept being endorsed and the submission of a fully developed project proposal the representative of the secretariat explained that there was no such time limit unless a PFG had been awarded in which case there was a year granted before the fully developed project proposal had to be submitted.

82. Having considered the issues raised in documents AFB/PPRC.31/30 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the concept note as supplemented by the clarification responses provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- (b) Request the secretariat to notify WMO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The fully developed project proposal should put emphasis on supporting the multi-hazard interoperable environment mentioned in the response sheet and identify synergies and areas for needed coordination between the relevant institutions;
 - (ii) The fully developed project proposal should provide sufficient details of the activities, including the sites for installing sea level gauges and tethered wave buoys, to enable adequate and comprehensive assessment of the environmental and social risk against the Environmental and Social Policy of the Adaptation Fund, and provide an environmental and social management plan that takes into consideration all potential impacts and risks acknowledged in the concept note;
 - (iii) The fully developed proposal should describe how the project might support the endorsement of the Meteorological Act and, most importantly, what the response will be in the event that the Act is only endorsed during the life of the project;

- (c) Request WMO to transmit the observations under subparagraph (b) to the Government of Fiji;
- (d) Encourage the Government of Fiji to submit, through WMO, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/27)

Grenada: Increasing Climate Resilience and Adaptive Capacity among Farming and Fishing Communities in Grenada (concept note; International Fund for Agricultural Development (IFAD) AF Project ID: AF00000334; US\$ 10,000,000)

83. The objective of the proposed project was to promote climate resilience and adaptive capacity in farming and fishing communities of Grenada, Carriacou and Petite Martinique. This was the first submission of the concept note, using a two-step approach.

84. Having considered the issues raised in documents AFB/PPRC.31/31 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) 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) Request the secretariat to notify IFAD of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
 - (i) The fully developed proposal should include a comprehensive gender analysis and action plan, in compliance with the Gender Policy of the Adaptation Fund;
 - (ii) The fully developed proposal should include a detailed assessment of environmental and social risks and impacts as well as a management plan, in compliance with the Environmental and Social Policy of the Adaptation Fund;
 - (iii) The fully developed project proposal should include a correct calculation of the implementing entity fee and execution costs;
- (c) Request IFAD to transmit the observations under subparagraph (b) to the Government of Grenada;
- (d) Encourage the Government of Grenada to submit, through IFAD, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/28)

Cambodia: Increasing climate resilience through small-scale infrastructure investments and enhancing adaptive capacity of vulnerable communities in Kampot and Koh Kong Provinces in Cambodia (concept note; United Nations Human Settlements Programme (UN-Habitat); AF00000335; US\$ 10,000,000)

85. The objective of the proposed project was to support climate resilient and adaptive development and increase capacity for climate change and variability adaptation of target communities living in Kampot and Koh Kong Provinces. This was the first submission of the concept note, using a two-step approach.

86. In response to a query about the lack of recommendations for corrective action, the representative of the secretariat explained that the revised proposal had addressed or cleared all of the issues raised in the initial technical review and there was no outstanding issues.

87. Having considered the issues raised in documents AFB/PPRC.31/32 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the concept note as supplemented by the clarification responses provided by the United Nations Human Settlements Programme (UN-Habitat) to the request made by the technical review;
- (b) Request the secretariat to notify UN-Habitat of the observations in the review sheet annexed to the notification of the Board's decision;
- (c) Request UN-Habitat to transmit the observations under subparagraph (b) to the Government of Cambodia;
- (d) Encourage the Governments of Cambodia to submit, through UN-Habitat, a fully developed project proposal that would address the observations under subparagraph (b), above.

(Recommendation PPRC.31/29)

Agenda item 6: Review of regional project and programme proposals

Fully developed proposals

Proposals from multilateral implementing entities

Azerbaijan, Islamic Republic of Iran: Urbanisation and Climate Change Adaptation in the Caspian Sea Region (fully developed project proposal; United Nations Human Settlements Programme (UN-Habitat); AF00000191; US\$ 14,000,000)

88. The objective of the proposed project was to enhance climate change adaptation and resilience of local communities in the Republic of Azerbaijan and the Islamic Republic of Iran while fostering adaptation capacities and knowledge throughout the Caspian Sea region. This was the first submission of the regional fully developed project proposal, using a three-step approach.

89. Having considered the issues raised in documents AFB/PPRC.31/33 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not 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;
- (b) Suggest that UN-Habitat reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proponent should ensure that the project as a whole, and its components, are formulated to be commensurate in scale and extent with the long-term impacts of climate variability and change under a range of future scenarios;
 - (ii) The proposal should clearly demonstrate the benefits of regional coordination;

(iii) The proposal should demonstrate, through specific measures, how the project will promote the leadership of vulnerable subgroups, including women, throughout project monitoring and implementation;

(c) Request UN-Habitat to transmit the observations under subparagraph (b) to the Governments of Azerbaijan and the Islamic Republic of Iran.

(Recommendation PPRC.31/30)

Cabo Verde; Guinea Bissau; Sao Tome and Principe: “West and Central Africa Small Island Developing States Adapt – Building Resilience of Agricultural Systems to Climate Change” (fully developed project; International Fund for Agricultural Development (IFAD); AF00000230; US\$ 14,000,000)

90. The objective of the proposed project was to build climate-resilient agricultural systems in the three SIDS in West and Central Africa by securing water resources for agricultural and domestic usages and rehabilitating degraded lands. This was the first submission of the fully developed project proposal, using a two-step approach.

91. Having considered the issues raised in documents AFB/PPRC.31/34 and AFB/PPRC.31/3/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 International Fund for Agricultural Development (IFAD) 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 IFAD;
- (c) Request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project.

(Recommendation PPRC.31/31)

Côte d’Ivoire, Ghana: Improved Resilience of Coastal Communities in Côte d’Ivoire and Ghana (fully developed project; United Nations Human Settlements Programme (UN-Habitat); AF00000121; US\$ 13,991,990)

92. The objective of the proposed project was to improve adaptation of small-to-medium-sized coastal settlements in West Africa by reducing climate change impact and establishing resilient economies and communities. This was the fourth submission of the fully developed project proposal, using a three-step approach.

