



ADAPTATION FUND

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ANNUAL PERFORMANCE REPORT FOR THE FISCAL YEAR 2017

Executive summary

The Adaptation Fund (the Fund) was established under the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC). It has committed, to date, USD 418 million in 67 countries to concrete adaptation projects/programmes since 2010 to support climate change adaptation and strengthen resilience for countries impacted by climate change. In a very dynamic and changing climate finance environment, the Fund strives to provide visible and tangible solutions that help the most vulnerable communities in developing countries, based on country needs, views and priorities. The present report provides a wide range of information about the Fund performances during the fiscal year 2017, and since its inception in 2010, relying on information collected by the secretariat. The methodology followed uses data from various sources such as annual project performance reports (PPRs), financial reports from the trustee, information received from implementing entities (IEs), and from various monitoring tools implemented by the secretariat, among others.

The report confirms the growth of the Fund's portfolio with a total of 63 projects representing USD 416.1 million that have been approved for funding, including twenty-three implemented by national IEs (NIEs). The approved projects are expected to directly benefit 5.3 million people. In addition, 22 project formulation grants for single country proposals and 10 for regional proposals for a total of USD 656,500 for single country proposals and USD 500,000 for regional proposals have been approved, to date. The Fund's portfolio is maturing, with forty-five projects currently under implementation, representing USD 287.5 million. The Fund's portfolio is maturing, with forty-five projects currently under implementation, with USD 275.8 million. A total of USD 270.2 million has been transferred to implementing entities (64.9% of approved amount) and forty projects have submitted at least one annual project performance report.

Among the approved projects, funds are allocated across a variety of sectors, the most significant in terms of grant amount being food security, multi-sector and agriculture projects/programmes, and across a variety of regions, with the biggest flow of approved grant funds going to Africa, followed by Latin America and Caribbean (LAC) and Asia-Pacific. Currently the Fund has approved only one project in Eastern Europe but has accredited the Environment Protection Unit (EPIU) which the first National Implementing Entity (NIE) in the region. Moreover, in line with the Fund's mandate to finance concrete adaptation projects and programmes, a constant feature since the creation of the Fund has been to channel the largest amount of grant funding in projects, on average, toward increasing ecosystem resilience in response to climate change and variability-induced stress, and increasing adaptive capacity within relevant development and natural resources sectors. For the reporting period, two projects exceeded the six-month target, and had not yet started by 30 June 2017: Peru (PROFONANPE) with 10.04 months and Nepal (WFP) 11.6 months delay. The project in Chile (AGCI) which was at 15.6 months has started in August 2017). The IE in charge of this projects have submitted various documentation regarding this delay.

Furthermore, the report compiles information on all the requests from IEs that have been received by the secretariat during FY 2017, for issues such as changes in budget, disbursement schedule changes and proposed project extensions. Eight requests have been submitted during FY17. The Adaptation Fund Board canceled the project in Indonesia and a notification was sent to the designated authority (DA) and the implementing entity (IE). Finally, the report has tracked a series of effectiveness and efficiency indicators, as approved in the RBM approach document. A synthesis is presented in the report.

Contents

Introduction.....	4
Project and Programme Approvals	5
Core Impact Indicators	7
Approvals by Region during FY 17.....	9
Africa.....	9
Latin America and Caribbean	9
Asia-Pacific	10
Eastern Europe	11
Strategic Results Framework	12
Projects and Programmes Progress and Implementation Progress (IP) Ratings.....	13
Status of Active Portfolio.....	13
Projects Approved Not Started	13
Status of Project Performance Reports (PPRs).....	14
Requests Received by the secretariat	18
Gender Mainstreaming	18
Empowering women through alternative livelihoods	18
Reducing gender gaps in natural resource management	19
Effectiveness and Efficiency Indicators	19

Introduction

1. The following document presents the Adaptation Fund's seventh annual performance report (APR) and covers the period from 1 July 2016 through 30 June 2017. The report also provides cumulative data on project and programme approvals.

2. As of 30 June 2017, 63 projects for a total amount of USD 416.1 million have been approved for funding.¹ In addition, the Board has approved 31 project formulation grants for a total of USD 1.5 million. 45 projects are currently under implementation, for a total grant amount of USD 275.8 million. A total of US\$ 271.24 million has been transferred to implementing entities (64.9% of approved amount).

3. Potential implementing entities are evaluated by independent experts of the Accreditation Panel for compliance with the AF's fiduciary standards and requirements of the AF environmental and social policy and, gender policy. Implementing entities can be national, regional or multilateral. There are currently 12 accredited multilateral implementing entities, 6 regional implementing entities, and 25 national implementing entities, of which ten (40 per cent) come from either Least Developed Countries (LDCs) or Small Island Developing States (SIDS). All developing country Parties to the Kyoto Protocol are eligible to submit a national entity for accreditation. Once accredited, implementing entities can apply for funding of up to USD 10 million per country for concrete adaptation projects or programmes or for a maximum of USD 14 million for a regional project/programme.

4. Of the 63 projects approved to date, 23 are being or have been implemented by National Implementing Entities (NIEs), 4 by Regional Implementing Entities (RIEs), and 36 by Multilateral Implementing Entities (MIEs). Detailed description of project breakdown by IEs has been illustrated in Annex 1.

5. During the reporting period, there was no pipeline of projects/programmes proposals from Multilateral Implementing Entities (MIEs) recommended for funding by the PPRC and awaiting availability of funds.

6. The Annual Performance Report (APR) for the Fiscal year 2017 (FY17) confirms the maturation of the overall portfolio of active projects since the Fund approved its first project in 2010, with 45 projects under implementation and 40 projects having submitted at least one project performance report (PPR) as of 30 June 2016. Twenty projects have submitted a mid-term review, and six projects have been completed and have submitted terminal evaluation reports as of 30 June 2016.

7. The present report provides an analysis of project approvals through 30 June 2017, an elapsed time analysis, expected results from approved projects, a summary of progress made for projects under implementation in FY17, and a presentation of the management effectiveness and efficiency indicators for the Fund. Table 1 below provides a summary of key figures for the reporting period.

8. In order to provide information on the activities and status of the Fund in a more user-friendly way, the secretariat has developed a graphically laid-out version of the report, contained in Annex 6.

¹ All amounts are in US dollars. The figures above include implementing entity fees but not project formulation grants

TABLE 1: ADAPTATION FUND AT A GLANCE (AS OF 30 JUNE 2017)

Approvals Cumulative							
Number of projects approved	63						
	USD million						
Grant amount (excluding fees and execution costs)	356 ²						
Execution costs	30.2 ³						
Entity fees	30.5 ⁴						
Grant amount approved	416.1						
Entity fees as percentage of total grant amount approved	7.3%						
Approvals by FY							
	FY 11	FY 12	FY 13	FY 14	FY15	FY16	FY17
Number of projects approved	10	15	3	6	14 ⁵	4	12
	USD million						
Grant amount (excluding fees and execution costs)	51.3	90.2	15.7	35.7	78.4	17.9	72.3
Execution costs	4.9	7.7	1.0	2.5	6.9	1.2	6.5
Entity fees	4.4	7.9	1.2	3.1	7.1	1.2	6.0
Grant amount approved	60.6	105.8	17.9	41.2	92.4 ⁶	19.2	84.9
Entity Fees as percentage of total grant amount approved	7.8%	8.1%	7.2%	8.0%	8.3%	6.8%	7.0%

* The figures above represent of only concrete adaptation projects and do not include other forms of grants such as project formulation grants and readiness grants.

Project and Programme Approvals

9. From the Board's first review of proposals in June 2010 through 30 June 2017, a total of 63 projects have been approved by the Adaptation Fund Board. The table below provides a detailed breakdown of projects approved by region.

² Total excluding approximately USD 5,001,811 million which is the grant amount of the project in Indonesia.

³ Execution cost excluding USD 524,148 million of the project in Indonesia.

⁴ Entity fees excluding USD 469,707 million of the project in Indonesia.

⁵ The project in Indonesia approved in FY 17 was cancelled during the current reporting period.

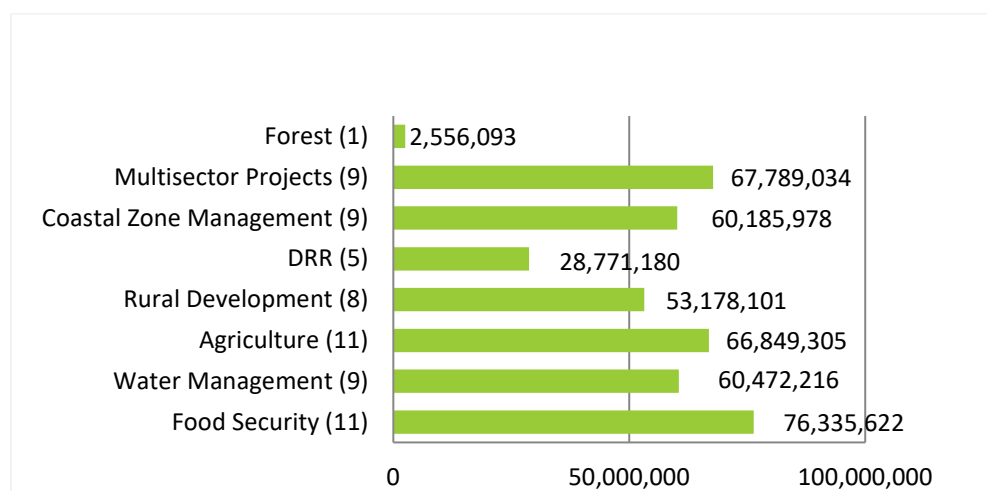
⁶ The total approved amount for FY 15 excluding the project in Indonesia is USD 86.4 million.

TABLE 2: TOTAL PROJECTS AND GRANT AMOUNT APPROVED BY REGION (USD MILLIONS)⁷

REGION	Total	
	Projects (no.)	Grant
Africa	21	160.5
Asia-Pacific	22	114.5
Eastern Europe	1	5.3
Latin America & Caribbean	19	135.7
TOTAL	63	416.13

10. These approved projects span across four regions – Africa, Latin America and Caribbean, Asia-Pacific and Eastern Europe. The largest amount of grant funding approved thus far has been to the Africa region with 21 projects totaling USD 160.5 million in grants, followed closely by Latin America and Caribbean⁸ with 19 projects totaling USD 135.7 million in grants and Asia-Pacific with 22 projects totaling USD 114.5 million. So far there has been only one project approved in Eastern Europe, with a grant amount of USD 5.3 million. Out of these, 16 projects are from least developed countries (LDCs) and 12 from Small Island Developing States (SIDS) – with Solomon Islands and Samoa, included in both groups.

11. In terms of sector allocation for the approved adaptation projects, the largest grant amount has gone to projects in the food security sector with USD 76 million approved for eleven projects, also with eleven projects in the agriculture sector for USD 66.8 million and ten multi-sector projects for USD 67 million.⁹ Nine water management projects, for USD 60.4 million, were approved. Table 3 below provides a breakdown of total grant amounts approved by sector. A complete list of all approved projects through 30 June 2017 is provided in Annex 2.

TABLE 3: ADAPTATION FUND INVESTMENTS BY SECTOR (USD MILLIONS)

⁷ Numbers may not add up due to rounding.

⁸ The Asia region includes projects in the Pacific Island States.

⁹ Other sectors tracked but not yet programmed include: health, infrastructure, insurance, and urban management.

12. After the first APR was presented in December 2011, fully developed project documents were required to explicitly indicate the alignment of project outcomes and objectives to Fund level outputs and outcomes. This has allowed the secretariat to provide a breakdown of the proposed grant amount by Adaptation Fund outcome (Table 4). The table does not include project execution costs, management fees or any project level outputs that do not align with the Adaptation Fund results framework.

Core Impact Indicators

13. The secretariat has observed that although most of the projects approved to date align well with the seven key Fund-level outcomes, it is difficult to aggregate these indicators at the portfolio level. The diverse nature of the Fund's projects covering several different sectors and a myriad of activities on the ground makes it particularly challenging to provide aggregated quantitative results for the portfolio. This challenge has become more acute given the flexible nature of the Fund's results framework whereby project proposals are only required to report on one Fund level outcome indicator.

14. For the current report, the secretariat extracted expected results from all 63 approved project proposals and presented the targets by region. The information presented by region is therefore based on initial targets proposed at approval for a small sub-set of outcomes¹⁰.

¹⁰ Furthermore, the indicators selected by projects and how they are measured are not always comparable across projects. Thus, even if two projects are targeting similar outcomes, it becomes difficult to aggregate indicators across projects. In this respect, at the Board's twenty-first meeting, the secretariat put forth a proposal for steps to be taken to improve the system and to add impact-level indicators. The core indicators were approved at the Board's twenty-fourth meeting and are expected to help the secretariat report on the expected results from the Fund's approved portfolio. For those projects reporting on no of households, the secretariat has taken the average household figure of the country to multiply by no of households targeted.

TABLE 4: PRELIMINARY AGGREGATION OF FUND INDICATORS

Impact 1: Reduction in vulnerability of communities and increased adaptive capacity of communities to respond to the impacts of climate change		
PRELIMINARY INDICATORS	TARGET IN DOCUMENTS	PROJECT COMMENTS
<i>No. of Direct Beneficiaries</i>	5.3 million	Not all projects have reported on direct beneficiaries and some report as no. of households.
<i>No. of Early Warning Systems</i>	118	Includes projects targeting several small scale EWS at the village level as well as those targeting one large regional system
Impact 2: Strengthened policies that integrate climate resilience strategies into local and national plans		
PRELIMINARY INDICATORS	TARGET IN DOCUMENTS	PROJECT COMMENTS
<i>No. of policies introduced or adjusted to address climate change risks</i>	54	Includes any policy whether at the local, regional or national level
Impact 3: Increased ecosystem resilience in response to climate change induced stresses		
PRELIMINARY INDICATORS	TARGET IN DOCUMENTS	PROJECT COMMENTS
<i>ha of natural habitats created, protected or rehabilitated restored</i>	138,574 ha	
<i>m of coastline protected</i>	121,025 m	

Approvals by Region during FY 17

Africa

USD 160.5 Million	
Total Countries	19
Total Projects	21
Number of Direct Beneficiaries	1.74 Million
Meters of Coastline Protected	27,035 m
Natural Habitats Protected	200,024 Ha
Trainings	10,136 Males and 11,084 Females

15. Since June, 2010, the Adaptation Fund Board has approved a total of 21 projects in the Africa region covering 19 countries. The largest grant amount has gone to projects in the food security sector with a grant allocation of USD 39.9 million, followed by multi-sector projects for USD 28.1 million and rural development projects for USD 24.6 million. During the current reporting period, the Adaptation Fund Board approved four projects offering innovative adaptation solutions in Africa, including the first regional project to be implemented in the Greater Horn of Africa.

16. **In Ethiopia, Kenya and Uganda**, natural disasters, notably drought severely impact food production given that most of the agricultural production in the region is rain-fed. The Agricultural Climate Resilience Enhancement Initiative (ACREI) aims to develop and implement adaptation strategies and measures that will strengthen the resilience of vulnerable smallholder farmers, agro-pastoralists and pastoralists to climate variability and change. The overall objective of the **food security** project is improved adaptive capacity and resilience to current climate variability and change among targeted farmers, agro-pastoralists and pastoralist communities.

17. In **Niger**, the project aims to provide a sustainable solution to the issue of low agricultural production and food insecurity. It targets the problem of expenses related to fetching water together with the management of water resources. In addition, the project will seek synergy with other ongoing projects in the country and benefit from their approaches.

18. In **Ethiopia**, the frequent major droughts and floods heavily impact agriculture and livestock sectors. Over 80% of agricultural holders practice mixed systems. The overall objective of the rural **development** project is to increase resilience to recurrent droughts in seven agro-ecological landscapes in Ethiopia by adopting an integrated water, agriculture and natural resource management approach. In Awoja, Maziba and Aswa catchments in **Uganda**, a **water management** project aims to increase the resilience of communities to the risk of floods and landslides through promoting catchment based integrated, equitable and sustainable management of water and related resources.

Latin America and Caribbean

USD 135.7 Million	
Total Countries	16
Total Projects	19
Number of Direct Beneficiaries	1.92 Million
Meters of Coastline Protected	83,990 m
Natural Habitats Protected	86,852 Ha
Trainings	16,130 Males and 13,272 Females

19. In Latin America and Caribbean, the Adaptation Fund Board has approved 19 projects in 16 countries up to June 30, 2017 with the largest the largest allocation to multi-sector projects for USD 34.2 million, followed by USD 25.5 million towards agriculture projects and 21 million to water management projects. During the current reporting period, the Adaptation Fund Board in the LAC region approved five concrete adaptation projects.

20. In the Small Island State, **Antigua and Barbuda's** northwest McKinnon watershed, the **multi-sector project** will use a variety of approaches including ecosystem-based adaptation, such as wetland restoration to address disease vectors, and engineering solutions, such as drainage and retention ponds, to build resilience to the latest climate change projections. It will also disburse concessional loans through a revolving fund mechanism to vulnerable households and businesses to meet new adaptation guidelines and standards for built infrastructure to withstand extreme climate variability.