93. Having considered the issues raised in documents AFB/PPRC.31/35 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

94. Having considered the issues raised in documents AFB/PPRC.31/35 and AFB/PPRC.31/3/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\$ 13,991,990 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.
- (b) Place the project on the waitlist pursuant to decisions B.17/19, B.19/5, B.28/1 and B.35.a-35.b/46.

(Recommendation PPRC.31/32)

Concept notes

Proposals from multilateral implementing entities

Angola and Namibia: “Building Resilience to Climate Change for Semi Nomadic Agro Pastoral Communities in the Transboundary Kunene River Basin” (concept note; International Fund for Agricultural Development (IFAD); AF00000336; US\$ 14,000,000)

95. The objective of the regional concept note was to promote and co-develop tangible adaptation outcomes that are founded on both Indigenous traditional knowledge and scientific knowledge, for the nomadic agro-pastoralist groups of the Kunene river basin and their socioeconomic network. This was the first submission of the concept note, using a two-step approach.

96. Having considered the issues raised in documents AFB/PPRC.31/36, AFB/PPRC.31/36/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the 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 concept note should include comprehensive mapping of ongoing and planned activities identifying synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
 - (ii) The concept note should include a report documenting the consultation process, including a summary of the issues raised by stakeholders, with special attention paid to vulnerable groups, including women and young people, as well as a gender-disaggregated attendance lists;
 - (iii) The concept note should provide more details for an initial gender analysis to ensure better informed, gender-responsive project components;
- (c) Not approve the project formulation grant of US\$ 50,000;

- (d) Request IFAD to transmit the observations under subparagraph (b) to the Governments of Angola and Namibia.

(Recommendation PPRC.31/33)

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

97. The objective of the proposed project was to support sustainable and cooperative management of transboundary groundwater to strengthen the climate resilience of agriculture and agribusiness in Transboundary Aquifer areas of Southern Africa. This was the third submission of the concept note, using a two-step approach.

98. In response to queries on why the proposal was being rejected the representative of the secretariat explained that the proposal had been submitted three times and that there had been six rounds of project review. The project proposal had not advanced; the problem was not with particular issues but with the project design itself and the proposed adaptation measures. The project presents high risks of maladaptation, as well as unsustainability of the adaptation measures. The proposed promotion and facilitation of groundwater extraction from transboundary aquifers for climate change adaptation purposes, in the absence of a reasonable prospect of transboundary management capacity may lead to limited short-term localised adaptation but puts at risk these invaluable reservoirs of long-term adaptive capacity. This likelihood of maladaptation cannot be addressed, within the timeline and scope of the proposal. The project could pose significant reputational risk for the Adaptation Fund. Although projects were not often rejected, paragraph 47 (e) of the Operational Policies and Guidelines provided for such a possibility.

99. Having considered the issues raised in documents AFB/PPRC.31/37, AFB/PPRC.31/37/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Reject 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, including, among others, the risks of maladaptation and unsustainability of the project;
- (b) Not approve the project formulation grant of US\$ 50,000;
- (c) Request IFAD to transmit the Board decision to the Governments of Botswana, Malawi, Mozambique, South Africa, Zambia and Zimbabwe.

(Recommendation PPRC.31/34)

Pre-concept notes*Proposals from multilateral implementing entities*

Bangladesh, Nepal: Hydrological Status and Outlook system for Integrated Water Resources Management and Climate Resilience in Bangladesh and Nepal (HydroSOS-BaNe) (pre-concept note; World Meteorological Organization (WMO); AF Project ID AF00000337; US\$ 12,090,000)

100. The objective of the proposed project was to increase the climate adaptive capacities and resilience of beneficiary communities to hydro-climatic risks. This was the first submission of the pre-concept note, using a three-step approach.

101. Having considered the issues raised in documents AFB/PPRC.31/38, AFB/PPRC.31/38/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) 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) Request the secretariat to notify WMO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
 - (i) The concept note should explore options to enhance regional engagement and/or coordination in the Ganga Brahmaputra Meghna river basin in order to improve the effectiveness of the proposed approach;
- (c) Approve the project formulation grant of US\$ 20,000;
- (d) Request WMO to transmit the observations under subparagraph (b) to the Governments of Bangladesh and Nepal;
- (e) Encourage the Governments of Bangladesh and Nepal to submit, through WMO, a concept note that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/35)

Honduras, El Salvador, Guatemala: Building resilience of urban communities in Central America by leveraging nature-based solutions for adaptation (pre-concept note; United Nations Environment Programme (UNEP); AF Project ID AF00000338; US\$ 14,000,000)

102. The objective of the proposed project was to address the interlinked challenges of climate change and urbanization by implementing and upscaling nature-based solutions. This was the first submission of the pre-concept note, using a three-step approach.

103. Having considered the issues raised in documents AFB/PPRC.31/39, AFB/PPRC.31/39/Add.1 and AFB/PPRC.31/3/Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the 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;

- (c) Approve the project formulation grant of US\$ 20,000;
- (d) Request UNEP to transmit the observations under subparagraph (b) to the Governments of Honduras, El Salvador and Guatemala;
- (e) Encourage the Governments of Honduras, El Salvador and Guatemala to submit, through UNEP, a concept note.

(Recommendation PPRC.31/36)

Agenda item 7: Report of the secretariat on initial screening/technical review of enhanced direct access project proposals

104. The representative of the secretariat introduced the report on the initial screening/technical review of enhanced direct access project and programme proposals and summarized the outcome of the current review cycle and available funding, as more fully described in documents AFB/PPRC.31/40 and Add.1. During the review cycle, it had been noted that the accredited national implementing entity for Peru had submitted a project formulation grant request for US\$ 50,000 on 20 January 2023 for a concept note proposal that had been endorsed at the thirty-ninth meeting of the Board (decision B.39/41). Pursuant to decision B.12/28(b), if a country required a project formulation grant, the request should be made at the same time as the submission of a project concept to the secretariat; for that reason, the project formulation grant request could not be considered.

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

Agenda item 8: Review of enhanced direct access project and programme proposals

Fully developed proposals

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

106. The objective of the proposed project was to restore, and enhance the protection of, vital ecosystem and corresponding ecosystem services to improve the well-being and livelihoods of vulnerable communities. This was the second submission of the enhanced direct access proposal, using a two-step process.

107. Assurance was sought that the proposal had not been rejected and that the proponents could resubmit it. The representative of the secretariat explained that only those proposals which had been specifically rejected were precluded from resubmission.

108. Having considered the issues raised in documents AFB/PPRC.31/40/Add.1 and AFB/PPRC.31/41, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not approve the fully developed enhanced direct access proposal 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 proponent should clarify the decision-making processes within the enhanced direct access model with respect to the partnerships with relevant entities and how funds will flow;
- (ii) The proponent should explain the model for capacity-building model from PACT to second tier organizations and from second tier organizations to tertiary subnational organizations and actors;
- (iii) The proponent should clarify the selection criteria for proposals coming in through the planned bottom-up process or specify at what point in the project cycle the criteria will be finalized;
- (iv) The proponent should clarify how and when the beneficiary data is expected to be finalized, with reference to the equitable distribution of benefits to vulnerable communities, households and individuals;
- (v) The proponent should update the gender action plan to include, where appropriate, targets and quotas and make a clear linkage with project components, outputs and activities;

(c) Request PACT to transmit the observations under subparagraph (b) to the Government of Belize.

(Recommendation PPRC.31/37)

Concept note

India: Fund for Ecosystem based Adaptation through Agro-ecological Initiatives in India (concept note proposal; National Bank for Agriculture and Rural Development (NABARD); AF00000342, US\$ 5,000,000)

109. The object of the project was to build the capacity of entities and communities to access climate finance and to enhance the resilience of the natural-resource-dependent communities. This was the first submission of the enhanced direct access project concept, using a two-step process.

110. In response to a query the representative of the secretariat explained that while the majority of the issues had been clarified by the proponent the answers had been given in the review sheet which was not a legal document. They needed to be in the proposal itself.

111. Having considered the issues raised in documents AFB/PPRC.31/40/Add.1, AFB/PPRC.31/42 and Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not endorse the enhanced direct access project concept as supplemented by the clarification responses provided by the National Bank for Agriculture and Rural Development (NABARD) to the requests made by the technical review;
- (b) Request the secretariat to notify NABARD of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The proposal should clarify the screening process for subprojects under the categories of ecosystem-based adaptation interventions;
 - (ii) The proposal should include a comprehensive list of potentially overlapping projects and describe synergies and complementarities with existing projects;
 - (iii) The proposal should include a revised the risk screening table that focuses on the risk of negative impacts, and provide detailed information on and justification for the assumptions in the risk assessment;
- (c) Not approve the project formulation grant of US\$ 45,000;
 - (d) Request NABARD to transmit to the Government of India the observations under subparagraph (b), above.

(Recommendation PPRC.31/38)

Agenda item 9: Report of the secretariat on initial screening/technical review of large innovation project proposals

112. The representative of the secretariat introduced the report on the initial screening/technical review of large innovation project proposals and summarized both the current review cycle and the programming to date, as more fully described in documents AFB/PPRC.31/44 and Add.1. During the review cycle, it had been observed, with respect to funding, that the requests to date had reached US\$ 57,533,110, which was above the US\$ 30 million set aside for funding under the first request for proposals of the first medium-term strategy implementation Plan but under the US\$ 60 million set aside and provisionally slated to become available in 2022. She also clarified that accredited multilateral and national implementing entities submitted six large innovation project proposals to the secretariat, with the total requested funding amounting to US\$ 27,526,676.

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

Agenda item 10: Review of large innovation project proposals

Fully developed proposals

Proposals from national implementing entities

Bangladesh: Access to Safe Drinking Water for the Climate Vulnerable People in Coastal Areas of Bangladesh (fully developed proposal; Palli Karma-Sahayak Foundation (PKSF); AF00000285; US\$ 5,000,000)

114. The objective of the proposed project was to secure water security for the coastal families by establishing reverse osmosis water treatment plants. This was the second submission of the large innovation fully developed proposal, using a one-step process.

115. It was observed that there was little difference between the large innovation project proposals and the regular project proposals and that it would be useful to clarify that and explain what the Adaptation Fund considers innovation to be. The representative from the secretariat clarified the innovation potential of the proposed community based solar-generated reverse osmosis water systems and the social innovation that is proposed by the project for the implementation of the technology. The secretariat also clarified that the project had yet to address a few pending issues,

namely, the pricing system for operation and maintenance, the lessons from the pilot project and how the innovation will be adapted to the new context.

116. Having considered the issues raised in documents AFB/PPRC.31/44/Add.1 and AFB/PPRC.31/45, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not approve the fully developed large innovation proposal as supplemented by the clarification responses provided by Palli Karma-Sahayak Foundation (PKSF) to the requests made by the technical review;
- (b) Suggest that PKSF 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 the lessons learned from the previous pilot projects and clarify how the experience of the pilot project shaped the design of the current project;
 - (ii) The proposal should explain how the project is different from the previous pilot projects in terms of innovation in water management and its community engagement plan for innovation, operation and maintenance;
 - (iii) The proposal should clarify the pricing system and the costs to local committees for longer-term operation and maintenance;
- (c) Request PKSF to transmit to the Government of Bangladesh the observations under subparagraph (b), above.

(Recommendation PPRC.31/39)

Proposals from multilateral implementing entities

Viet Nam: Innovative Financial Incentives for Adaptation in wetland livelihoods (IFIA) (fully developed proposal; International Fund for Agricultural Development (IFAD); AF00000325; US\$ 5,000,000)

117. The objective of the proposed project was to pilot, systematize learning in, and institutionalize financing instruments for scaling up adaptation in coastal livelihood activities. This was the second submission of the large innovation concept, using a one-step process.

118. Having considered the issues raised in documents AFB/PPRC.31/44/Add.1 and AFB/PPRC.31/46, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) 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;
- (b) Approve the funding of US\$ 5,000,000 for the implementation of the project, as requested by IFAD;
- (c) Request the secretariat to draft an agreement with IFAD as the multilateral implementing entity for the project.

(Recommendation PPRC.31/40)

Concept notes*Proposals from national implementing entities*

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

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

120. It was observed that the capacity of the communities to cover the costs for the services needed to be included in the proposal and it was asked whether rules over water extraction had also been examined. The representative of the secretariat explained that the issues had been considered during the screening of the project and would be looked at again after the PFG had been used to further develop the fully developed project proposal when a revised environmental and social policy risk assessment would be included in the proposal.