21. In **Honduras**, the overall objective of the **multi-sector project** in the Central Forest Corridor in Tegucigalpa, is to increase resilience to climate change and water-related risks for the most vulnerable population through pilot activities and an overarching intervention to mainstream climate change considerations into water sector policies. In **Panama**, the project situates **water management** at the center of the adaptation efforts, promoting climate resilience and vulnerability reduction through enhancing food and energy security, based on an integrated water resources management approach that highlights the water-energy-food-climate change adaptation nexus. It will focus these efforts in the two river watersheds, Chiriquí Viejo and Santa María.

22. In the El Chaco region of **Paraguay**, the AF funded project aims to reduce the vulnerability of food security to the adverse impacts of climate change. It seeks to improve information and knowledge for climate resilience; to implement concrete cost-effective on-the-ground adaptation measures and to strengthen the institutional capacities to adequately address climate change adaptation issues in the El Chaco region. In **Peru**, the project will contribute to the sustainability of the economic activities of marketing, use and export of alpaca in Peru, as well as the livelihood and ancestral cultural values they represent. This **rural development** project constitutes an initiative focused on the endeavor to strengthen the activity of obtaining and selling alpaca fiber, an activity that is the main and almost exclusive means of livelihood and source of income for the vulnerable Andean highland communities in the Arequipa Region of Peru.

Asia-Pacific

USD 114.5 Million	
Total Countries	17
Total Projects	22
Number of Direct Beneficiaries	1.47 Million
Meters of Coastline Protected	10,000 m
Natural Habitats Protected	31,698 Ha
Trainings	21,097 Males and 17,759 Females

23. Since 2010, the Adaptation Fund Board has approved 22 projects in the Asia-Pacific region in 17 countries with the largest allocation in the food security sector for USD 21.8 million, followed closely by USD 19 million and USD million for agriculture and costal zone management projects. During the current reporting period, the Adaptation Fund Board approved three projects in the Asia-Pacific region.

24. In **Lao People's Democratic Republic**, the **disaster risk reduction** project is enhancing the climate and disaster resilience of the most vulnerable rural and emerging urban human settlements in Southern part of the country by increasing sustainable access to basic infrastructure systems and services, emphasizing resilience to storms, floods, droughts, landslides and disease outbreaks. The concrete adaptation measures by the project include constructing climate and disaster resilient infrastructure systems in human settlements and strengthen the resilience of existing infrastructure systems.

25. In **India**, the **forest sector** project is implemented in 56 villages that lie in and around the Kanha Pench Corridor, which is one of the most crucial tiger conservation units of the world. Since the landscape in KPC faces multidimensional challenges including developmental pressures, the project is focusing on building the adaptive capacity of the KPC community and the landscape in the backdrop of declining functionality of the ecosystem due to the degradation. It proposes to adopt a community centric three pronged approach of: Building and strengthening community based institutions; Community led ecosystem conservation and lastly; Promotion of climate informed and climate resistant livelihoods.

26. In **Federated States of Micronesia**, the **coastal management** project will provide all four State Governments with development planning tools and institutional frameworks to help coastal communities prepare and adapt for higher sea levels and adverse and frequent changes in extreme weather and climate events. The project strategy is to also provide communities with the resources and technical support needed to adopt and manage concrete climate change initiatives and actions.

Eastern Europe

USD 5.3 Million	
Number of Direct Beneficiaries	203,000
Early Warning Systems	8
First Accredited NIE in Region	EPIU

27. This project in **Georgia** targeting six municipalities and 203,300 beneficiaries has completed implementation of activities that cover 13,000km² of the Rioni River Basin. The project itself has played a transformative and catalytic role in the way the country is approaching flood and flash flood management practices, combining **disaster risk reduction** and climate change adaptation into multi-level planning tools and policies. The activities addressed hazards like landslides, flash floods, mudflow in the steep and mountainous upstream areas, as well as flooding, and erosion of river beds in the floodplain downstream areas. Furthermore, the adaptation interventions align with the national adaptation/disaster reduction strategies, and level of integration of adaptation in local, regional and national plans.

28. The project implemented by UNDP was also significant in providing transformative impacts, and was able to provide the base for the scaling up under the Green Climate Fund (GCF) at national level (project submission to the GCF in June 2017). This Adaptation Fund project provided experience and evidence for the scaling up of the project.

29. At its seventh meeting, the Adaptation Fund Board took the vital step towards the operationalization of the Direct Access Modality which gives developing countries the opportunity to access climate finance and develop and implement projects directly through accredited NIEs while building from their own capacity to adapt to climate change. During the reporting period, the Adaptation Fund Board accredited the Environmental Project Implementation Unit (EPIU) in

Armenia's Ministry of Nature Protection, on November 4 as the Fund's 25th NIE across the globe. EPIU was the third NIE which was accredited through the **streamlined accreditation Process**. This process was approved by the Board at its twenty-third meeting to open up possibilities for a smaller NIE to access the resources of the Fund resources while considering the limited capacities of such an entity. **Armenia** is the first country in Eastern Europe to have a National Implementing Entity (NIE) accredited under the Fund's Direct Access modality.

Strategic Results Framework

30. In line with the Fund's mandate to finance concrete adaptation projects, the Fund has, since the start of project approvals in 2010, continuously channeled the largest amount of grant funding toward outcome four, *increased adaptive capacity within relevant development and natural resource sectors* (98.7 Million, 29 percent) and outcome five, *increased ecosystem resilience in response to climate change* (72.9 Million, 22 percent) and *diversifies and strengthened livelihoods* (52.5 Million, 15 percent). Many of the activities associated with concrete measures often fall within these two outcome areas – such as restoration of ecosystem services, investment in coastal protection infrastructure, or increased access to irrigation water and production schemes.

TABLE 5: GRANT AMOUNT PROGRAMMED BY ADAPTATION FUND RESULTS FRAMEWORK OUTCOME AMONGST APPROVED PROJECTS/ PROGRAMMES (USD MILLIONS)¹¹

Fund Outcome	Total
Outcome 1: Reduced exposure at national level to climate-related hazards & threats	27.6
Outcome 2: Strengthened capacity to reduce risks associated with climate-induced socioeconomic & environmental losses	37.3
Outcome 3: Strengthened awareness & ownership of adaptation and climate risk reduction processes at local level	39.4
Outcome 4: Increased adaptive capacity within relevant development & natural resource sectors	98.7
Outcome 5: Increased ecosystem resilience in response to climate change and variability-induced stress	72.9
Outcome 6: Diversified and strengthened livelihoods & sources of income for vulnerable people in targeted areas	52.5
Outcome 7: Improved policies and regulation that promote and enforce resilience measures	11.6
	339.9

¹¹ Figures may not add up due to rounding.

Projects and Programmes Progress and Implementation Progress (IP) Ratings

Status of Active Portfolio

31. At its sixteenth meeting the Board decided “the Adaptation Fund will consider the start date of a project to be the date the inception workshop for the project takes place. The Implementing Entity must therefore submit both the date of the inception workshop and the entity’s inception report to the Fund secretariat no later than one month after the workshop has taken place.” Based on this definition, there are 45 projects that were under implementation and 6 that has completed implementation for at least part of FY17, provided in Annex 2.

32. The Board has set a target of six months for projects to start after the first cash transfer has been received. Projects that start more than six months after the first cash transfer are therefore considered to have a delayed start. For all projects that have started implementation prior to 30 June 2017, the average time from the first cash transfer to project start is 8.3 months. Table 6 provides the elapsed time from the first cash transfer to start for all projects approved but not started through 30 June 2017.

33. Out of the 63 approved projects, 21 started within six months (40 percent), 15 projects started within six to eight months (30 percent), and 15 took longer than eight months to start (30 percent).¹² The average inception time since 2010 through FY17 is 8.3 months.

Projects Approved Not Started

TABLE 6: PROJECTS APPROVED NOT STARTED AS OF JUNE, 30 2017

Country	Sector	Implementing Entity	Project Approval (Date)	First cash transfer (date)	Elapsed Time*
Nepal	Food Security	WFP	01/04/2015	07/12/2016	11.6
Indonesia	Food Security	WFP	11/05/2015	Canceled	Canceled
Chile¹³	Agriculture	AGCI	09/10/2015	03/03/2016	15.9
Peru	Coastal Management	PROFONANPE	18/03/2016	08/19/2016	10.4
Niger	Food Security	BOAD	07/05/2016	02/27/2017	4.1
Antigua and Barbuda	Multisector Projects	ABED	03/17/2017	06/13/2017	0.6
Ethiopia	Rural Development	MoFEC	03/17/2017	06/27/2017	0.1
Honduras (2)	Multisector Projects	UNDP	03/17/2017	06/19/2017	0.4
Micronesia	Coastal Management	SPREP	03/17/2017	08/16/2017	1.5
Panama	Water Management	Fundación Natura	03/17/2017	07/25/2017	0.8
Paraguay	Food Security	UNEP	03/17/2017	07/24/2017	0.8
Peru	Rural Development	CAF	03/17/2017	07/31/2017	0.1
Ethiopia/Kenya/Uganda	Food Security	WMO	03/17/2017	07/28/2017	0.9

* Month is the time unit used for the elapsed time calculations are made as of June 30, 2017

¹² 6 Projects out of 51 have completed implementation.

¹³ This project started implementation on 18th August 2017.

34. For the current reporting period, there are two projects (Nepal and Peru) that are beyond the six month target for project start and one project was cancelled (Indonesia). As outlined, in the Fund's Policy for Project Delays (adopted July 2013), implementing entities can work to mitigate delays by working with the government, during project design, to ensure a mutual understanding and commitment on how to proceed once a project is approved. There are, however, many factors that are situation-specific and may be outside the control of the implementing entity. The six month target is therefore a target for the average in the Fund's portfolio.

35. The policy requires an implementing entity to send a notification to the secretariat with an explanation of the delay and an estimated start date if a project is not expected to start within six months.

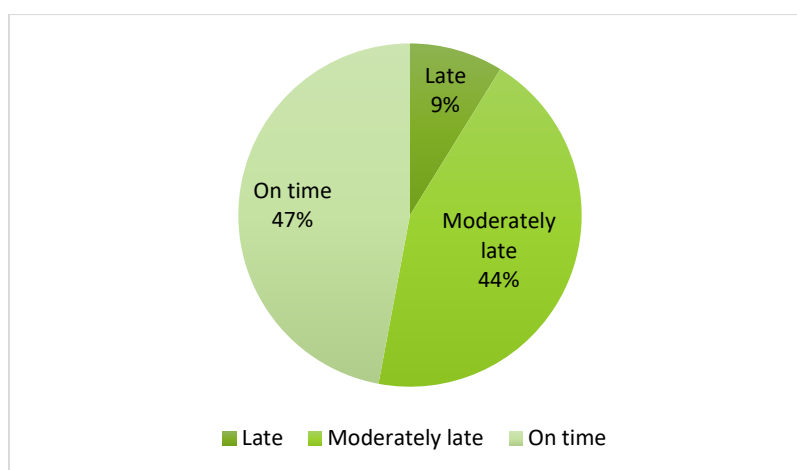
36. In this regard, WFP has reported on the project it is implementing in Nepal – see Annex 4, and PROFONANPE has reported on the project it is implementing in Peru – see Annex 5.

Status of Project Performance Reports (PPRs)

37. As part of the Fund's reporting requirements, implementing entities are required to submit project performance reports (PPR) on an annual basis. The PPR should be submitted on a rolling basis, one year after the start of project implementation (date of inception workshop) and no later than two months after the end of the reporting year. The last such report should be submitted six months after project completion.¹⁴

38. As of 30 June 2017, a total of 40 projects have submitted at least one project performance report (PPR). During the current reporting period a total of 34 PPRs were received. Of these PPR submissions, 16 PPRs were submitted early to within 1 month of the PPR submission deadline (on time), 15 PPRs were submitted a little over a 1 month but within 5 months (moderately late) and 3 PPRs were submitted over 6 months later than original deadline (late). The pie chart below presents details related to the submission of PPRs during the reporting period.

GRAPH 1: STATUS OF PROJECTS IN PPR SUBMISSION DEADLINES



¹⁴ This is the minimum requirement for all projects, the Board may request more frequent reporting. A report submission period of two months after the end of the reporting year applies.

39. Five projects submitted their first PPR during the reporting period. PPRs are available on the Adaptation Fund website.¹⁵ The table below provides more detailed information on the 34 projects that have submitted PPRs during FY 17, including projects that have submitted in the previous reporting periods.

¹⁵ Due to the sensitive information contained in the PPR's procurement section, including bid amounts and winning bids, information, such as names of bidders in the procurement process will be kept confidential in line with the Open Information Policy.

TABLE 7: PROJECTS SUBMITTING PPRs AND IMPLEMENTATION PROGRESS (IP) RATINGS

Country	NIE/MIE	Duration (months) ¹⁶	Cumulative Disbursements (USD) ¹⁷	First PPR IP Rating	Second PPR IP Rating	Third PPR IP Rating	Fourth PPR IP Rating ¹⁸	Fifth PPR IP Rating
Argentina	UCAR	44	5640000	S	MS	S		
Argentina	WB	24	2168308.5	MU				
Belize	WB	27	4597650	S	MS			
Cambodia	UNEP	49	4180308	S	S	MS		
Colombia	UNDP	51	6644846	MS	MS	S		
Cook Islands	UNDP	59	5381600	S	S	S		
Costa Rica	FONDECO	20	4347907	S				
Cuba	UNDP	31	4315597	S	MS			
Djibouti	UNDP	51	5281708	S	MS	MS	S	
Ecuador	WFP	67	6899757	MU	MU	S	S	
Egypt	WFP	50	5935284	HS	HS	S		
Eritrea	UNDP	55	6070654	S	S	S		
Georgia ¹⁹	UNDP	60	5316500	S	S	S		
Ghana	UNDP	13	1852667.19	S				
Guatemala	UNDP	23	4957076	S	S			
Honduras*	UNDP	59	5620300	S	S	S	S	
Jamaica	PIOJ	55	6010360	MS	MS	MS	MS	
Madagascar	UNEP	56	4829878	MS	MS	MS	MS	
Maldives	UNEP	60	8989225	MU	MU	MS	MS	
Mauritania	WFP	34	6061077	S	S			
Mauritius	UNDP	58	3710877	S	S	S		
Morocco	ADA	18	7311018	S				
Myanmar	UNDP	28	7031074	MU	S			
Mongolia	UNDP	60	5500000	S	S	S	S	S
Nicaragua*	UNDP	59	5500950	S	S	S	S	
Pakistan*	UNDP	55	3906000	S	MS	MS		
Papua New Guinea	UNDP	59	6530373	U	S	S		
Rwanda	MINIRENA	40	9019496	S	S	S		
Samoa	UNDP	53	8732351	U	U	S		

¹⁶ The number of months a project has been under implementation through 30 June 2017.

¹⁷ Disbursements from the IEs to the project/programme activities.

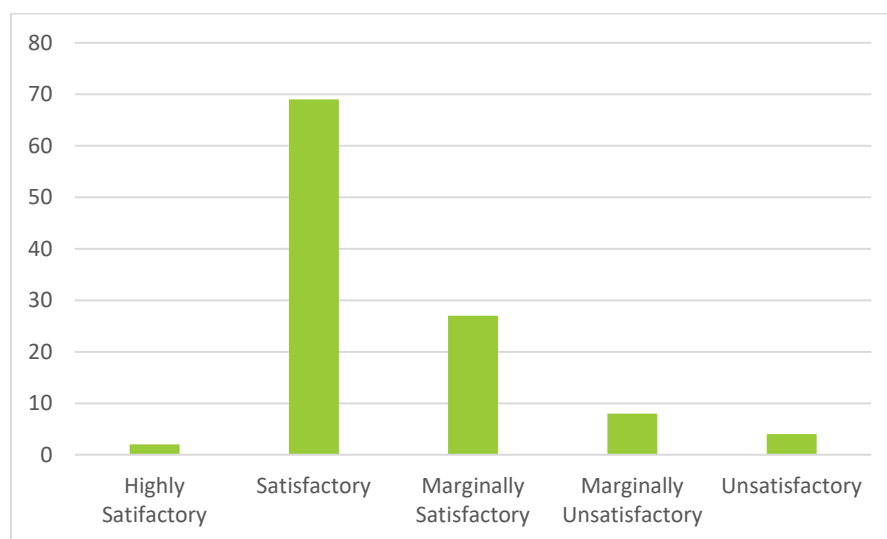
¹⁸ Rating scale: Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU).

¹⁹ (*) These projects/programmes are completed as of 30 June 2017.