121. Having considered the issues raised in documents AFB/PPRC.31/44/Add.1, AFB/PPRC.30/45 and Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the concept note as supplemented by the clarification responses provided by the Protected Areas Conservation Trust (PACT) to the request 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 provide details on an indicative list of alternate livelihood actions and associated outputs and activities;
 - (ii) A gender assessment should be provided that clearly describes the barriers to gender mainstreaming, and the targets specified in the Gender Action Plan of the Adaptation Fund should be integrated into the results framework of the project;
 - (iii) The fully developed proposal should specify the anticipated cost of maintenance for communities and their capacity to cover the costs of the services;
- (c) Request PACT to transmit the observations under subparagraph (b) to the Government of Belize;
- (d) Approve the project formulation grant of US\$ 50,000;
- (e) Encourage the Government of Belize to submit, through PACT, a fully developed project proposal that would also address the observations under subparagraph (b), above.

(Recommendation PPRC.31/41)

India: Climate Smart Agricultural Water Management in Man and Khatav Taluka of Satara, Maharashtra, India (concept note; National Bank for Agriculture and Rural Development (NABARD); AF00000341; US\$ 2,555,196)

122. The objective of the proposed project was to develop and implement an improved climate data-based decision-making framework by applying innovative technologies to enhance climate-

smart agricultural water management and crop practices. This was the first submission of the large innovation proposal, using a two-step process.

123. It was observed that the project had nine components which might be overly ambitious. The representative of the secretariat agreed and said that the proponents had been asked to streamline the proposal and merge some of the components where that was appropriate. However, the project would be useful and help collect local data, which was otherwise unavailable, in an area of severe water stress and where there is a lack early warning systems and lack of climate information systems.

124. Having considered the issues raised in documents AFB/PPRC.31/44/Add.1, AFB/PPRC.31/48 and Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not endorse the concept note as supplemented by the clarification responses provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Suggest that NABARD reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept note should incorporate the details related to the current and projected impacts of climate change on target region into the section titled "project justification" to strengthen the climate change adaptation justification for the project activities;
 - (ii) The concept note should incorporate all details mentioned in the response sheet into the project main text;
 - (iii) The concept note should include comprehensive mapping of ongoing and planned activities by the Government of India, international organizations, bilateral donors and non-governmental organizations to identify synergies and demonstrating how collaboration with other relevant institutions will be sought and duplication avoided;
- (c) Not approve the project formulation grant of US\$ 40,000;
- (d) Request NABARD to transmit to the Government of India the observations under subparagraph (b), above.

(Recommendation PPRC.31/42)

Proposal from a multilateral implementing entity

Burundi: Enhancing resilience to flood and drought through a unique combination of innovative climate adaptation tools, technologies, and practices in Burundi (concept note; United Nations Environment Programme (UNEP); AF00000343, US\$ 5,000,000)

125. The objective of the project was to increase the resilience of people and institutions in Burundi to flood and drought events. This was the first submission of the large innovation proposal, using a two-step process.

126. In response to query about the theory of change and the SLAMDAM®-technology the representative of the secretariat explained that the SLAMDAM®-technology was just one element of the proposal which included *inter alia* irrigation systems, climate smart agriculture and market

linkages for agribusiness related activities. In this respect it was unclear how all those elements would work together comprehensively.

127. Having considered the issues raised in documents AFB/PPRC.31/44/Add.1 and AFB/PPRC.31/49, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not endorse the 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) Suggest that UNEP reformulate the proposal, taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The concept note should describe insights and lessons learned from the mobile flood barrier pilot project, specifically related to how the interventions altered beneficiaries' practices and behaviours on the ground, and clarify how the lessons learned shaped the design of the existing project;
 - (ii) The concept note should clarify the theory of change and how the components or activities are linked;
- (c) Request UNEP to transmit to the Government of Burundi the observations under subparagraph (b), above.

(Recommendation PPRC.31/43)

Regional projects and programmes

Concept notes

Proposals from multilateral implementing entities

Gambia, United Republic of Tanzania: Enhancing Hydro met Services through Regional Monitoring Innovation Hubs in Africa (concept note; World Meteorological Organization (WMO); AF00000288; US\$ 5,000,000)

128. The objective of the proposed project was to advance the uptake of innovative hydrometric approaches by the national meteorological and hydrological services in the United Republic of Tanzania, the Gambia and surrounding countries. This was the second submission of the large proposal, using a three-step process.

129. Having considered the issues raised in documents AFB/PPRC.31/44/Add.1, AFB/PPRC.31/50 and Add.1, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Endorse the large innovation project concept note as supplemented by the clarification responses provided by the World Meteorological Organization (WMO) to the request made by the technical review;
- (b) Request the secretariat to notify WMO of the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:

- (i) The fully developed proposal should specify the portion of the budget expected to be allocated to instrumentation, hydrological equipment and other hydrometric monitoring aspects through training and capacity-building;
 - (ii) The fully developed proposal should provide details on the funding model for the innovation hub;
 - (iii) The fully developed proposal should clarify which stakeholders will be part of the selection and steering committees;
 - (iv) The fully developed proposal should clarify the process for implementing or deploying innovations, specifying the proof of concept and specific sites or target locations for further experimentation/demonstration;
 - (v) The fully developed proposal should describe the proposal selection criteria and clarify whether there will be further development and refinement as the project progresses through implementation;
- (c) Request WMO to transmit the observations under subparagraph (b) to the Governments of the Gambia and the United Republic of Tanzania;
 - (d) Approve the project formulation grant of US\$ 30,000;
 - (e) Encourage the Governments of the Gambia and the United Republic of Tanzania to submit through WMO, a fully developed proposal that would also address the observations under subparagraph (b) above.

(Recommendation PPRC.31/44)

Agenda item 11: Report of the secretariat on initial screening/technical review of innovation small grant project proposals

130. The representative of the secretariat introduced the report on the initial screening/technical review of innovation small grant proposals and presented the programming to date, the small grant proposals submitted to the current meeting and the review process conducted by the secretariat, as more fully described in documents AFB/PPRC.31/51 and Add.1.

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

Agenda item 12: Review of innovation small grant project proposals

Chile: Sustainable Corridors. Adapting electricity transmission infrastructure to the climate crisis through nature-based solutions in the Antofagasta Regio (Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID); AFRDG00063, US\$ 250,000)

132. The objective of the proposed project was to implement a sustainable transmission pilot in the Antofagasta region, which has been declared a “transmission development pole” according to the country’s long-term energy plan. This was the second submission of the innovation small grant proposal.

133. It was observed that the project seemed overly ambitious given the funding requested. The representative of the secretariat explained that the proponents wanted to pilot in Chile on a limited scale by adapting the approach from a project Belgium. The representative also explained that the

proposal has yet to clarify how the project will be adapted to the Chilean context considering the differences in the country's geography. It was clarified that the amount requested for a pilot was sufficient, as this was confirmed with the implementing entity.

134. Having considered the issues raised in documents AFB/PPRC.31/51/Add.1 and AFB/PPRC.31/52, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not approve the innovation small grant proposal as supplemented by the clarification responses provided by the Agencia Chilena de Cooperación Internacional para el Desarrollo (AGCID) to the requests made by the technical review;
- (b) Suggest that AGCID 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 explain how the sustainable corridor is expected to build the adaptive capacity of communities and the ecosystem towards the ongoing climate impacts in Antofagasta;
 - (ii) The proposal should clarify the transferability of the intervention implemented under the LIFE-ELIA project to the target areas, given the differences in the two ecosystems;
 - (iii) The proposal should provide details of the target areas, include a provisional list of nature-based solutions, and justify the suitability of the interventions to the environmental conditions of the target area;
 - (iv) The proponent should clarify the economic, social and environmental benefits of the anticipated solutions in the target areas from a resilience and climate change adaptation perspective vis-à-vis the baseline situation;
- (c) Request AGCID to transmit the observations under subparagraph (b) to the Government of Chile.

(Recommendation PPRC.31/45)

Indonesia (1): Developing "Climate Smart Community" System to Increase Climate Resilience for Saddang Watershed Communities (Partnership for Governance Reform (Kemitraan); AFRDG00064; US\$ 250,000)

135. The objective of the proposed project was to increase the capacity of the communities in Saddang Watershed to adapt to climate change by building capacity and raising awareness. This was the second submission of the innovation small grant proposal.

136. Having considered the issues raised in documents AFB/PPRC.31/51/Add.1 and AFB/PPRC.31/53, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- (a) Approve the innovation small grant proposal as supplemented by the clarification responses provided by the Partnership for Governance Reform (Kemitraan) 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 Kemitraan;

- (c) Request the secretariat to draft an agreement with Kemitraan as the national implementing entity for the project.

(Recommendation PPRC.31/46)

Indonesia (2): Towards Climate and Economic Resilience: Development Sustainable Adaptation-based of Coffee Village and Tourism Village through Co-production (Partnership for Governance Reform (Kemitraan); AFRDG00067; US\$ 250,000)

137. The objective of the proposed project was to enhance the resilience of coffee farmers to climate change variability. This was the first submission of the innovation small grant proposal.

138. In response to queries about the limited financing for the project, given the ambitions of the proponents, the representative of the secretariat explained that the funding was expected to sufficient considering the scope of the project.

139. It was asked how the project's, including other projects' results and lessons would be tracked. The representative of the secretariat explained that some of the key outcomes of the projects were the lessons learnt from the technological innovations but also the social innovation and the capacity-building acquired which would be monitored in the project performance reports on an annual basis, including other monitoring requirements.

140. Having considered the issues raised in documents AFB/PPRC.31/51/Add.1 and AFB/PPRC.31/54, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- (a) Approve the innovation small grant proposal as supplemented by the clarification responses provided by the Partnership for Governance Reform (Kemitraan) to the requests made by the technical review;
- (b) Approve the funding of \$250,000 for the implementation of the project, as requested by Kemitraan;
- (c) Request the secretariat to draft an agreement with Kemitraan as the national implementing entity for the project.

(Recommendation PPRC.31/47)

Uganda: Climate Change Adaptation Through Operationalization of Vertical Shaft Brick Kiln Technology for Bricks Manufacturing and livelihood enhancement in Iganga District (Ministry of Water and Environment (MOWE); AFRDG00066; US\$ 250,000)

141. The objective of the proposed project was to adapt to climate change through operationalizing the vertical shaft brick kiln technology for brick manufacturing and livelihood enhancement in Iganga district. This was the first submission of the innovation small grant proposal.

142. It was asked how the proponents would accomplish all the tasks they had set for themselves; those were relevant and clear but the means appeared to be lacking to achieve them. The representative of the secretariat explained that this was a small pilot project but one that needed further revision.

143. Having considered the issues raised in documents AFB/PPRC.31/51/Add.1 and AFB/PPRC.31/55, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Not approve the innovation small grant proposal as supplemented by the clarification responses provided by 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 review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The proposal should clarify the adaptation justification of the overall project by explaining the climate risks and threats in the target region and how the proposed solutions will build resilience to those climate challenges;
 - (ii) The proposal should include or describe strategies that will ensure sustainability of natural resources, such as limits on exploitation, even if more efficient;
 - (iii) The proposal should clarify how the community will be able to safeguard ecosystem resilience even if the vertical shaft brick-kiln technology is highly successful and there is demand for replication and scale-up;
 - (iv) The proposal should provide an approximate cost of the equipment and machinery to be developed under the project;
- (c) Request MOWE to transmit to the Government of Uganda the observations under subparagraph (b), above.

(Recommendation PPRC.31/48)

Agenda item 13: Report of the secretariat on initial screening/technical review of learning grant proposals

144. The representative of the secretariat introduced the report on the initial screening/technical review of learning grant proposals and presented the funding window for learning grants, the learning grants submitted, and the review process conducted by the secretariat, as more fully described in document AFB/PPRC.31/56 and Add.1.

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

Agenda item 14: Review of learning grants proposals

Peru: Grant to facilitate learning and knowledge sharing (learning grant proposal; Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE); Peru/NIE/Multi/2022/Learning; \$150,000)

146. The objective of the proposed project was to disseminate good practices and lessons learned from the "Adaptation Project to the impacts of climate change on the coastal marine ecosystem of Peru and its fisheries (Coastal Marine Adaptation Project -CMAP)" by consolidating information, organizing workshops, field exchanges, and producing knowledge products.