Senegal*	CSE	46	8619000	S	S	S	S
Seychelles	UNDP	32	2409398	MU	S		
Solomon Islands*	UNDP	59	5533500	MS	S	MS	S
South Africa (1)	SANBI	21	2588273	S			
South Africa (2)	SANBI	19	1861024	MS			
Sri Lanka	WFP	34	6568567	MS	U		
Tanzania	UNEP	55	5008564	MU	MU	MS	S
Turkmenistan	UNDP	61	2929500	MU	MS	S	S
Uruguay	ANII	56	9967678	S	S	S	S
Uzbekistan	UNDP	37	2869908	S	S	S	

40. The Project Performance Report (PPR) template, which each project/programme must submit on a yearly basis also includes a self-rating from the project management and implementing entity on implementation progress and any project delays. Out of the 110 PPRs received, 69 PPRs were given as self-rating as 'satisfactory'. The bar graph chart below gives details of the percentage of PPR falling under each rating category.²⁰

GRAPH 2: SUBMITTED PPRs IMPLEMENTATION PROGRESS (IP) RATINGS



²⁰**'Highly Satisfactory'** means project actions/activities planned for current reporting period are progressing on track or exceeding expectations to achieve all major outcomes/outputs for given reporting period, without major shortcomings. The project can be presented as "good practice". **'Satisfactory'** rating implies that project actions/activities planned for current reporting period are progressing on track to achieve most of its major outcomes/outputs with only minor shortcomings. **'Marginally Satisfactory'** rating implies that project actions/activities planned for current reporting period are progressing on track to achieve most major relevant outcomes/outputs, but with either significant shortcomings or modest overall relevance. **'Marginally Unsatisfactory'** implies project actions/activities planned for current reporting period are not progressing on track to achieve major outcomes/outputs with major shortcomings or is expected to achieve only some of its major outcomes/outputs. **'Unsatisfactory'** implies that project actions/activities planned for current reporting period are not progressing on track to achieve most of its major outcomes/outputs. **'Highly Unsatisfactory'** implies that project actions/activities planned for current reporting period are not on track and shows that it is failing to achieve, and is not expected to achieve, any of its outcomes/outputs. There are currently no PPRs that have been rated 'Highly Unsatisfactory'.

Requests Received by the secretariat

41. The secretariat would like to draw attention to Annex 3, which summarizes the list of requests received by the Secretariat from the Implementing Entities during FY 2017. Eight requests have been received by the Secretariat: six of them include requests for project extension; one includes a request for material change and budget revision, and one of them includes revision of disbursement schedule. None of them include requests for direct project services.

Gender Mainstreaming

42. Two areas of impact emerged from this year's portfolio: supporting women's economic empowerment, through the promotion of climate resilient alternative livelihoods, and reducing gender gaps in natural resource management, by having women involved in decision-making processes and in activities such as: water resources, coastal and ecosystem management. 21 projects implemented respectively in 21 developing countries are supporting alternate livelihoods. These two areas show progress in addressing gender inequality and enhancing environmental benefits.

Gender Policy and Action Plan

43. The Adaptation Fund Board approved the **Gender Policy (GP) and Action Plan** in March 2016, that aims at mainstreaming gender and providing women and men with an equal opportunity to build resilience and increase their capability to adapt to climate change impacts through AF projects and programmes. The Fund's GP aligns well with the Paris Agreement, which strives to ensure all climate projects promote gender quality and protect human rights, particularly vulnerable and marginalized groups. Before the approval of GP, gender was already considered as part of the 15 principles of AF's Environmental and Social Policy (ESP) which was approved in November 2013. In fact, the GP expands gender equity and women's empowerment principle of ESP and integrates key principles of ESP, such as the principles on: Access and equity; Marginalized and vulnerable groups and Human rights.

44. The ESP and the GP are interrelated and mutually reinforcing because the GP complements and strengthens the overall approach for environmental and social risk management. The GP ensures that equal rights, responsibilities, and opportunities for women and men, equal consideration of their respective interests, vulnerabilities, needs and priorities are considered during the project cycle. It also promotes women's role in decision-making process on how to adapt to climate change.

Empowering women through alternative livelihoods

45. As a Small Island Developing State, the **Republic of Mauritius** is particularly vulnerable to the negative effects of climate change. UNDP in coordination with the Ministry of Environment and Sustainable Development, is implementing a project aiming at combating beach erosion and flood risk in the coastal areas of Mon Choisy, Riviere des Galets, and Quatre Soeurs with a suite of infrastructure and natural protection. This project has helped **empower women** in local communities to derive **alternate livelihoods**. For example, the Women farmers, Planters and Entrepreneurs Association, has produced different types of products (i.e.) jams derived from the seaweed collected, helping women to have another source of revenue for their families.

46. Another example illustrating the AF approach ensuring an equitable participation for women and men in project's activities, is given by **Morocco**. Here the project implemented by

ADA is improving water management and resilience against drought for vulnerable populations. At the same time, it promotes alternative livelihoods through farming cooperatives and women's association by providing them with support for the diversification of their means of production. These association teach weaving and cooking while producing clothing, cooking oil, spices, honey couscous and other products. About 400 women have been trained in conservation techniques, innovative adaptability measures, and in the designing and financing of projects. Other AF projects across the globe contain strong gender components giving access of funded resources to men and women for climate change adaptation. Its if crucial to provide equal opportunities for leadership roles among women and men.

Reducing gender gaps in natural resource management

47. One of the AF project goals implemented by the Development Bank of Latin America in **Peru**, is to establish **women's associations** for ecotourism, trade and fishery products, in this way women are more empowered and can develop their own activities. The project is promoting the participation on women in activities related to ecotourism in a wide range of roles like business management, tourist guide, production and selling of handicraft souvenirs. The creation of these associations might influence others to take part ensuring the sustainability after project's finalization.

48. In **Uzbekistan**, UNDP in collaboration with Uzhydromet, is implementing a project aiming to develop climate resilience in farming and pastoral communities in the drought-prone Karakalpakstan region. Sand stabilization and pasture rehabilitation work will employ at least 75,000 local community members (approximately 50% women) and beyond the project will provide regular seasonal employment for further rehabilitation and maintenance work by the local population for approximately 25,000 people. Furthermore, this initiative will help establish horticulture greenhouses as both individual and cooperative endeavors and will promote women to lead related initiatives, through women's groups. Seasonality of income, will then be mitigated allowing crop production in the colder seasons, as well as improving food security.

Effectiveness and Efficiency Indicators

49. As approved by the Board through the *RBM Approach Paper (AFB/EFC.1/3/Rev.2)*, Indicators for Fund level processes are tracked and reported annually. These indicators cover: (i) secure financing, financing mechanisms, and efficiency of use; (ii) project cycle efficiency; (iii) results driven performance; and (iv) accreditation processes. Table 8, provides the data on the Fund level indicators for since FY 2013.

TABLE 8: ADAPTATION FUND LEVEL EFFECTIVENESS AND EFFICIENCY RESULTS FRAMEWORK

1. Secure Financing and Financing Mechanisms						
<i>1.1 Increased and Diversified Resources</i>						
Item	FY13	FY14	FY15	FY16	FY17	
Total value of CERs (USD millions)	188.2	190.4	194.2	196.6	197.82	
Number of donors	11	14 ²¹	15 ²²	16 ²³	19 ²⁴	
Actual donor contributions (USD millions)	134.5	213.7	284.9	344.8	442.40	
Total cash transfers vs. funds committed	32%	44%	45%	53%	58.67%	
<i>1.2 Efficient Cost Structure</i>						
Item	FY13	FY14	FY15	FY16	FY17	Target
Board, Secretariat, and Trustee operational expenses against total Adaptation Fund resources committed - %	16.2% ²⁵	8.3%	4% ²⁶	16.6% ²⁷	9.2%	5%
Implementing Entities fees against total Fund resources allocated	7.2%	8.0%	8.3%	6.8%	7.3%	8.5%
Execution Cost against total grant (minus fees) - % ²⁸	6.2%	7.6%	8.1%	6.6%	8.4%	9.5%
2. Improve Efficiencies in Project Cycle						
<i>2.1 Project Cycle Efficiency</i>						
Item	FY13	FY14	FY15	FY16	FY17	Target
Average response time of secretariat to review submissions of projects/programs (months)	2	1.5	2	2	2	2
Average time from first submission to approval for one-step projects (months)	NA	5.1	10.1 ²⁹	21.4	7	9
Average time from first submission to approval for two-step projects (months)	12.6	6.4	18.4 ¹⁷	31.2	28.8	12
Average time from first cash transfer to project start (NIEs) (months)	7.2	4.8	5.6	8.1	7.2	6
Average time from first cash transfer to project start (RIE) months ³⁰					10	6

²¹ Include the number of donors that have pledged. 14 donors include separately, Belgium, Brussels Capital, Flanders and Wallonia Regions.

²² Include the number of donors that have pledged. 15 donors include separately, Belgium, Brussels Capital, Flanders and Wallonia Regions.

²³ Include the number of donors that have pledged. 16 donors include separately, Belgium, Brussels Capital, Flanders and Wallonia Regions.

²⁴ Include the number of donors that have pledged. 19 donors include separately, Belgium, Brussels Capital, Flanders and Wallonia Regions.

²⁵ If the projects in the pipeline had been approved (\$59 million in addition to the \$17.9 million approved) the % of expenses against resources committed would have been at 3.8%.

²⁶ The Fund's evaluation (USD 153,585 in FY15), a non-recurring cost, has been included in the operational expenses.

²⁷ Mainly due to the low level of financial commitments made during FY 16 in terms of projects/programmes approval (USD 18.8 million compared to USD 92.4 million during FY15).

²⁸ The project implemented by the NIE UCAR (Argentina) does not have any associated execution costs charged to the project budget. The average (based on the three approved projects) is therefore skewed to the lower average.

²⁹ For pipeline projects, the "approval date" is the date at which the project has been put in the pipeline.

³⁰ Approval and Inception of one RIE project in Uganda (OSS)

Average time from first cash transfer to project start (MIEs) (months)	7	9.1	13.1 ³¹	18.1	4	6
3. Results Driven Implementation						
Item	FY13	FY14	FY15	FY16	FY17	
Percent of projects that have received implementation ratings of MS or above	80%	70%	87%	94%	98%	
Number of project concepts endorsed	2	8	2	5	11	
Number of project concepts submitted but not endorsed	2	2	4	5	7	
Number of fully developed proposals approved	3	6	13	4	12	
Number of fully developed proposals not approved	1	4	3	4	7	
Number of project concepts rejected	0	0	0	0	0	
Number of fully developed proposals technically cleared and placed in pipeline	8	2	0	0	0	
Percent of projects that received MS rating or above at midterm review	NA	NA	100%	90%	100%	
Percent of projects that received MS rating or above at terminal evaluation	NA	NA	100%	100%	100%	
Number of suspended/canceled projects	NA	NA	NA	NA	1	

³¹ Three projects that were approved during FY 12 or FY 13 (namely Argentina WB, Sri Lanka WFP and Mauritania UNDP) have started during FY15. If these three projects are subtracted, the indicator goes down to 7.

4. Accreditation Applications						
<i>4.1 Increased and Diversified Access Modalities</i>						
Item		FY13	FY14	FY15	FY16	FY17
MIEs	Number of Applications Accredited	0	1	0	1	0
	Number of Applications <i>Not Accredited</i>	0	0	0	0	0
NIEs	Number of Applications Accredited	3	2	2	4	2
	Number of Applications <i>Not Accredited</i>	2	3	0	0	0
	Number of Applications <i>Under Consideration</i>	9	12	9	12	13
RIEs	Number of Applications Accredited	1	2	0	2	0
	Number of Applications <i>Not Accredited</i>	1	0	1	0	0
	Number of Applications <i>Under Consideration</i>	4	3	2	3	2
Total number of field visits		3	4	2	3	1
Field visits (percentage over total number of applications received)		20%	33%	16%	16%	25%
Average months between first submission of accredited application and Board's decision (NIEs and RIEs)		10.6	21.3	20	15.6	19
Average months between first submission of accredited application and Board's decision (MIEs)		NA	23 ³²	NA	30.5	NA
Average number of months between first submission of non-accredited applications and Board decision (NIEs and RIEs)		11.3	17	19	NA	NA

Recommendation

50. The EFC may want to consider the document AFB/EFC.21/3 and recommend the Board to:

- (a) Approve the Adaptation Fund's Annual Performance Report for the fiscal year 2017

³² Based on accreditation of only one MIE application

Annex 1: Implementing Entities of the Adaptation Fund

National Implementing Entities (NIEs)

Antigua & Barbuda: Department of Environment (DoE)
 Argentina: Unidad para el Cambio Rural (UCAR)
 Armenia: Environmental Project Implementation Unit (EPIU)
 Belize: Protected Areas Conservation Trust (PACT)
 Benin: Fond National pour l'Environnement et le Climat (FNEC)
 Chile: International Cooperation Agency (AGCI)
 Cook Islands: Ministry of Finance and Economic Management (MFEM)
 Costa Rica: Fundecooperacion Para el Desarrollo Sostenible
 Dominican Republic: Dominican Institute of Integral Development. (IDDI)
 Ethiopia: Ministry of Finance and Economic Dev. (MOFED)
 Federated. States of Micronesia: Micronesia Conservation Trust (MCT)
 India: National Bank for Agriculture & Rural Development. (NABARD)
 Indonesia: Partnership for Governance Reform (Kemitraan)
 Jamaica: Planning Institute of Jamaica (PIOJ)
 Jordan: Ministry of Planning and International Cooperation (MOPIC)
 Kenya: National Environment Management Authority (NEMA)
 Mexico: Mexican Institute of Water Technology (IMTA)
 Morocco: Agency for Agricultural Development (ADA)
 Namibia: Desert Research Foundation (DRFN)
 Panama: Fundación Natura
 Peru: Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)
 Rwanda: Ministry of Natural Resources (MINIRENA)
 Senegal: Centre de Suivi Ecologique (CSE)
 South Africa: National Biodiversity Institute (SANBI)
 Uruguay: Agencia Nacional de Investigación e Innovación (ANII)

Regional Implementing Entities (RIEs)

Caribbean Development Bank (CDB)
 Central American Bank for Economic Integration (CABEI)
 Corporación Andina de Fomento (CAF)
 Observatoire du Sahara et du Sahel (OSS)
 Secretariat of the Pacific Regional
 Environment Programme (SPREP)
 West African Development Bank (BOAD)

Multilateral Implementing Entities (MIEs)

African Development Bank (AfDB)
 Asian Development Bank (ADB)
 International Fund for Agricultural Development (IFAD)
 Inter-American Development Bank (IDB)
 European Bank for Reconstruction and Development (EBRD)
 United Nations Environment Programme (UNEP)
 United Nations Educational, Scientific and Cultural Organization (UNESCO)
 United Nations Development Programme (UNDP) United Nations World Food Programme (WFP)
 United Nations Human Settlements Programme (UN-Habitat)
 World Bank (WB)
 World Meteorological Organization (WMO)

Annex 2: Status of the active portfolio (approved projects/programmes) of the Fund as of 30 June 2017

Table 1: Status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as of 30 June 2017

Country	Title	Implementing Entity	Approved Amount (USD)	Amount Transferred (USD)	Approval Date	Project/ Programme Status
1 Senegal	Adaptation to Coastal Erosion in Vulnerable Areas	CSE	8,619,000	8,619,000	17/9/2010	Completed
2 Honduras	Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor	UNDP	5,620,300	5,620,300	17/9/2010	Completed
3 Nicaragua	Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed	UNDP	5,500,950	5,500,950	15/12/2010	Completed
4 Pakistan	Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan	UNDP	3,906,000	3,906,000	15/12/2010	Completed
5 Ecuador	Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin	WFP	7,449,468	7,449,468	18/3/2011	Under implementation
6 Eritrea	Climate Change Adaptation Programme in Water and Agriculture in Anseba Region, Eritrea	UNDP	6,520,850	6,070,654	18/3/2011	Under implementation
7 Solomon Islands	Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	UNDP	5,533,500	5,533,500	18/3/2011	Completed
8 Mongolia	Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia	UNDP	5,500,000	5,500,000	22/6/2011	Under implementation
9 Maldives	Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhdhoo Island	UNDP	8,989,225	8,989,225	22/6/2011	Under implementation

10	Turkmenistan	Addressing climate change risks to farming systems in Turkmenistan at national and community level	UNDP	2,929,500	2,929,500	22/6/2011	Under implementation
11	Mauritius	Climate Change Adaptation Programme in the Coastal Zone of Mauritius	UNDP	9,119,240	3,710,877	16/9/2011	Under implementation
12	Georgia	Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia	UNDP	5,316,500	5,316,500	14/12/2011	Completed
13	Tanzania	Implementation Of Concrete Adaptation Measures To Reduce Vulnerability Of Livelihood and Economy Of Coastal Communities In Tanzania	UNEP	5,008,564	5,008,564	14/12/2011	Under implementation
14	Cook Islands	Strengthening the Resilience of our Islands and our Communities to Climate Change	UNDP	5,381,600	5,381,600	14/12/2011	Under implementation
15	Uruguay	Uruguay: Helping Small Farmers Adapt to Climate Change	ANII	9,967,678	8,551,296	14/12/2011	Under implementation
16	Samoa	Enhancing Resilience of Samoa's Coastal Communities to Climate Change	UNDP	8,732,351	8,732,351	14/12/2011	Under implementation
17	Madagascar	Madagascar: Promoting Climate Resilience in the Rice Sector	UNEP	5,104,925	4,829,878	14/12/2011	Under implementation
18	Papua New Guinea	Enhancing adaptive capacity of communities to climate change-related floods in the North Coast and Islands Region of Papua New Guinea	UNDP	6,530,373	6,530,373	16/3/2012	Under implementation
19	Cambodia	Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia	UNEP	4,954,273	4,180,308	28/6/2012	Under implementation
20	Colombia	Reducing Risk and Vulnerability to Climate Change in the Region of la Depresion Momposina in Colombia	UNDP	8,518,307	4,893,900	28/6/2012	Under implementation
21	Djibouti	Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities in Djibouti	UNDP	4,658,556	4,263,948	28/6/2012	Under implementation
22	Egypt	Building Resilient Food Security Systems to Benefit the Southern Egypt Region	WFP	6,904,318	5,935,284	28/6/2012	Under implementation

23	Jamaica	Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security	PIOJ	9,965,000	5,980,360	28/6/2012	Under implementation
24	Lebanon	Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)	IFAD	7,860,825	1,589,200	28/6/2012	Not Started
25	Mauritania	Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania	WFP	7,803,605	5,845,468	28/6/2012	Under implementation
26	Sri Lanka	Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka	WFP	7,989,727	6,568,567	14/12/2012	Under implementation
27	Argentina	Increasing Climate Resilience and Enhancing Sustainable Land Management in the Southwest of the Buenos Aires Province	WB	4,296,817	2,168,308	14/12/2012	Under implementation
28	Argentina	Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina	UCAR	5,640,000	5,640,000	4/4/2013	Under implementation
29	Guatemala	Climate change resilient production landscapes and socioeconomic networks advanced in Guatemala	UNDP	5,425,000	4,957,076	14/09/2013	Under implementation
30	Rwanda	Reducing Vulnerability to Climate Change in North West Rwanda through Community based adaptation.	MINIRENA	9,969,619	8,994,496	01/11/2013	Under implementation
31	Cuba	Reduction of vulnerability to coastal flooding through ecosystem-based adaptation in the south of Artemisa and Mayabeque provinces	UNDP	6,067,320	2,250,719	20/02/2014	Under implementation
32	Seychelles	Ecosystem Based Adaptation to Climate Change in Seychelles	UNDP	6,455,750	2,409,398	20/02/2014	Under implementation
33	Uzbekistan	Developing Climate Resilience of Farming Communities in the drought prone parts of Uzbekistan	UNDP	5,415,103	1,424,612	20/02/2014	Under implementation

34	Myanmar	Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar	UNDP	7,909,026	4,857,933	27/02/2014	Under implementation
35	Belize	Implement priority ecosystem-based marine conservation and climate adaptation measures to strengthen the climate resilience of the Belize Barrier Reef System	WB	6,000,000	4,597,650	18/08/2014	Under implementation
36	India	Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise	NABARD	689,264	161,367	10/10/2014	Under implementation
37	India	Enhancing Adaptive Capacity and Increasing Resilience of Small and Marginal Farmers in Purulia and Bankura Districts of West Bengal	NABARD	2,510,854	376,628	10/10/2014	Under implementation
38	Costa Rica	Reducing the vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors	Fundecooperación	9,970,000	4,347,907	10/10/2014	Under implementation
39	Kenya	Integrated Programme To Build Resilience To Climate Change & Adaptive Capacity Of Vulnerable Communities In Kenya	NEMA	9,998,302	4,956,906	10/10/2014	Under implementation
40	South Africa	Building Resilience in the Greater uMngeni Catchment	SANBI	7,495,055	2,588,273	10/10/2014	Under implementation
41	South Africa	Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change	SANBI	2,442,682	1,861,024	10/10/2014	Under implementation
42	Ghana	Increased resilience to climate change in Northern Ghana through the management of water resources and diversification of livelihoods	UNDP	8,293,972	575,965	05/03/2015	Under implementation
43	Mali	Programme Support for Climate Change Adaptation in the vulnerable regions of Mopti and Timbuktu	UNDP	8,533,348	4,374,194	25/03/2015	Under implementation
44	Nepal	Adapting to climate induced threats to food production and food security in the Karnali Region of Nepal	WFP	9,527,160	2,341,906	01/04/2015	Not Started
45	Jordan	Increasing the resilience of poor and vulnerable communities to climate change impacts in Jordan through implementing	MOPIC	9,226,000	1,865,193	10/04/2015	Under Implementation

		innovative projects in water and agriculture in support of adaptation to climate change					
46	Morocco	Climate changes adaptation project in oasis zones – PACC-ZO	ADA	9,970,000	7,311,018	10/04/2015	Under implementation
47	India	Building adaptive capacities of small inland fishers for climate resilience and livelihood security, Madhya Pradesh	NABARD	1,790,500	447,620	10/04/2015	Under implementation
48	India	Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-Dependent Hill Communities	NABARD	969,570	165,933	09/10/2015	Under implementation
49	Chile	Enhancing resilience to climate change of the small agriculture in the Chilean region of O'Higgins	AGCI	9,960,000	1,909,974	09/10/2015	Under Implementation
50	India	Climate proofing of watershed development projects in the states of Rajasthan and Tamil Nadu	NABARD	1,344,155	470,454	09/10/2015	Under implementation
51	Peru	Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries	PROFONANPE	6,950,239	2,979,902	18/03/2016	Not Started
52	Niger	Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger Through Modern Irrigation Techniques	BOAD	9,911,000	1,376,000	05/07/2016	Not Started
53	Uganda	Enhancing Resilience of Communities to Climate Change Through Catchment-based Integrated Management of Water	OSS	7,751,000	1,500,000	05/07/2016	Under Implementation
54	India	Building Adaptive Capacities in Communities, Livelihood and Ecological Security in Kanha-Pench Corridor in Madhya Pradesh	NABARD	2,556,093	706,276	10/07/2016	Under Implementation
55	Lao People's Democratic Republic	Enhancing the Climate and Disaster Resilience of the Most Vulnerable Rural and Emerging Urban Rural Settlements in Lao PDR	UN-Habitat	4,500,000	1,188,075	10/07/2016	Under Implementation
56	Ethiopia, Kenya, Uganda	Agricultural Climate Resilience Enhancement Initiative (ACREI)	WMO	6,800,000	3,400,000	17/03/2017	Not Started
57	Antigua and Barbuda	An Integrated Approach to Physical Adaptation and Community Resilience in Antigua and Barbuda's Northwest McKinnon's Basin	DoE	9,970,000	1,571,000	17/03/2017	Not Started

58	Ethiopia	Climate Smart Integrated Rural Development Project	MOFEC	9,987,910	4,354,692	17/03/2017	Not Started
59	Honduras	Ecosystem-Based Adaptation at Communities of the Central Forest Corridor at Tegucigalpa	UNDP	4,379,700	137,244	17/03/2017	Not Started
60	Micronesia	Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia	SPREP	9,000,000	1,248,486	17/03/2017	Not Started
61	Panama	Adapting to Climate Change Through Integrated Water Management in Panama	Fundación Natura	9,977,559	5,531,462	17/03/2017	Not Started
62	Paraguay	Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco Region of Paraguay	UNEP	7,128,450	961,591	17/03/2017	Not Started
63	Peru	AYNINACUY: Strategies for Adaptation to Climate Change for the Preservation of Livestock Capital and Livelihoods in Highland Rural Communities	CAF	2,941,446	923,255	17/03/2017	Not Started
TOTAL				416,137,529			

Table 2: Breakdown of the status of the active portfolio of approved projects/programmes by the Adaptation Fund Board as of 30 June 2017

Status	Number of projects/programmes	Total value (USD)
Not started	12	94,074,289
Under implementation	45	287,566,990
Completed	6	34,496,250

Table 3: Single-country proposals that had been submitted to the Adaptation Fund between 1 July 2016 and 30 June 2017 but not yet approved by the AFB nor cancelled by the proponent by the end of that period.³³

Country	Agency	Financing requested (USD)	Stage
NIE proposals			
Dominican Republic	IDDI	9,954,000	Concept (endorsed)
Indonesia	Kemitraan	4,075,005	Concept
Armenia	EPIU	1,385,380	Concept
Armenia	EPIU	2,483,000	Concept
Micronesia (F.S. of)	MCT	970,000	Concept (endorsed)
Namibia	DRFN	750,000	Concept (endorsed)
Namibia	DRFN	750,000	Concept (endorsed)
Total, NIEs		20,367,385	
RIE proposals			
Ecuador	CAF	2,489,373	Concept (endorsed)
Guinea-Bissau	BOAD	9,979,000	Full proposal
Marshall Islands (Republic of)	SPREP	9,000,000	Full proposal
Togo	BOAD	10,000,000	Concept (endorsed)
Total, RIEs		31,468,373	
MIE proposals			
Fiji	UN-Habitat	4,200,000	Full proposal
Solomon Islands	UN-Habitat	4,395,877	Full proposal
Suriname	IDB	9,801,619	Concept (endorsed)
Total, MIEs		18,397,496	
Total, all IEs		70,233,254	

³³ Funding request amounts as in the latest submission of the proposal. Only proposals that had been endorsed by the government of the prospective recipient country are included.

Table 4: Regional proposals that had been submitted to the Adaptation Fund between 1 July 2015 and 30 June 2017 but not yet approved by the AFB nor cancelled by the proponent by the end of that period.³⁴

Active pipeline of single-country proposals submitted to the Adaptation Fund during fiscal year 2016 (1 July 2016 to 30 June 2017)			
Country	Agency	Financing requested (USD)	Stage
RIE proposals			
Benin, Burkina Faso, Niger	OSS	8,550,000	Concept (endorsed)
Benin, Burkina Faso, Ghana, Niger, Togo	BOAD	14,000,000	Concept (endorsed)
Chile, Ecuador	CAF	13,910,400	Full proposal
Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama	CABEI	5,000,000	Concept
Total, RIEs		41,460,400	
MIE proposals			
Cambodia, Lao PDR, Myanmar, Thailand, Vietnam	UNESCO	4,898,775	Full proposal
Cuba, Dominican Republic, Jamaica	UNDP	4,969,367	Concept
Kyrgyzstan, Tajikistan, Uzbekistan	UNESCO	5,000,000	Concept
Madagascar, Malawi, Mozambique and Union of Comoros	UN-Habitat	13,544,055	Concept (endorsed)
Mauritius, Seychelles	UNDP	4,900,000	Concept (endorsed)
Total, MIEs		33,312,197	
Total, all IEs		74,772,597	

³⁴ Funding request amounts as in the latest submission of the proposal. Only proposals that had been endorsed by the governments of all prospective recipient countries are included.

Table 5: Overview of active pipeline of single-country and regional proposals under development

Status	Submitted by NIE	Total value (USD)	Submitted by RIE	Total value (USD)	Submitted by MIE	Total value (USD)	Total	Total value (USD)
Single-country projects and programmes								
Concept submitted, not endorsed	3	7,943,385	0	0	0	0	3	7,943,385
Concept submitted, endorsed	4	12,424,000	2	12,489,373	1	9,801,619	7	34,714,992
Full proposal submitted, not approved	0	0	3	21,920,446	2	8,595,877	5	30,516,323
Regional projects and programmes								
Pre-concept submitted, not endorsed	-	-	0	0	0	0	0	0
Pre-concept submitted, endorsed	-	-	0	0	0	0	0	0
Concept submitted, not endorsed	-	-	1	5,000,000	2	9,969,367	3	14,969,367
Concept submitted, endorsed	-	-	2	22,550,000	2	18,444,055	4	40,994,055
Full proposal submitted, not approved	-	-	1	13,910,400	1	4,898,775	2	18,809,175

Annex 3: Requests received from Implementing Entities during FY 2017

	Country	Approval date	Project title	Request	Date of receipt of request	Status of Decision	Amount/ Scope	Time between project approval and request (months)
1	Turkmenistan	06/22/2011	Addressing climate change risks to farming systems in Turkmenistan at national and community level	Request for no cost extension of the programme completion date from December 2016 to September 2017 (UNDP) Annex 7 (a)	09/06/2016	Approved (Decision B.27-28/30)	NA	62
2	Papua New Guinea	03/16/2012	Enhancing Adaptive Capacity of Communities to Climate Change related to Floods in the North Coast and islands Region of Papua New Guinea	Request for no cost extension of the project completion date from October 2016 to December 2017 (UNDP) Annex 7 (b)	10/18/2016	Approved (Decision B.27-28/31)	NA	55
3	Uruguay	12/14/2011	Building Resilience to Climate Change and Variability in Vulnerable Smallholders	Request for no cost extension of the project completion date from 30 June 2017 to 31 December 2018 (ANII) Annex 7 (c)	10/25/2016	Approved (Decision B.28-29/2)	NA	58
4	Argentina	04/04/2013	Enhancing the Adaptive Capacity	Request for budget revision (UCAR) ³⁵	12/01/2016	Approved	>10%	43

³⁵ EFC Article 4.03 of the standard legal agreement between the Adaptation Fund Board and Implementing Entity as amended in October 2015, which stipulates that “Any material change made in the original budget allocation for the Project by the Implementing Entity, in consultation with the Executing Entity, shall be communicated to the Board for its approval. “Material change” shall mean any change that involves ten per cent (10%) or more of the total budget”. As highlighted in Annex XX, the secretariat has received during this reporting year, and over the last years, several requests from implementing entities related to that Article. Since it does not explicitly mention it, some requests included changes of budget allocation of more than 10 per cent at activity level, output level, and/or outcome level. That led to different interpretations among Implementing Entities. In addition, some of these requests were closely related to changes in initial target indicators (at activity, output or outcome level), which, here again, are not covered by the Article 4.03. In both cases, when such requests are at the outcome level (and therefore could be considered as major changes of activities), one interpretation could be that a new review of the project/programme proposal is needed, as the modified project component may substantially differ from the one included in the initial project agreement. However, given the lack of clear guidance on this matter, a new review of the project/programme proposal for such cases has never been recommended by the secretariat. Therefore, the secretariat is of the view that the Fund’s legal agreement would greatly benefit from clarifying whether the scope of the “material change” under Article 4.03 refers to changes in the budget at output or

			and Increasing Resilience of Small-scale Agriculture Producers of the Northeast of Argentina			(Decision B.28-29/15)	(see supporting documents of B.28-29/15)	
5	South Africa	10/10/2014	Building Resilience in the Greater uMngeni Catchment	Request for disbursement schedule revision (SANBI) Annex 7 (d)	03/28/2017	Approved (Decision B.29-30/2)	NA	29
6	Sri Lanka	12/14/2012	Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka	Request for extension of the programme completion date from August 2017 to February 2019 (WFP) Annex 7 (e)	01/20/2017	Approved (Decision B.29-30/3)	NA	49
7	Egypt	06/28/2012	Building Resilient Food Security Systems to Benefit the Southern Egypt Region	Request for a no-cost eighteen-month extension of the project completion date, from March 2017 to October 2018 (WFP) Annex 7(f)	09/07/2016	Approved (Decision B.27-28/6)	NA	50
8	Cook Islands	12/14/2011	Strengthening the Resilience of our Islands and our Communities to Climate Change	Request for no cost 12 month extension of the programme for the completion from 1st May 2017 1st May 2018. ³⁶ Annex 7(g)	04/03/2017	Pending Approval	NA	63

outcome level, and clarifying which level of changes in the scope of the project – be it at the output, outcome, or even objective level, including their related indicators and associated targets – would be acceptable without triggering a new review of the project/programme proposal by the Board. Such clarification could help avoid any ambiguity in the interpretation by both the secretariat and the IE of future requests that the secretariat may receive.

³⁶ The request for a 12 month extension of the project completion date for the UNDP project in Cook Islands was received within less than one month of the original project termination date of 1 May 2017.

List of Reports received and Requests received by the Secretariat from Implementing Entities

	Type of Document	Page Nos.
Annex 4	Report from Nepal (WFP) on project inception delay	36
Annex 5	Report from Peru (PROFONANPE) on project inception delay	37
Annex 6	Annual Performance Report FY 17 New Format	38-77
Annex 7(a)	Request for no cost extension of the programme completion date (Turkmenistan)	77-84
Annex 7(b)	Request for no cost extension of the project completion date (Papua New Guinea)	85-87
Annex 7(c)	Request for no cost extension of the project completion date (Uruguay)	88
Annex 7(d)	Request for budget revision and material change (Argentina)	89-95
Annex 7(e)	Request for disbursement schedule revision (South Africa)	96-97
Annex 7(f)	Request for extension of the programme completion date (Sri Lanka)	98-101
Annex 7(g)	Request for a no-cost eighteen-month extension of the project completion date (Egypt)	102-105
Annex 7(h)	Request for no cost 12-month extension of the programme for the completion (Cook Islands)	106-108

**World Food
Programme****Programme
Alimentaire
Mondial****Programa
Mundial de
Alimentos****برنامج الأغذية
العالمي**

04 September 2017

Mr. Mikko Ollikainen,
Manager, Adaptation Fund Board Secretariat
1818 H Street NW
Washington DC 20433
USA

Dear Mr. Ollikainen,

Subject: Delays in the start-up of the project titled "Adapting to climate induced threats to food production and food security in the Karnali region of Nepal"

After the project was approved for funding on April 1, 2015, WFP and the Government of Nepal (GoN) were planning on having the inception workshop for the project in November, 2016. Due to circumstances beyond WFP's control, such as ongoing local elections and the administrative restructuring at the Government of Nepal, the start-up of this project has faced significant delays. Whilst the Ministry of Population and Environment (MoPE) as co-executing entity has approved the Memorandum of Understanding (MoU) that governs the executing arrangements between WFP and the Government of Nepal, it is still awaiting approval from the Ministry of Finance who in turn awaits feedback from the Ministry of Law.