147. This was the first and only submission of the learning grant proposal.

148. It was asked how to measure the efficacy of the project regarding the dissemination of information and its capacity to generate new projects. The representative of the secretariat said that while the amount being asked for was small it would allow for the knowledge produced to be

systemized and made available to decision makers, beneficiaries and to broader climate adaptation community. It was asked how it could be assured that the participants in the workshops would retain what they had learnt and it was explained that and that innovative ways of communication tools and products will be developed and translated into local languages to maximize information retention.

149. Having considered issues raised in documents AFB/PPRC.31/56/Add.1 and AFB/PPRC.31/57, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- (a) Approve the learning grant proposal as supplemented by the clarification responses provided by Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to the request made by the technical review;
- (b) Approve the funding of \$150,000 for the implementation of the project, as requested by PROFONANPE;
- (c) Request the secretariat to draft an agreement with PROFONANPE as the national implementing entity for the project.

(Recommendation PPRC.31/49)

Agenda item 15: Request for change in project implementation arrangements: Madagascar, Malawi, Mozambique, Comoros (UN-Habitat)

150. The representative of the secretariat introduced document AFB/PPRC.31/66 and explained that at project approval, both the Southern Africa Development Community (SADC) DRR Unit and Technical Centre for Disaster Risk Management, Sustainability and Urban Resilience (DiMSUR) had been designated by UN-Habitat as regional executing entities of the project for components 2 (partly with national government entities) and 3 (fully), while Oxfam (in cooperation with municipalities, local NGOs and communities) and sub-contractors had been designated as the city-level executing entity for Component 1. During the inception phase of the project, UN-Habitat had been informed that SADC DRR Unit did not have the capacity or availability to execute the intended activities. After Oxfam confirmed its availability, it is suggested that Oxfam execute those activities. Further DiMSUR was an entity being operationalized through the project and, as such, was not fully operational or qualified to receive funds from a United Nations agency. That was expected to happen during the last year of implementation and consequently UN-Habitat had requested that Oxfam execute those activities temporarily until DiMSUR becomes fully operational.

151. It was asked if there was any indication when the entity would become fully operational and surprise was expressed that UN-Habitat had been unable to evaluate the suitability of the executing entities. It was also asked whether Oxfam would engage in any capacity building and how the funding would be distributed between the executing entities. The representative of the secretariat explained that DiMSUR was expected to be involved in the project implementation from the fourth year fourth year of the project at which point it would take over from Oxfam the responsibility for the execution of component 3. She also explained that there would be no increase in costs for the project, as the project execution cost amount would remain the same, within the limit established by the Fund's Operational Policies and Guidelines. Having considered the issues raised in document AFB/PPRC.31/66, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

(a) Approve the change in project implementation arrangements for the “building urban climate resilience in south-eastern Africa” project, as requested by the United Nations Human Settlements Programme (UN-Habitat) and as contained in the revised project proposal, set out in annex 4 to document AFB/PPRC.31/66;

(b) Request the secretariat to draft an amendment to the agreement between the Board and UN-Habitat to reflect changes made under subparagraph (a) above.

(Recommendation PPRC.31/50)

Agenda item 16: Annually-determined funding provisions (fiscal year 2024)

152. The representative of the secretariat introduced a proposal for funding provisions for fiscal year 2024 (AFB/PPRC.31/67), developed in parallel with the implementation plan for the Fund’s medium-term strategy for 2023–2027 and presented options for the PPRC to consider. She said that the Board had followed a number of different practices with the different funding windows, For some the amount set aside took place annually, while for others the period used was that of the medium-term strategy and for still others the amount was invariable as a cap of the amounts that could be awarded, She said that the development of a new medium-term strategy allowed for a rationalization of some of the funding windows so that the funding available could be established annually for most of them.

153. In response to a number of queries about the reason for the level of funding being requested and the different windows being affected, the representative of the secretariat explained that there had been increase in the number of submissions of proposals. The proposed recommendation would pilot the new system in coordination with the new medium-term strategy, but it would have no impact on the present cap on single country projects which would be maintained.

154. Having considered the issues raised in document AFB/PPRC.31/67, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

(a) Request the secretariat to provide for the following in its work programme for fiscal year 2024:

(i) US\$ 100 million to fund regional projects and programme proposals, including requests for project formulation grants to prepare regional project and programme concept or fully developed project documents;

(ii) US\$ 30.3 million to fund enhanced direct access projects and programmes, including requests for project formulation grants to prepare fully developed enhanced direct access project documents;

(iii) US\$ 30.3 million to fund large innovation projects and programmes, including requests for project formulation grants to prepare fully developed large innovation project documents;

(iv) US\$ 1.5 million to fund small innovation grants;

(v) US\$ 1 million to fund learning grants;

(vi) US\$ 1 million to fund project scale-up grants.

(Recommendation PPRC.31/51)

Agenda item 17: Review of the expressions of interest to join the Adaptation Fund Climate Innovation Accelerator partnership

155. The representative of the secretariat presented the review of expressions of interest to join the Adaptation Fund Climate Innovation Accelerator (AFB/PPRC.31/58).

156. Questions were asked about proposed coordination services to be supplied by the United Nations Environment Programme (UNEP) as UNEP would both implement its own programme of work and supervise the implementation of programmes of the other applicants. That seemed to create a conflict of interest, and it was asked whether the supervisory function would entail any additional costs to the Fund. It was also asked why the Regional Implementing Entities were only being selected from the Pacific community or region and why they were limited to \$5 million in funding when the Multilateral Implementing Entities were being allowed \$10 million in funding. That seemed unfair especially as it was an objective of the Fund to ensure a balance of interests between all the regions served by the Fund, as well as between the different implementing entities. The previous version of the Climate Innovation Accelerator partnership had received matching funds from the European Community and it was asked whether that would continue; and what lessons had been learnt for that earlier partnership.

157. The representative of the secretariat explained that the Multilateral Implementing Entities had both a global scope and a better track record implementing innovation projects; the two regional implementing entities were both less proven in that area, and focused on regional activities, which was the reason for the difference in the amounts awarded to them. She also explained that a general call had been made for expressions of interest and that the implementing entities under consideration were the only ones that had responded to that call. With respect to the role of coordinator of the partnership, she explained that the original project had only foreseen a single aggregator. However, in the end the Board had selected two, who by a happy accident had worked well and had coordinated the activities efficiently and effectively. She said that the present proposal was an attempt to recreate that role of coordinator and as UNEP had been one of the two original aggregators it had seemed wise precaution to ask it to continue in that role. She did not foresee that entailing any significant additional costs.