The WFP Nepal Country Office is regularly following up with MoPE and has met Mr. Naresh Sharma, who is the main government focal point for this project, on several occasions. After having made multiple efforts to address the situation and expedite approval of the MoU by all required parties, we would like to suggest that the Adaptation Fund Secretariat expresses its concerns about the delays in project inception directly with the National Designated Authority of Nepal. Such a notice could help expedite the process of MoU approval and facilitate implementation.

Sincerely,

Gernot Laganda
Chief, Climate and Disaster Risk Reduction Programmes
Policy and Programme Division
United Nations World Food Programme
Rome, Italy



4th October, 2017
PRFNP N° 661 / 2017

Mr.
Mikko Ollikainen, Manager
Adaptation Fund Board Secretariat

Reference: Project “Adaptation to the impacts of Climate Change on Peru’s Coastal Marine Ecosystem and Fisheries”

Dear Mr. Ollikainen,

We are sorry to share with you that unfortunately to date it has not been possible to start the “Adaptation to the impacts of Climate Change on Peru’s Coastal Marine Ecosystem and Fisheries” project approved by the Adaptation Fund’s Board in March 2016.

The reason for our delay can be found in the political climate in Peru since 2016 when a new administration was inaugurated. As you are aware, the project is planned to be executed by the Ministry of Production (PRODUCE).

Coordination talks with that body to sign the inter-institutional cooperation agreement for the project started in May 2016. However, after the new President was inaugurated in July, we had to wait until the appointment of PRODUCE’s Vice-Minister for Fisheries and Aquaculture, the official with whom we will sign the agreement.

Only in October 2016 were we able to start coordination talks with PRODUCE’s then recently appointed Vice-Minister for Fisheries and Aquaculture. At that time it was decided the agreement would be signed jointly by Profonanpe, PRODUCE and IMARPE, Peru’s Sea Institute. This latter body would be charged with ensuring the accomplishment of the outcomes comprised in the project’s components 1 and 2.

Ever since, coordination meetings with PRODUCE and IMARPE representatives have been held to draft, review and eventually sign the agreement. After a protracted process, we now have a final version of the agreement, presently under review at PRODUCE. We therefore expect it will be signed in coming months.

We are thankful for your kind understanding. Rest assured we will get back to you as soon as we agree with PRODUCE and IMARPE on the date for the project’s inception workshop.

Yours sincerely,

Claudia Godfrey Ruiz
Development and Supervision Director



ADAPTATION FUND

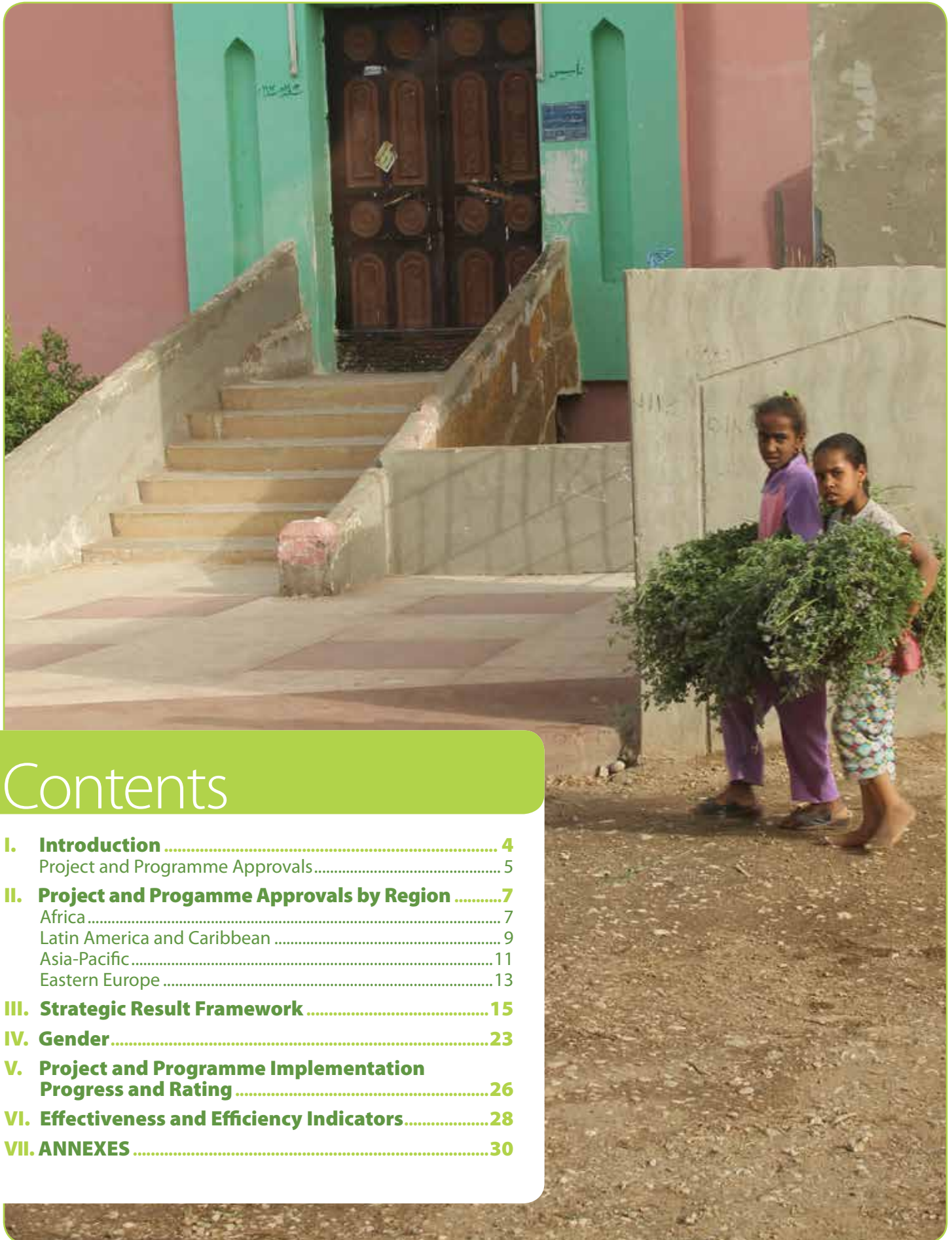


Annual
Performance
Report

2017

Acronyms

AF	Adaptation Fund
AFB	Adaptation Fund Board
AFBSEC	Adaptation Fund Board Secretariat
ARP	Annual Performance Report
EFC	Ethics and Finance Committee
ESP	Environmental and Social Policy
GCF	Green Climate Fund
GP	Gender Policy
IE	Implementing Entity
LDCs	Least Developed Countries
MIE	Multilateral Implementing Entity
NIE	National Implementing Entity
RIE	Regional Implementing Entity
SIDS	Small Island Developing States
PPR	Project Performance Report
PPRC	Project and Programme Review Committee
UNFCCC	United Nations Framework Convention on Climate Change



Contents

I. Introduction	4
Project and Programme Approvals.....	5
II. Project and Programme Approvals by Region	7
Africa.....	7
Latin America and Caribbean	9
Asia-Pacific.....	11
Eastern Europe	13
III. Strategic Result Framework	15
IV. Gender	23
V. Project and Programme Implementation Progress and Rating	26
VI. Effectiveness and Efficiency Indicators.....	28
VII. ANNEXES	30

I. Introduction

The following document presents the Adaptation Fund's seventh annual performance report and covers the period from 1 July 2016 through 30 June 2017. The report also provides cumulative data on project and programme approvals.

As of 30 June 2017, 63 projects for a total amount of USD 416 million have been approved for funding.¹ In addition, the Adaptation Fund Board has approved 31 project formulation grants for a total of USD 1.1 million. 45 projects are currently under implementation, for a total grant amount of USD 275.8 million. A total of USD 270.2 million has been transferred to implementing entities (64.9% of approved amount).

Of the 63 projects approved to date, 23 are being or have been implemented by National Implementing Entities (NIEs), 4 by Regional Implementing Entities (RIEs), and 36 by Multilateral Implementing Entities (MIEs). Detailed description of project breakdown by IEs has been illustrated in Annex I.

The Annual Performance Report (APR) for the Fiscal year 2017 (FY17) confirms the maturation of the overall portfolio of active projects since the Fund approved its first project in 2010, with the number of projects under implementation at 45, and that of projects having submitted at least one project performance report (PPR) as of 30 June 2017 at 39. Twenty projects have submitted a mid-term review, and six projects have been completed as of 30 June 2017 and have submitted terminal evaluation reports.

The present report provides an analysis of project approvals through 30 June 2017, an elapsed time analysis, expected results from approved projects, a summary of progress made for projects under implementation in FY17, and a presentation of the management effectiveness and efficiency indicators for the Fund. Table 1 below provides a summary of key figures for the reporting period.

Table 1: Adaptation Fund At A Glance (As Of 30 June 2017)

APPROVALS CUMULATIVE	
Number of projects approved	63
	USD Million
Grant amount (excluding fees and execution costs)	356 ¹
Execution costs	30.2 ²
Entity fees	30.5 ³
Grant amount approved	416.1
Entity fees as percentage of total grant amount approved	7.3 %

APPROVALS BY FY							
	FY 11	FY 12	FY 13	FY 14	FY15	FY16	FY17
	USD Million	USD Million	USD Million	USD Million	USD Million	USD Million	USD Million
Number of projects approved	10	15	3	6	14 ⁴	4	12
Grant amount (excluding fees and execution costs)	51.3	90.2	15.7	35.7	78.4	17.9	72.3
Execution costs	4.9	7.7	1.0	2.5	6.9	1.2	6.5
Entity fees	4.4	7.9	1.2	3.1	7.1	1.2	6.0
Grant amount approved	60.6	105.8	17.9	41.2	92.4 ⁵	19.2	84.9
Entity Fees as percentage of total grant amount approved	7.8	8.1%	7.2%	8.0%	8.3%	6.8%	7.0%

1. Total excluding approximately USD 5,001,811 million which is the grant amount of the project in Indonesia 2. Execution cost excluding USD 524,148 million of the project in Indonesia

3. Entity fees excluding USD 469,707 million of the project in Indonesia. 4. The project in Indonesia approved in FY 17 was cancelled during the current reporting period. 5. The total approved amount for FY 15 excluding the project in Indonesia is USD

I. Introduction

Project and Programme Approvals

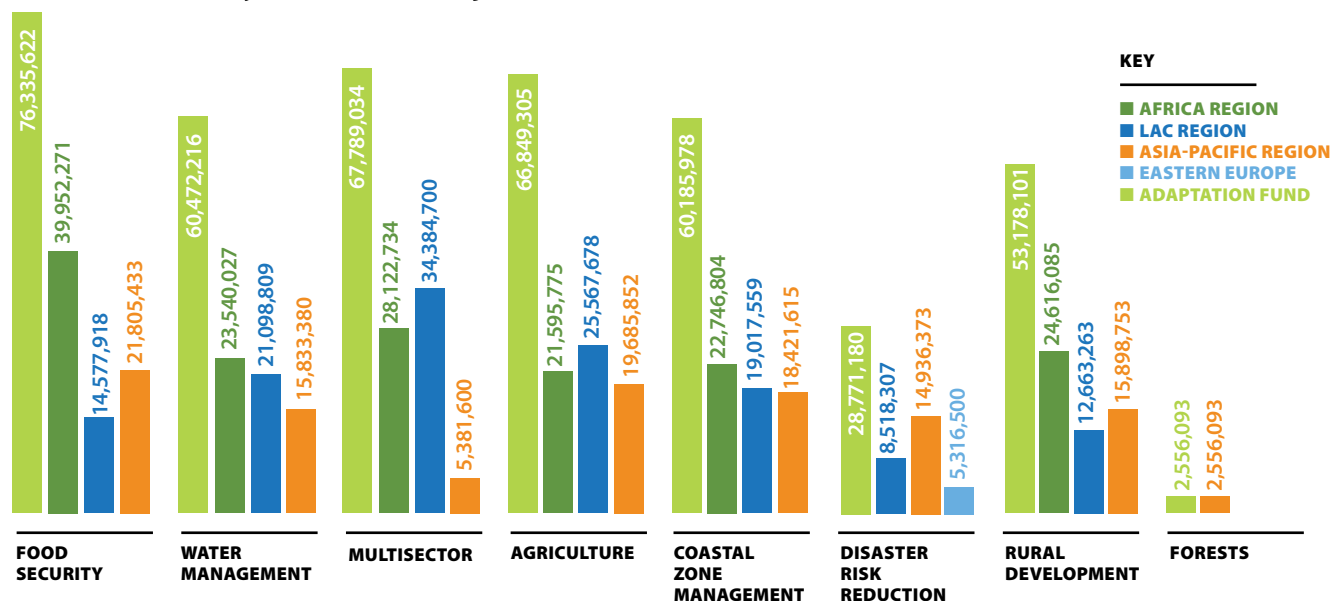
From the Board's first review of proposals in June 2010 through 30 June 2017, the Adaptation Fund Board has approved a total of 63 projects. These projects span across four regions – Africa, Latin America and Caribbean, Asia-Pacific and Eastern Europe. The largest amount of grant funding approved thus far has been to the Africa region with 21 projects totaling USD 160.5 million in grants, followed closely by Latin America and Caribbean⁶ with 19 projects totaling USD 135.7 million in grants and Asia-Pacific with 22 projects totaling USD 114.5 million. So far there has been only one project approved in Eastern Europe, with a grant amount of USD 5.3 million. Out of these, 16 projects are from least developed countries (LDCs) and 12 from Small Island Developing States (SIDs) – with Solomon Islands and Samoa, included in both groups.

In terms of sector allocation for the approved adaptation projects, the largest grant amount has gone to projects in the food security sector with USD 76 million approved for eleven projects, also with eleven projects in the agriculture sector for USD 66.8 million and ten multi-sector projects for USD 67 million.⁷ Nine water management projects, for USD 60.4 million, were approved. The bar graph below provides a detailed breakdown of projects approved by region and sector.

Table 2: Total Projects and Grant Amount Approved By Region (USD Millions)⁸

REGION	Total	
	PROJECTS (NO.)	GRANT
Africa	21	160.5
Asia-Pacific	22	114.5
Eastern Europe	1	5.3
Latin America & Caribbean	19	135.7
TOTAL	63	416.13

Table 3: Sector by Number of Projects and Total Grant Amount (USD Millions)



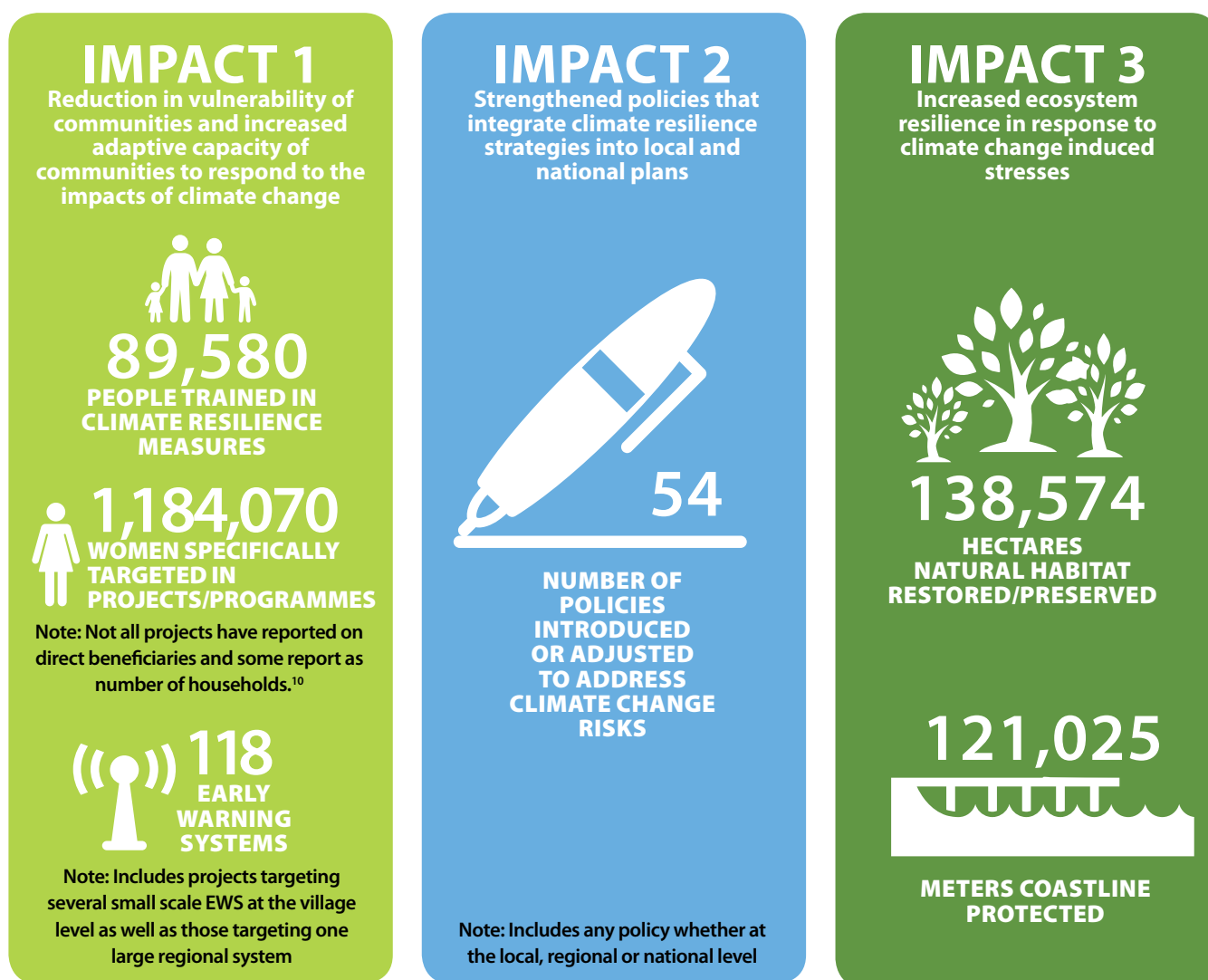
6. The Asia region includes projects in the Pacific Island States. 7. Other sectors tracked but not yet programmed include: health, infrastructure, insurance, and urban management. 8. Numbers may not add up due to rounding.