158. Having considered the issues raised in document AFB/PPRC.31/58, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Invite The Pacific Community (SPC) to develop a programme proposal for an amount of up to US\$ 5,000,000;
- (b) Invite the Secretariat of the Pacific Regional Environment Programme (SPREP) to develop a programme proposal for an amount up to US\$ 5,000,000;
- (c) Invite the United Nations Environment Programme (UNEP) to develop a programme proposal for an amount up to US\$ 10,000,000;
- (d) Invite the United Nations Industrial Development Organization (UNIDO) to develop a programme proposal for an amount up to US\$ 10,000,000;
- (e) Invite the United Nations World Food Programme (WFP) to develop a programme proposal for an amount up to US\$ 10,000,000;
- (f) Invite the IEs to prepare a programme proposal using the process elaborated in document AFB/PPRC.31/59 for the consideration of the Board at the forty-first meeting;

- (g) Invite UNEP, UNIDO and WFP to submit a proposal on extending coordination services to the Adaptation Fund Climate Innovation Accelerator (AFCIA) partnership for consideration by the Project and Programme Review Committee at its thirty-second meeting;
- (h) Request the selected IEs to indicate acceptance by letter to the Chair of the Board by no later than two weeks following the date of the official invitation notification.
- (i) Request the secretariat to increase the outreach to IEs regarding the AFCIA partnership.

(Recommendation PPRC.31/52)

Agenda item 18: Operational policy for the implementation of the Adaptation Fund Climate Innovation Accelerator modality

159. The representative of the secretariat reviewed the operational policy for the implementation of the Adaptation Fund Climate Innovation Accelerator modality (AFB/PPRC.31/59).

160. It was asked whether the new policy would preclude the review of proposals by the Board. The representative of the secretariat explained that the process would be similar to the current rolling submissions process, although clearance by the PPRC would still be necessary. She also explained, that while no letters of endorsement would be needed for the proposals, evidence of country-drivenness could be provided at a later stage and letters of endorsement could still be requested.

161. Having considered the issues raised in document AFB/PPRC.31/59, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Approve document AFB/PPRC.31/59 as a basis for implementing entities, upon invitation by the Board, to prepare their programme proposal.

(Recommendation PPRC.31/53)

Agenda item 19: Options for further supporting the work of the PPRC

162. The representative of the secretariat presented options for further supporting the work of the PPRC (AFB/PPRC.31/60). Pursuant Decision B.39/53, the secretariat had been requested to prepare a report on the pilot phase for rolling submissions with a recommendation concerning the next decision regarding the pilot phase options for further supporting the work of the PPRC and present it to the thirty-first meeting of the PPRC. The report highlighted the advantage of the rolling system which has led to a marked increase in the quality of the proposal, given that the implementing entities are given more time to address the comments by the technical review. It also has alleviated some of the time and resource pressures on the secretariat to work more efficiently.

163. While there was support for the proposal questions were asked about the wording of one of the draft recommendation and in particular the wording ‘...and any other policies or guidance that might be affected...’ and it was asked what that might mean. It was also asked whether the PPRC would now only consider projects after they had been deemed technically cleared by the secretariat. It was also asked what other developments, besides the medium-term strategy, might be relevant to any progress report on the pilot project. The representative of the secretariat explained that the Board would continue to have the option to add any project to the agenda for the discussion by the PPRC, and clarified regarding the other developments that they were those that might have an effect of the pilot project but where not yet known.

164. In response to a query on the effect the proposal would have on staffing the representative of the secretariat said that the programming team for innovation had already been enlarged from one member to four in the past year while another member was expected to join the secretariat soon.

165. In response to a query on the meaning of paragraphs 14 and 15 of the document, the representative of the secretariat said the paragraphs reflected the difficulty with the status quo. That would not be solved efficiently by increasing staff because of the logjams and bottlenecks imposed by the current system that could be avoided with a rolling-basis submissions process.

166. Having considered the issues raised in document AFB/PPRC.31/60, the Project and Programme Review Committee (the PPRC) recommended that the Adaptation Fund Board:

- (a) Extend the piloting of the rolling-basis submissions, in line with the elements described and improvements suggested under paragraph 18 of document AFB/PPRC.31/60, to concrete adaptation projects under the action pillar of the Adaptation Fund's medium-term strategy for 2023–2027 (single country and regional projects);
- (b) Invite the implementing entities of the Adaptation Fund to submit, on a rolling basis, proposals for projects or programmes under all funding windows;
- (c) Request the secretariat:
 - (i) To prepare a progress report on the implementation of the pilot with further recommendations for improvement, as appropriate, taking into consideration the developments related to the new medium-term strategy (2023–2027), as well as any other relevant developments;
 - (ii) To develop proposals for updating the Adaptation Fund's Operational Policies and Guidelines, as well as any other policies or guidance that may be affected by the new review process;
 - (iii) To present the documents referred to under subparagraphs (c) (i) and (ii), above, to the PPRC at its thirty-second meeting.

(Recommendation PPRC.31/54)

Agenda item 20: Report of the secretariat on the intersessional review cycle for readiness

167. The representative of the secretariat presented a summary of the report on the intersessional review cycle of readiness (AFB/PPRC.31/62).

168. The PPRC took note of the information provided.

Agenda item 21: Assessment for extending the role of intermediary for readiness package grants

169. The representative of the secretariat presented the outcome of an assessment of the various options for extending the role of intermediary to all implementing entities for readiness package grants (AFB/PPRC.31/63).

170. While South-South cooperation remained important it was suggested that extending the role of the intermediary would not materially affect that goal; it expanded the possibilities of outreach. However, the document had made clear that despite the best efforts of the secretariat less than 50

per cent of the implementing entities surveyed had responded to the requests, and among those that had responded, 30 per cent indicated that they were currently not in a position to take on the role of intermediary. It was also asked why the term intermediary was being used all instead of just being called NIEs. The representative of the secretariat explained that while all intermediaries were NIEs not all NIEs were intermediaries. To be an intermediary an NIE had to have an “active accreditation” status with the Adaptation Fund, have experience advising or organizing accreditation or capacity building for institutions, organizations or other entities in developing countries at the national, sub-national or local level, and must have experience implementing a concrete Adaptation Fund project or programme and have submitted at least one project performance report (PPR).

171. Having considered the issues raised in document AFB/PPRC.31/63, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Extend the role of intermediary in the delivery of support for the accreditation of an NIE via the readiness package grant to all accredited implementing entities (IEs) of the Fund;
- (b) Require that all accredited IEs of the Fund that wish to deliver support for accreditation of an NIE via the readiness package grant meet the following eligibility requirements:
 - (i) Have an “active accreditation” status with the Adaptation Fund;
 - (ii) Have experience advising or organizing relevant accreditation or capacity-building support for institutions, organizations or other entities in developing countries at the national, subnational or local level to receive climate finance for adaptation projects and programmes;
 - (iii) Have experience implementing an Adaptation Fund project or programme and have submitted at least one project performance report, thereby demonstrating its commitment to adhering to the Fund’s fiduciary standards and operational policies and guidelines.
- (c) Request the Adaptation Fund Board secretariat to update the website and notify all accredited IEs of the above decision by the Board.

(Recommendation PPRC.31/55)

Agenda item 22: Clarification of the innovation project design elements and risk

172. The representative of the secretariat presented the draft risk framework for innovation projects, as more fully described in document AFB/PPRC.31/64, which included a discussion of risk tolerance targets, innovation project design elements, and a draft recommendation.

173. It was suggested that the risk tolerance targets would be better called benchmarks to avoid any impression that increased risk was desirable and it was suggested that a risk assessment of the Fund’s portfolio should be presented to each meeting of the PPRC.

174. The representative of the secretariat explained that higher risks tended to be required for greater success and while it might be better to have a low tolerance of risks when implementing large and expensive projects greater risks could be tolerated with smaller projects in the expectation of larger gains; the former tended to involve greater reputational risks than the latter. When asked how other funds treated risk, she explained that she had little information of that but it appeared that the Adaptation Fund was innovative in its approach to risk as well.

175. Having considered the issues raised in document AFB/PPRC.31/64, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- (a) Adopt the draft risk framework for innovation projects and programmes presented in table 1 and the risk-tolerance targets for the Adaptation Fund's innovation projects portfolio set out in table 2 of document AFB/PPRC.31/64;
- (b) Endorse the project design elements that are encouraged in innovation;
- (c) Request the secretariat:
 - (i) To develop tools and guidance for national implementing entities of the Adaptation Fund with a view to supporting project design and faster access to small grant innovation funding on the basis of the project design elements referenced in subparagraph (b), above;
 - (ii) To consider further how Adaptation Fund resources could be used to fund innovation and to report back to the Project and Programme Review Committee on the matter at its thirty-third meeting.

(Recommendation PPRC.31/56)

Agenda item 23: Principles and draft terms of reference for the advisory body for innovation

176. The representative of the secretariat introduced the principles and draft terms of reference for the advisory body for innovation, as set out in document AFB/PPRC.31/65.

177. In response to a query about the budget for the activities of the advisory body for innovation the representative of the secretariat said that there was some US\$ 50,000 available which might or might not be enough to fund current activities. When asked whether the draft terms of reference for the advisory body on innovation could be finalized in the interim period without further reference to the Board, she explained that the task force on innovation still contained four members of the Board who could examine the issue in the intersessional period and come to an agreement on the scope of the activities of the advisory group.

178. Having considered Document AFB.PPRC.31/65, the Project and Programme Review Committee recommended that the Adaptation Fund Board (the Board):

- (a) Request the secretariat, in consultation with the Innovation Task Force, to finalize the draft of the terms of reference for the advisory body for innovation referred to in document AFB/B.39/10, taking into account the developments with the Adaptation Fund's medium-term strategy (2023–2027) and its implementation plan;
- (b) Request the secretariat to present the finalized draft of the terms of reference for Board's decision at its forty-first meeting or intersessionally.

(Recommendation PPRC.31/57)

Agenda item 24: Other matters

Recommendation for projects or programmes placed on the waitlist

179. As explained under Agenda Item 4 above, at paragraph 8, it was necessary to re-establish the waitlist as there was insufficient funding at the present meeting to fund all the proposals that had been recommended for approval.

180. Having considered the issues raised in documents AFB/PPRC.30/3/Rev.1, AFB/PPRC.30/3/Add.1, AFB/PPRC.30/9 and AFB/PPRC.30/36, the Project and Programme Review Committee recommended that the Adaptation Fund Board:

- (a) To note the recommendations of the Project and Programme Review Committee to approve the following projects/programmes:
 - (i) Montenegro (AFB/PPRC.31/15);
 - (ii) Cote d'Ivoire, Ghana (AFB/PPRC.31/35);
- (b) To add them to the waitlist pursuant to Decision B.12/9 and according to the prioritization criteria established in Decision B.17/19 and clarified in Decision B.19/5 and Decision B35.a-B35.b/46;
- (c) To consider the projects on the waitlist for approval, subject to the availability of funds, at a future Board meeting, or intersessionally, in the order in which they are listed in subparagraph (a) above.

(Recommendation PPRC.31/58)

Agenda item 25: Adoption of the recommendations and report

181. The Chair said that secretariat would prepare the report of the meeting and circulate it to the members of the PPRC for endorsement.

Agenda item 26: Closure of the meeting

182. Following the customary exchange of courtesies, the Chair declared the meeting closed at 6.00 p.m. Central European Time.

ANNEX I

Project and Programme Review Committee

Thirty-first meeting

Bonn, 21–22 March, 2023

PPRC members present in the meeting

Patience DAMPTEY (Ghana, Africa)

Fatou NDEYE GAYE (Vice-Chair, Gambia, Africa)

Ahmed WAHEED (Maldives, Asia-Pacific)

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

Sylviane BILGISCHER (Chair, Belgium, Western European and Others Group)

Mareile DRECHSLER (Germany, European and Others Group)

Patrick OWERE (Uganda, Least Developed Countries)

Mani MATE (Cook Islands, Small Island Developing States)

Marc-Antoine MARTIN (France, Annex I Parties)

Lucas Di PIETRO (Argentina, Non-Annex I Parties)

Ahmadou SEBORY TOURE (Guinea, Non-Annex I Parties)