I. Introduction

Project and Programme Approvals

For the current report, the secretariat extracted expected results from all 63 approved project proposals and presented the targets by region. The information presented by region is therefore based on initial targets proposed at approval for a small sub-set of outcomes.⁹

Graphic 1: Preliminary Aggregation of Fund Indicators



9. Most of the projects approved to date align well with the seven key Fund-level outcomes, however it is difficult to aggregate these indicators at the portfolio level. The diverse nature of the Fund's projects covering a number of different sectors and a myriad of activities on the ground makes it particularly challenging to provide aggregated quantitative results for the portfolio. This challenge has become more acute given the flexible nature of the Fund's results framework whereby project proposals are only required to report on one Fund level outcome indicator. Furthermore, the indicators selected by projects and how they are measured are not always comparable across projects. Thus, even if two projects are targeting similar outcomes, it becomes difficult to aggregate indicators across projects. In this respect, at the Board's twenty-first meeting, the secretariat put forth a proposal for steps to be taken to improve the system and to add impact-level indicators. The core indicators were approved at the Board's twenty-fourth meeting and are expected to help the secretariat report on the expected results from the Fund's approved portfolio.

10. For those projects reporting on no of households, the secretariat has taken the average household figure of the country to multiply by no of households targeted.

II. Project and Programme Approvals by Region



Africa

“Climate changes adaptation project in oasis zones – PACC-ZO” and implemented by ADA. The project aims to improve the adaptability of populations in oasis areas in the face of climate change by improving water resource management. Photo by: Adaptation Fund Portfolio Monitoring Mission



1.74 Million
DIRECT BENEFICIARIES



20,024 Ha
NATURAL HABITATS PROTECTED (HA)



27,035 m

METERS OF COASTLINE PROTECTED



10,136 **BENEFICIARIES BENEFITTING FROM TRAINING**

21

TOTAL NUMBER OF PROJECTS

19

NUMBER OF COUNTRIES

GRANT AMOUNT



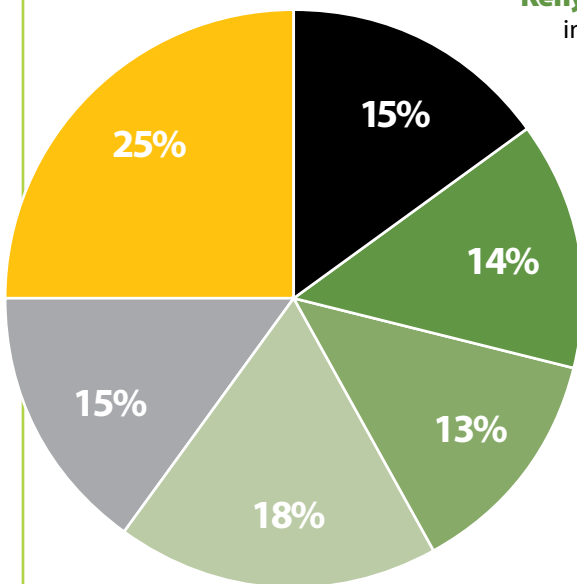
USD 160.5 million

II. Project and Programme Approvals by Region

Africa

Since June, 2010, the Adaptation Fund Board has approved a total of 21 projects in the Africa region covering 19 countries. The largest grant amount has gone to projects in the food security sector with a grant allocation of USD 39.9 million, followed by multi-sector projects for USD 28.1 million and rural development projects for USD 24.6 million.

During the current reporting period, the Adaptation Fund Board approved four projects offering innovative adaptation solutions in Africa, including the first regional project to be implemented in the Greater Horn of Africa. In **Ethiopia, Kenya and Uganda**, natural disasters, notably drought severely impact food production given that most of the agricultural production in the region is rain-fed. The Agricultural Climate Resilience Enhancement Initiative (ACREI) aims to develop and implement adaptation strategies and measures that will strengthen the resilience of vulnerable smallholder farmers, agro-pastoralists and pastoralists to climate variability and change. The overall objective of the **food security** project is improved adaptive capacity and resilience to current climate variability and change among targeted farmers, agro-pastoralists and pastoralist communities.



Grants by sector in the Africa Region

- FOOD SECURITY
- RURAL DEVELOPMENT
- COSTAL ZONE MANAGEMENT
- AGRICULTURE
- MULTISECTOR
- WATER MANAGEMENT

In **Niger**, the project aims to provide a sustainable solution to the issue of low agricultural production and food insecurity. It targets the problem of expenses related to fetching water together with the management of water resources. In addition, the project will seek synergy with other ongoing projects in the country and benefit from their approaches. In **Ethiopia**, the frequent major droughts and floods heavily impact agriculture and livestock sectors. Over 80% of agricultural holders practice mixed systems. The overall objective of the **rural development** project is to increase resilience to recurrent droughts in seven agro-ecological landscapes in Ethiopia by adopting an integrated water, agriculture and natural resource management approach. In Awoja, Maziba and Aswa catchments in **Uganda**, a **water management** project aims to increase the resilience of communities to the risk of floods and landslides through promoting catchment based integrated, equitable and sustainable management of water and related resources.

II. Project and Programme Approvals by Region



Latin America and Caribbean

This project in Uruguay implemented by ANII offers small grants to local producers to increase water harvesting and management practices; improve production and maintenance of natural grazing pastures; and enhance livestock shelters and shadow areas. Direct support is also provided to women and youth entrepreneurs for training, technical assistance, strengthening local groups and agricultural opportunities. Photo by: Adaptation Fund



GRANT AMOUNT  **USD 135.7 million**



19
TOTAL NUMBER OF PROJECTS

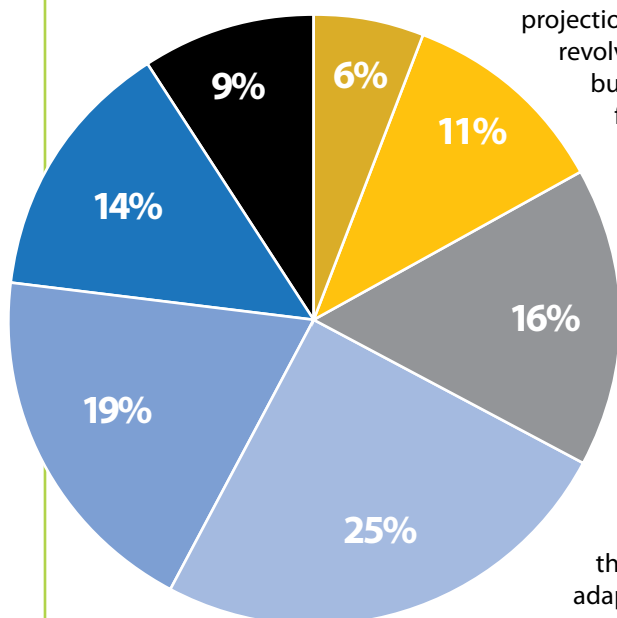
16
NUMBER OF COUNTRIES

II. Project and Programme Approvals by Region

Latin America and Caribbean

The Adaptation Fund Board has approved 19 projects in 16 countries up to June 30, 2017 with the largest the largest allocation to multi-sector projects for USD 34.2 million, followed by USD 25.5 million towards agriculture projects and 21 million to water management projects.

During the current reporting period, the Adaptation Fund Board in the LAC region approved five concrete adaptation projects. In the Small Island State, **Antigua and Barbuda's** northwest McKinnon watershed, the **multi-sector project** will use a variety of approaches including ecosystem-based adaptation, such as wetland restoration to address disease vectors, and engineering solutions, such as drainage and retention ponds, to build resilience to the latest climate change projections. It will also disburse concessional loans through a revolving fund mechanism to vulnerable households and businesses to meet new adaptation guidelines and standards for built infrastructure to withstand extreme climate variability. In **Honduras**, the overall objective of the **multi-sector project** in the Central Forest Corridor in Tegucigalpa, is to increase resilience to climate change and water-related risks for the most vulnerable population through pilot activities and an overarching intervention to mainstream climate change considerations into water sector policies.



Grants by sector in the LAC Region

- FOOD SECURITY
- DISASTER RISK REDUCTION
- WATER MANAGEMENT
- RURAL DEVELOPMENT
- COSTAL ZONE MANAGEMENT
- AGRICULTURE
- MULTISECTOR

In **Panama**, the project situates **water management** at the center of the adaptation efforts, promoting climate resilience and vulnerability reduction through enhancing food and energy security, based on an integrated water resources management approach that highlights the water-energy-food-climate change adaptation nexus. It will focus these efforts in the two river watersheds, Chiriquí Viejo and Santa María. In the El Chaco region of **Paraguay**, the AF funded project aims to reduce the vulnerability of food security to the adverse impacts of climate change. It seeks to improve information and knowledge for climate resilience; to implement concrete cost-effective on-the-ground adaptation measures and to strengthen the institutional capacities to adequately address climate change adaptation issues in the El Chaco region. In **Peru**, the project will contribute to the sustainability of the economic activities of marketing, use and export of alpaca in Peru, as well as the livelihood and ancestral cultural values they represent. This **rural development** project constitutes an initiative focused on the endeavor to strengthen the activity of obtaining and selling alpaca fiber, an activity that is the main and almost exclusive means of livelihood and source of income for the vulnerable Andean highland communities in the Arequipa Region of Peru.

II. Project and Programme Approvals by Region



Asia-Pacific

"Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia", implemented by UNDP. The project will focus upon better tactics for grazing management, restoration of riparian zones, survivability of biodiversity, and efficiency of water use. Success will be measured by how well community-level implementation improves the overall integrity of water provisioning services within each watershed relevant to climate change challenges. An ecosystem-planning program will be established within each watershed to guide implementation and coordinate future resource management decision-making. Photo by: Mongolia, UNDP country office



GRANT AMOUNT  USD 114.5 million

22

TOTAL
NUMBER OF
PROJECTS

17

NUMBER OF
COUNTRIES

II. Project and Programme Approvals by Region

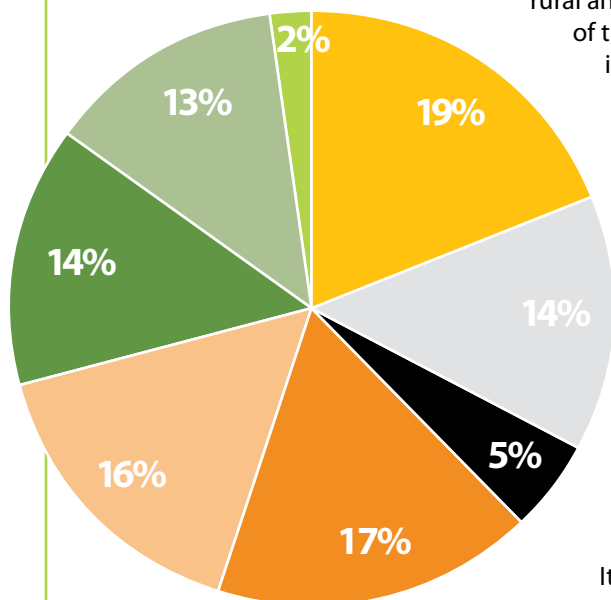
Asia-Pacific

Since 2010, the Adaptation Fund Board has approved 22 projects in the Asia-Pacific region in 17 countries with the largest allocation in the food security sector for USD 21.8 million, followed closely by USD 19 million and USD million for agriculture and coastal zone management projects.

During the current reporting period, the Adaptation Fund Board approved three projects in the Asia-Pacific region. In **Lao PDR**, the **disaster risk reduction** project is enhancing the climate and disaster resilience of the most vulnerable rural and emerging urban human settlements in southern part of the country by increasing sustainable access to basic

infrastructure systems and services, emphasizing resilience to storms, floods, droughts, landslides and disease outbreaks.

The concrete adaptation measures by the project include constructing climate and disaster resilient infrastructure systems in human settlements and strengthen the resilience of existing infrastructure systems.



Grants by sector in the Asia Pacific Region

- FOOD SECURITY
- WATER MANAGEMENT
- MULTISECTOR
- AGRICULTURE
- COSTAL ZONE MANAGEMENT
- RURAL DEVELOPMENT
- DISASTER RISK REDUCTION
- FORESTS

In **India**, the **forest sector** project is implemented in 56 villages that lie in and around the Kanha Pench Corridor (KPC), which is one of the most crucial tiger conservation units of the world. Since the landscape in KPC faces multidimensional challenges including developmental pressures, the project is focusing on building the adaptive capacity of the KPC community and the landscape in the backdrop of declining functionality of the ecosystem due to the degradation. It proposes to adopt a community centric three pronged approach of: Building and strengthening community based institutions; Community led ecosystem conservation and lastly; Promotion of climate informed and climate resistant livelihoods.

In **Federated States of Micronesia**, the **coastal zone management** project will provide all four State Governments in FSM with development planning tools and institutional frameworks to help coastal communities prepare and adapt for higher sea levels and adverse and frequent changes in extreme weather and climate events. The project strategy is to also provide communities with the resources and technical support needed to adopt and manage concrete climate change initiatives and actions.

II. Project and Programme Approvals by Region



Eastern Europe

The AF project in Georgia implemented by UNDP aims to assist government officials by introducing a floodplain development policy. It includes producing hazard and inundation maps, reviewing and changing land use regulations, internalizing climate change risks into floodplain management and spatial planning, and reviewing and streamlining building codes to flood-proof new buildings.
Photo by: Adaptation Fund Portfolio Monitoring Mission



II. Project and Programme Approvals by Region

Eastern Europe

This project in **Georgia** targeting six municipalities and 203,300 beneficiaries has completed implementation of activities that cover 13,000km² of the Rioni River Basin. The project itself has played a transformative and catalytic role in the way the country is approaching flood and flash flood management practices, combining **disaster risk reduction** and climate change adaptation into multi-level planning tools and policies. The activities addressed hazards like landslides, flash floods, mudflow in the steep and mountainous upstream areas, as well as flooding, and erosion of river beds in the floodplain downstream areas. Furthermore, the adaptation interventions align with the national adaptation/disaster reduction strategies, and level of integration of adaptation in local, regional and national plans.

“In addition to all of the much-needed work the project has achieved so far, upgrading of Hydro-met stations and posts, as well as all the assessments in the river basin and modelling is really crucial for the country. During the recent stormy weathers, we were able to issue timely weather forecasts to responsible state agencies who mobilized to respond, especially at the Black Sea coastal line.”

— Vladimir Lazariashvili,
Director of National
Environment Agency of Georgia

The project implemented by UNDP was also significant in providing transformative impacts, and was able to provide the base for the scaling up under the Green Climate Fund (GCF) at national level (project submission to the GCF in June 2017). This Adaptation Fund project provided experience and evidence for the scaling up of the project.

At its seventh meeting in Bonn, Germany, the Adaptation Fund Board took the vital step towards operationalization of the Direct Access Modality. The Adaptation Fund has pioneered Direct Access, which gives developing countries the opportunity to access climate finance and, develop and implement projects directly through accredited NIEs while building from their own capacity to adapt to climate change. During the

reporting period, the Adaptation Fund Board accredited the Environmental Project Implementation Unit (EPIU) in Armenia’s Ministry of Nature Protection, on November 4 as the Fund’s 25th NIE across the globe. EPIU was the third NIE which was accredited through the streamlined accreditation Process. This process was approved by the Board at its twenty-third meeting to open up possibilities for a smaller NIE to access the resources of the Fund resources while considering the limited capacities of such an entity. Armenia is the first in Eastern Europe to have a National Implementing Entity (NIE) accredited under the Fund’s Direct Access modality.

Adaptation
Fund Portfolio
Monitoring
Mission in
Samtredia - Rioni
river basin,
Georgia.

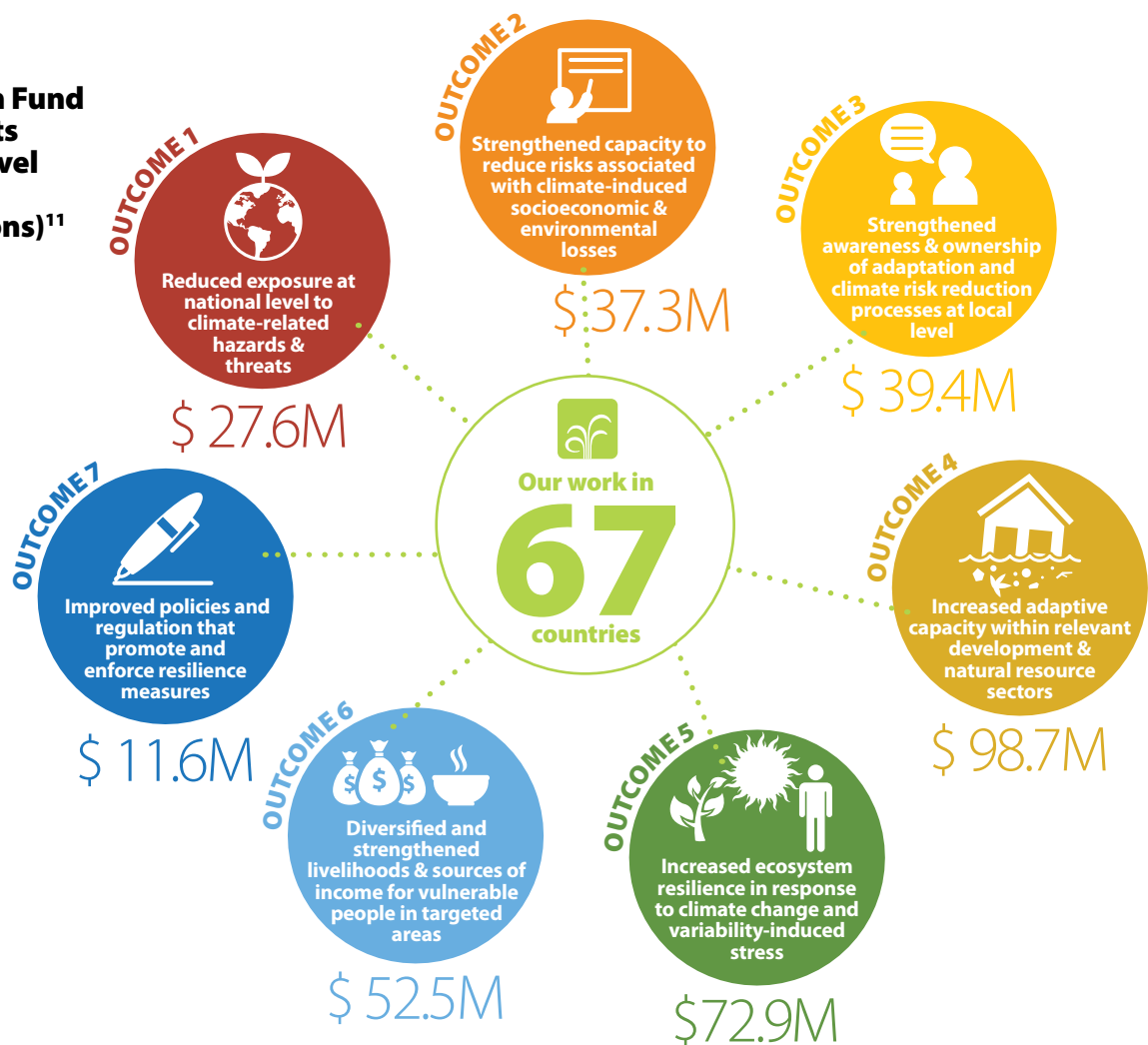


III. Strategic Result Framework

The Adaptation Fund has project indicators that align with seven key Fund level outcomes. In line with the Fund's mandate to finance concrete adaptation projects, many of the activities associated with concrete measures often fall within outcome 4 - Increased adaptive capacity within relevant development & natural resource sectors, such as restoration of ecosystem services, investment in coastal protection infrastructure, or increased access to irrigation water and production schemes. Annex 2 provides a comprehensive analysis of the active pipeline of project and programme proposals submitted to the Adaptation Fund but not approved as of 30 June 2017.

After the first APR was presented in December 2011, fully developed project documents were required to explicitly indicate the alignment of project outcomes and objectives to Fund level outputs and outcomes. This has allowed the secretariat to provide a breakdown of the proposed grant amount by Adaptation Fund outcome. The data in the infographic below, does not include project execution costs, management fees or any project level outputs that do not align with the Adaptation Fund results framework. The infographic presents the grant amount programmed by Fund level outcome for all projects approved through 30 June 2017.

**Graphic 2:
Adaptation Fund
Investments
by Fund Level
Outcomes
(USD Millions)¹¹**



11. Figures may not add up due to rounding.

III. Strategic Result Framework

Total grant allocated 27.6 million

Rellevant threat and hazard information generated and disseminated to stakeholders on a timely basis can save lives. For example, in **Lao People's Democratic Republic**, the project implemented by UN Habitat in Attapeu, Sekong and Sarvane provinces, in coordination with the Ministry of Public Works and Transport, aims to enhance climate and disaster resilience of the most vulnerable rural and emerging urban human settlements in 8 districts located in the Southern provinces, by developing institutional capacities of the national government and local authorities. It achieves this by integrating climate change vulnerability and **disaster risk**

reduction assessments in the target areas: 3 provincial Climate Change Vulnerability Assessments, and 8 District-level Climate Change Vulnerability Assessments (highlighting specific vulnerabilities in 189 settlements) will be conducted and, in turn, be used to develop provincial and district-level climate change action plans, developing guidelines for replication and scale up in other areas, that will benefit 47,000 people.

Reduced exposure to climate related hazards, will also be ensured in two priority basins Santa Maria River and Chiriqui Viejo River in **Panama**, where the project will strengthen **local capacity for monitoring and decision making** to reduce and respond to risks associated to climate change, through

OUTCOME 1



Reduced exposure at national level to climate-related hazards & threats

an integrated and community based approach. This project presents scalable interventions that provide relevant results and experiences to prepare the country in terms of water management, a key element for economic, environmental and social sustainability, considering the factor of climate change and risk management.

“Addressing Climate Risk in Water Resources in Honduras” funded by the Adaptation Fund and implemented by the United Nations Development Programme (UNDP), is working with local organizations and the Mayor’s Office in two neighborhoods: “Campo Cielo” and “Cantareroo Lóopez”.

In Cantarero Lopez, Adaptation Fund financing supported infrastructure improvements along the main road, including climate-proofing the road and sidewalks, and installing ditches to direct the rainfall out of the road.
Photo by: Christian Rossi (UNDP Honduras)



III. Strategic Result Framework

Total grant allocated 37.3 million

Capacity building towards the negative effects of climate change, is crucial in Small Island Developing States. The project implemented by the Secretariat of the Pacific Regional Environment Programme (SPREP) in the **Federated States of Micronesia** (FSM), a group of approximately 600 islands, aims at **reducing the vulnerability** of the selected communities to risks of water shortage and increase adaptive capacity of communities (living in Woleai, Eauripik, Satawan, Lukunor, Kapingamarangi, Nukuoro,

Utwe, Malem) to drought and flood-related climate and disaster risks. With the demonstration of water security measures, 3,253 people will be trained on water conservation and management including coastal protection and livelihoods in 6 outer islands.

Strengthening local and national capacity for monitoring and decision making to reduce and respond to risks associated to climate change is key for the project implemented in Panama by Fundación Natura. At least 20 communities will have increased capacity to minimize exposure to climate

OUTCOME 2



Strengthened capacity to reduce risks associated with climate-induced socioeconomic & environmental losses

variability risks, and 200 people will be trained on EWS to respond to risks (floods and drought) related to extreme weather events. In addition, at least 4 national institutions will have access to upgraded hydro-agro meteorological information.



Project in Egypt implemented by World Food Programme (WFP), "Building Resilient Food Security Systems to Benefit the Southern Egypt Region"

Farmers from Nego' Kebly village (Luxor governorate) receiving a training on wheat improved agricultural practices. Photo by: Adaptation Fund Portfolio Monitoring Mission

III. Strategic Result Framework

Total grant allocated 39.4 million

In **Antigua and Barbuda**, the project implemented by the Department of Environment is focusing its efforts on a high risk and populated watershed on the northwest coast of Antigua. Through an integrated approach, the project seeks to reduce vulnerability of the community, by increasing the ability of the watershed to handle extreme rainfall, while increasing the resilience of the built environment simultaneously to cope with the multiple stressors of climate change. **Improved ownership** of adaptation and climate risk reduction to sustain and scale-up actions for transformative adaptation interventions at the

national level will be measured through the access to revolving loans for homes in McKinnon’s watershed to meet new adaptation guidelines established in the building code and physical plan.

Multilevel ownership and risk informed development, can be reached by **increasing population awareness** of predicted adverse impacts of climate change, and of appropriate responses. In this regard, in **Ethiopia** the project implemented by the Ministry of Finance and Economic Cooperation, aims to increase resilience to recurrent droughts in seven agro-ecological landscapes, through an integrated water, agriculture and natural resource management approach. Strengthened awareness

OUTCOME 3



Strengthened awareness & ownership of adaptation and climate risk reduction processes at local level

and ownership of adaptation and climate risk reduction processes at local level, will be reached by involving 4,375 women and 4,375 men from target households in adaptation planning processes.

“Addressing Climate Change Risks to Farming Systems in Turkmenistan at National and Community Level” implemented by UNDP.

Community participatory approach in ensuring water security in drought prone areas in Turkmenistan.

A community mobilization module was developed and adapted to the conditions of Turkmenistan and transferred for translation into the Turkmen language. Photo by: Adaptation Fund Portfolio Monitoring Mission



III. Strategic Result Framework

Total grant allocated 98.7 million

Strengthening vulnerable physical, natural and social assets strengthened in response to climate change impacts, including variability help reduce vulnerability and build resilience towards climate extremities. During the reporting period, of the twelve-approved projects, eight have financing components allocated towards increasing the adaptive capacity within relevant development and natural resources sectors for USD 23.9 million.

For the project in **Ethiopia**, implemented by (MOFEC) the Adaptation Fund resources are being invested in **climate smart integrated water management**, providing a reliable source of **clean water for potable supply** (reducing current health impacts) and reducing the climate risks from rain-fed subsistence agriculture, in a way that introduces green technologies and ensures long-

term climate resilience. The improved management of water will increase storage capacity so that farming communities will have water to irrigate crops and women spend less time fetching water. AF funding will also be invested in integrated climate smart agriculture. These interventions will improve the watershed, **support the sustainability of agricultural practices, reduced soil erosion and increase water management, and reduce environmental degradation.** This will enhance agricultural production and reduce vulnerability, increase incomes, and will have ancillary benefits on the environment (as land-water-forest integrated solutions).

In **Niger**, the project implemented by the West African Development Bank (BOAD), is promoting irrigation with innovative technologies such as drip, the Californian network and water drawing and, pumping based on solar energy. It also proposes to promote, according to the needs on beneficiaries' sites, the activities of **restoration**



of degraded land to promote water infiltration into the soil and the **recharge of groundwater**, through **agroforestry practices**, which have proven their value in the past. These measures will strengthen the resilience of poor farming communities in Niger to the adverse impacts of climate change and energy crises in the fight against food insecurity.¹² In **Federated States of Micronesia** (FSM), AF funding will be used to repair water harvesting and storage systems in 6 atoll islands that will close leaks and improve efficiency of existing rainwater harvesting systems. This project implemented by SPREP, will construct community rainwater harvesting and storage systems to assist the larger community in times of drought to relieve pressure on individual household water tanks, and to meet basic water requirements for medium-term survival needs. In addition, **self-composting waterless toilets** (with a separate unit for females and a separate unit for males) will be constructed to conserve water, improve soil environment, and reduce marine eutrophication on the lagoon side. Funding will be utilized to construct a 3.6 miles (5.8 km) of Malem-Utwe inland road and access road routes to an unsealed rural road standard (sub-base standard).



“Ecosystem Based Adaptation at communities of the central forest corridor in Tegucigalpa”

The project funded by the Adaptation Fund and implemented by the United Nations Development Programme (UNDP) in 14 vulnerable urban communities in Tegucigalpa and the upper Choluteca watershed of Honduras, has been helping residents adapt to extreme rainfalls and droughts, and water scarcity. The project also includes water management components focused on reforestation and fostering agricultural best practices such as applying drip irrigation systems.

12. Page 45-47

III. Strategic Result Framework

Total grant allocated 72.9 million

Strengthening vulnerable ecosystem services and natural resource assets in response to climate change impact, including variability is vital for protecting biodiversity and ensuring environmental benefits. During the reporting period, four projects have financing allocated towards strengthening vulnerable ecosystem services and natural resources assets to climate change impacts, including variability for USD 6.4 million.

The project implemented by OSS in **Uganda**, aims at increasing the resilience of ecosystems, agricultural landscapes and livelihood systems to the impacts of climate change such as heavy rains by reducing the risk of floods, landslides and mudslides. To enhance the resilience of wetland ecosystems, the project is supporting **wetland demarcation** as well as the development and implementation of specific wetland action plans in the three catchments in the target area. It is also designed to improve the resilience of riverbanks and buffer zones by supporting the demarcation of riverbanks and buffer zones as well as the development and implementation of specific riverbanks restoration/ protection action plans. Deforested and degraded areas will be restored through afforestation. Restoration will aim at returning the ecological functions of forest ecosystems and other degraded lands that were lost due to unsustainable forest and land management practices, particularly water infiltration to reduce the risk of landslides.¹³ In **Honduras**, AF funding will be used

to implement on the ground adaptation measures for **forest, land and water resources management**. The project implemented by UNDP, will promote the restoration of 1,000 ha of mix and pine forest in the Central Forest Corridor (CFC), in line with the components of the 2016–2026 National Restoration Plan in areas affected by the bark beetle. It is expected that the reforested areas will reduce climate-related risks and impacts, including protection against soil erosion and landslides (caused by intense precipitation), and regulation of water flows (enhanced retention of runoff) through enhanced land coverage, as well as reducing drought related vulnerabilities in water supply through the watershed regulation functions.¹⁴

In **Paraguay**, the project implemented by UNEP is employing an **ecosystem-based approach**, where it will design and implement measures that will preserve, restore or use ecosystems in a sustainable way. This will be true for different ecosystems and natural



resources, from water to soil, from forest to pasture. This approach will entail adaptation benefits, which are the main focus of this project, but will also contribute to mitigating climate change by reducing deforestation and degradation of forest and conserving them. The project will also protect biodiversity, therefore providing global environmental benefits. In addition to the immediate and global environmental benefits, the project will have **regional environmental benefits**. All the downstream human settlements along the Pilcomayo and Yacare rivers will benefit from more and **cleaner water resources**.¹⁵

The Adaptation Fund project implemented by the UNDP is focused on combating beach erosion and flood risk through sloped offshore rock mounds to deflect waves, mangroves and other shoreline vegetation, and raised buildings.

Local fishermen restore mangroves along the coast at Grand Sable, Mauritius to protect their community from more frequent storm surges brought on by climate change. Photo by: Dina Ramgobeen



13. Page 33-35. 14. Page 48. 15. Page 34

III. Strategic Result Framework

Total grant allocated 52.5 million

Diversified and strengthened livelihoods and sources of income for vulnerable people in targeted areas, increases the income level and the capacity of communities to cope with the adverse impacts of climate change. Ten projects approved during the reporting period have financing allocated towards strengthening targeted individual and community livelihood strategies in relation to climate change impacts, including variability for USD 19.4 million.

In India, AF funding is supporting the demonstration of **adaptive agriculture crops and practices** through a **farmer field school**.

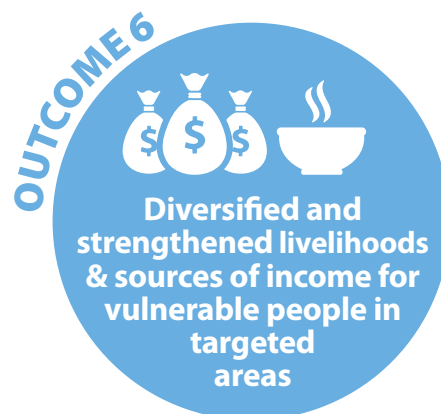
Also, cropping practices which are climate resilient like multi cropping, mixed cropping, root intensification, crop diversification, agro forestry, vegetable farming, use of organic manure and soil nutrient management are being encouraged. As part of this project, implemented by the country's national implementing entity – NABARD, a total of 32 training days (8 per year) of classroom trainings and 64 demonstrations will be conducted for Paraworkers. These paraworkers will disseminate the training learning through 4 field level trainings per year to at least 5,000 farmers. Agricultural inputs will be supplied to the 5,000 farmer beneficiaries under the project to help them adopt the climate resilience agricultural practices.¹⁶

In Peru, as part of the project implemented by the Regional Implementing Entity – CAF, specific livelihood strategies will be strengthened in relation with

climate change impacts that has been generating cumulative impacts that put at risk the **sustainability of alpaca breeding** for their fiber production, as a way of life in the vulnerable highland Andean communities in the project's target area. Livelihoods would be strengthened by breaking the causal net of losses of heads because of the annual cycle of extreme cold spells. Funds are allocated towards: 1. Strengthening animal health ensuring animal diet (prior to the cold spell and available during the season); 2. Strengthening the health of the livestock (health campaigns prior to the cold season); 3. Relying on the physical shelter for the most vulnerable animals (gestating dams).¹⁷

In Ethiopia, Kenya and Uganda, the project implemented by the MIE- WMO is focused on sustainably enhanced productivity, production, **livelihood diversification** and income levels among targeted communities. Interventions will use a **community-based adaptation planning approach** that builds on the field based farmer to farmer learning strategy of the Field Schools approach.

"Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change", implemented in South Africa by SANBI. By empowering local institution and by providing small grants to vulnerable communities, the project incorporates climate adaptation response strategies into local practices so that assets, livelihoods and ecosystem services are protected from climate-induced risks. Photo by: SANBI



This component, led by FAO in close collaboration with relevant regional institutions and country ministries of agriculture, livestock and environment will support capacity building linked to financial support for implementation of locally adapted adaptation practices that enhance food, nutrition and income security. Communities will be supported to apply climate informed farming practices through **participatory training** and experimentation on appropriate technology and adaptation options through the **Agro-pastoral Field School** approach (APFS). This will be coupled with provision of investment financing to communities to ensure that knowledge gained is put in direct field practice.¹⁸



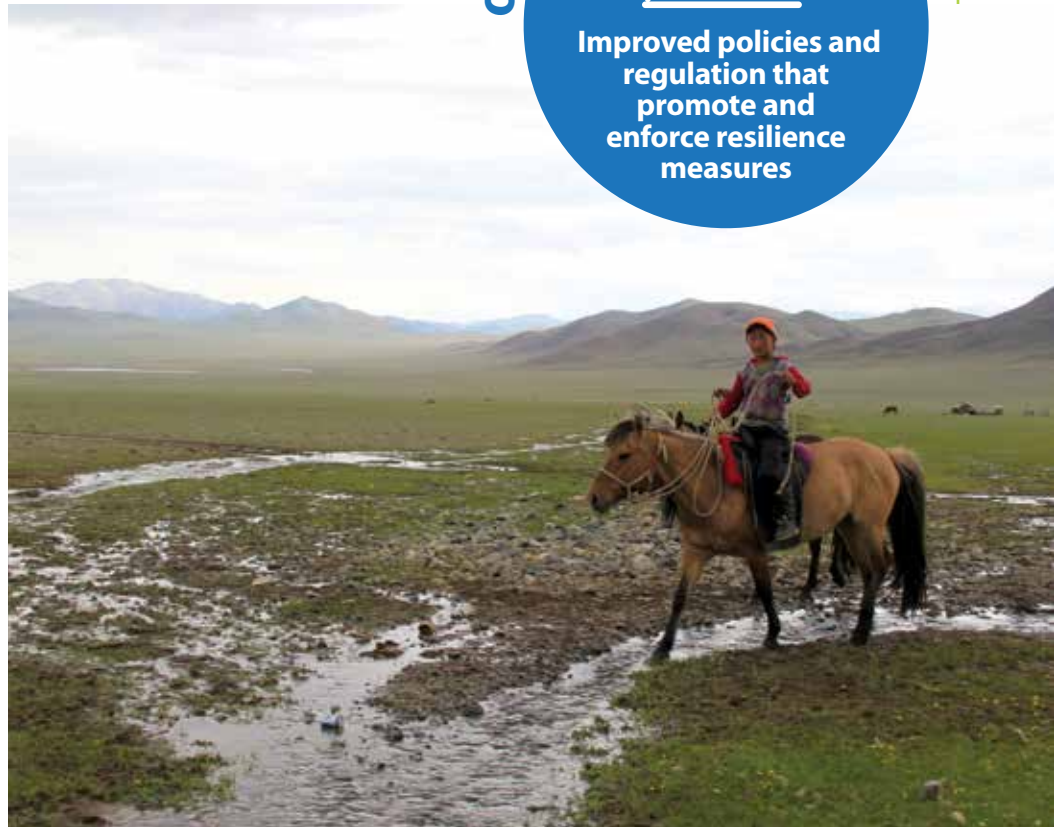
16. Page 71-72. 17. Page 30-33. 18. Page 20-21

III. Strategic Result Framework

Total grant allocated 11.6 million

Improved integrated of climate-resilience strategies into country-development plans help in developing climate resilience pathways and information flows. The project activities under this outcome relate to improved integration of climate resilience strategies into country development plans. Six projects approved during the reporting period have financing components allocated towards improved integrating of climate resilience strategies into country development plans for a little over USD 3 million.

In **Ethiopia, Kenya and Uganda**, harmonized climate change response strategies for the region will be developed. Most importantly the knowledge management component will be aligned to the IGAD - IDDRSI strategy for a unified knowledge management system. IGAD will utilize existing **linkages with relevant national level sectors and other regional forums** to share lessons and policy recommendations. In this context the IDDRSI knowledge flows will be adapted in terms of conducting a knowledge audit on climate resilience agriculture. This will help identify gaps, needs as well as opportunities that will help develop **climate resilience specific knowledge pathways and information flows**. This KMS will assist the decision makers and experts to enhance their understanding of climate resilience agriculture in order to build up systemic sustainable solutions for production. Percentage change in national budgets will be allocated to climate



OUTCOME 7

Improved policies and regulation that promote and enforce resilience measures

adaptation activities and percentage of households will use tailored seasonal climate forecasts to plan their activities or enterprises. In **Paraguay**, the project is expected to support, capacity development and awareness to implement and **upscale effective implementation of adaptation measures** at national and local levels. Detailed training plans for ministries and agencies on mainstreaming climate compatible development across sectors. Furthermore, at the local level, departmental and municipal governments (among other actors), will be supported in the development of a training plan for partner agencies. A training plan for partner agencies will be supported at the local level (including but not limited to departmental and municipal governments).

“Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia” implemented by UNDP

In Mongolia, institutional and policy capacity is strengthened to support Ecosystem-based Adaption replication, monitoring, and enforcement for critical watersheds. Project targets include: 76 Parliament members with increased Ecosystem Based Adaptation knowledge, 30 Agency managers with increased EbA knowledge, 21 Aimags and 329 Soum governments with increased EbA knowledge. Photo by: Adaptation Fund Portfolio Monitoring Mission

IV. Gender



1,184,070



**WOMEN BENEFICIARIES
SPECIFICALLY TARGETED
IN PROJECTS AND
PROGRAMMES**



42,166

**WOMEN TRAINED
IN CLIMATE
RESILIENT MEASURES**

40%

**OF THE PEOPLE
TRAINED UNDER
AF PROJECTS
ARE WOMEN**



Two areas of impact emerged from this year's portfolio: supporting women's economic empowerment, through the promotion of climate resilient alternative livelihoods, and reducing gender gaps in natural resource management, by having women involved in decision-making processes and in activities such as: water resources, coastal and ecosystem management. 21 projects implemented respectively in 21 developing countries are supporting alternate livelihoods. These two areas show progress in addressing gender inequality and enhancing environmental benefits.

South Africa, "Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change." The pilot Community Adaptation Small Grants Facility in South Africa funded by AF and implemented by AF's accredited National Implementing Entity for South Africa, the South African National Biodiversity Institute (SANBI), aims to channel resources to support responses to climate change that are identified and implemented by affected local communities. The projects are expected to increase local resilience through the implementation of pragmatic adaptation responses in Mopani. Photo by: SANBI

IV. Gender

Gender Policy

The Adaptation Fund Board approved the **Gender Policy (GP) and Action Plan** in March 2016, that aims at mainstreaming gender and providing women and men with an equal opportunity to build resilience and increase their capability to adapt to climate change impacts through AF projects and programmes. The Fund's GP aligns well with the Paris Agreement, which strives to ensure all climate projects promote gender quality and protect human rights, particularly vulnerable and marginalized groups. Before the approval of GP, gender was already considered as part of the 15 principles of AF's Environmental and Social Policy (ESP) which was approved in November 2013. In fact, the GP expands the gender equity and women's empowerment principle of ESP and integrates key principles of ESP, such as the principles on:

- Access and equity;
- Marginalised and vulnerable groups;
- Human rights

The ESP and the GP are interrelated and mutually reinforcing because the GP complements and strengthens the overall approach for environmental and social risk management. The GP ensures that equal rights, responsibilities, and opportunities for women and men, equal consideration of their respective interests, vulnerabilities, needs and priorities are considered during the project cycle. It also promotes women's role in decision-making process on how to adapt to climate change.

Snap Shots of Projects from the Field

Empowering women through alternative livelihoods

As a Small Island Developing State, the **Republic of Mauritius** is particularly vulnerable to the negative effects of climate change. UNDP in coordination with the Ministry of Environment and Sustainable Development, is implementing a project aiming at combating beach erosion and flood risk in the coastal areas of Mon Choisy, Riviere des Galets, and Quatre Soeurs with a suite of infrastructure and natural protection. This project has helped **empower women** in the local communities to



"Reducing the Vulnerability by Focusing on Critical Sectors (Agriculture, Water resources, and Coastlines) in order to Reduce the Negative Impacts of Climate Change and Improve the Resilience of These Sectors" implemented by Fundecooperación. 1,500 women were trained in adaptation measures, and worked with indigenous communities to spread their knowledge of sustainable agricultural practices.

Photo by: Fundecooperación - Costa Rica

derive alternative livelihoods. For example, the Women Farmers, Planter and Entrepreneurs Association, has produced different types of products (i.e. jams) derived from the seaweed collected, helping women to have another source of revenue for their families.

The project in **Morocco** is another good example illustrating the AF approach of ensuring an equitable participation of women and men. Here the project implemented by ADA is improving water management and resilience against drought for vulnerable populations. At the same time, it promotes alternative livelihoods

IV. Gender

through farming cooperatives and women' associations by providing them with support for the **diversification of their means of production**. These associations teach weaving and cooking, while producing clothing, cooking oil, spices, honey, couscous, and other products. About 400 women have been trained in conservation techniques, innovative adaptability measures, and in the designing and financing of projects.

Other AF projects across the globe contain strong gender components giving equal access to funded resources to women and men for climate change adaptation. It is crucial to provide equal opportunities for leadership roles among women and men.

Reducing gender gaps in natural resource management

One of the AF project goals implemented by the Development Bank of Latin America in **Peru**, is to establish **women's associations** for ecotourism, trade and fishery products, in this way women are more empowered and can develop their own activities. The project is promoting the participation on women in activities related to ecotourism in a wide

range of roles like business management, tourist guide, production and selling of handicraft souvenirs. The creation of these associations might influence others to take part ensuring the sustainability after project's finalization.

In **Uzbekistan** UNDP, in collaboration with Uzhydromet, is implementing a project aiming to develop climate resilience in farming and pastoral communities in the drought-prone Karakalpakstan region. Sand stabilization and pasture rehabilitation work will employ at least 75,000 local community members (approximately 50% women) and beyond the project will provide regular seasonal employment for further rehabilitation and maintenance work by the local population for approximately 25,000 people. Furthermore, this initiative will help establish horticulture greenhouses as both individual and cooperative endeavors and will promote women to lead related initiatives, through women's groups. Seasonality of income, will then be

mitigated allowing crop production in the colder seasons, as well as improving **household food security**.

"Prior to global warming, women were able to work in the fields, but because of the drought, women are now working in the cooperative, and making some money. Everybody wants to learn weaving, all the young kids in this area want to learn. We also make organic couscous and other types of local pastas. With your support we are going to keep moving forward and have a better life."

— Zahra Ouabda,
Secretary of the Tawmatine,
Association for Women in
Azekkour, Alnif in Tinghir
(Morocco)

"Climate change adaptation project in oasis zones (PACC-ZO)" implemented by Agence pour le Développement (ADA). Farming cooperatives and women' associations are technically and financially supported by the AF project, this allow women to have an alternative source of income. Photo by: Adaptation Fund Portfolio Monitoring Mission



V. Projects and Programmes Implementation Progress (IP) and Rating

Status of Approved Projects and Programmes

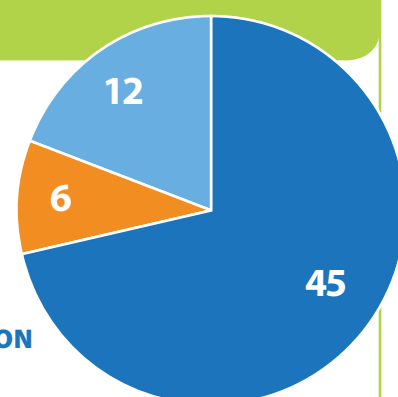
At its sixteenth meeting the Board decided “the Adaptation Fund will consider the start date of a project to be the date the inception workshop for the project takes place. The Implementing Entity must therefore submit both the date of the inception workshop and the entity’s inception report to the Fund secretariat no later than one month after the workshop has taken place.” Based on this definition, there are 45 projects that were under implementation for at least part of FY17, provided in Annex 2.

The Board has set a target of six months for projects to start after the first cash transfer has been received. Projects that start more than six months after the first cash transfer are therefore considered to have a delayed start. For all projects that have started implementation prior to 30 June 2017, the average time from the first cash transfer to project start is 8.3 months. Table 4 provides the elapsed time from first cash transfer to start for all projects approved but not started through 30 June 2017.

Out of the 45 projects under implementation, 21 started within six months (36 percent), 16 projects started within six to eight months (33 percent), and 15 took longer than eight months to start (31 percent).¹⁹

Status of the 63 Approved Projects and Programmes as of FY 17

■ UNDER IMPLEMENTATION
■ NOT STARTED
■ COMPLETED



For the current reporting period, there are two projects (Nepal and Peru) that are beyond the six month target for project start and one project was cancelled (Indonesia).²⁰ As outlined, in the Fund’s Policy for Project Delays (adopted July 2013), implementing entities can work to mitigate delays by working with the government, during project design, to ensure a mutual understanding and commitment on how to proceed once a project is approved. There are, however, many factors that are situation-specific and may be outside the control of the implementing entity. The six month target is therefore a target for the average in the Fund’s portfolio.

The policy requires an implementing entity to send a notification to the secretariat with an explanation of the delay and an estimated start date if a project is not expected to start within six months.²¹

Table 2: Projects Approved Not Started as of June 30 2017

Country	Sector	Implementing Entity	Project Approval (Date)	First cash transfer (date)	Elapsed Time*
Nepal	Food Security	WFP	01/04/2015	07/12/2016	11.6
Indonesia	Food Security	WFP	11/05/2015	Cancelled	Cancelled
Chile	Agriculture	AGCI	09/10/2015	03/03/2016	15.9
Peru	Coastal Management	PROFONANPE	18/03/2016	08/19/2016	10.4
Niger	Food Security	BOAD	07/05/2016	02/27/2017	4.1
Antigua and Barbuda	Multisector Projects	ABED	03/17/2017	06/13/2017	0.6
Ethiopia	Rural Development	MoFEC	03/17/2017	06/27/2017	0.1
Honduras (2)	Multisector Projects	UNDP	03/17/2017	06/19/2017	0.4
Micronesia	Coastal Management	SPREP	03/17/2017	08/16/2017	1.5
Panama	Water Management	Fundación Natura	03/17/2017	07/25/2017	0.8
Paraguay	Food Security	UNEP	03/17/2017	07/24/2017	0.8
Peru	Rural Development	CAF	03/17/2017	07/31/2017	0.1
Ethiopia/Kenya/Uganda	Food Security	WMO	03/17/2017	07/28/2017	0.9

*Elapsed time calculations are made as of June 30, 2017

19. 6 Projects out of 51 have completed implementation. 20. This project started implementation on 18th August 2017. 21. The World Food Programme (WFP) has reported on the project it is implementing in Nepal – see annex 4. PROFONANPE has reported on the project it is implementing in Peru – see Annex 5.

V. Projects and Programmes Implementation Progress (IP) and Rating

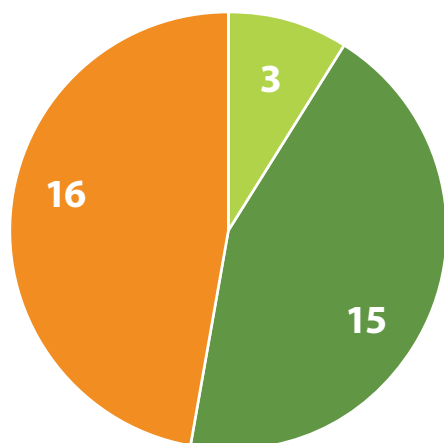
Status of Project Performance Reports (PPR)

As part of the Fund's reporting requirements, implementing entities are required to submit project performance reports (PPR) on an annual basis. The PPR should be submitted on a rolling basis, one year after the start of project implementation (date of inception workshop) and no later than two months after the end of the reporting year. The last such report should be submitted six months after project completion.²²

As of 30 June 2017, a total of 40 projects have submitted at least one project performance report (PPR). During the current reporting period a total of 34 PPRs were received. Of these PPR submissions, 16 PPRs were submitted early to within 1 month of the PPR submission deadline, 15 PPRs were submitted a little over a 1 month but within 5 months and 3 PPRs were submitted over 6 months late. The pie chart below presents details related to the submission of PPRs during the reporting period. A table providing details of the completed list of PPRs and implementation progress(IP) ratings submissions through FY 17 has been presented in Annex 3.

PPR Submission Time Lapse

- LATE
- ON TIME
- MODERATELY LATE



As of 30 June 2017, five projects submitted their first PPR during the reporting period. PPRs are available on the Adaptation Fund website.²³

PPR Ratings

Project Performance Report (PPR) template, which each project/programme must submit on a yearly basis also includes a self-rating from the project management and implementing entity on implementation progress and any project delays. Data is in every year. Out of the 110 PPRs received, 69 PPRs were given as self-rating as Satisfactory. The pie chart below gives details of the percentage of PPR falling under each rating category:

PPR Rating Description

HIGHLY SATISFACTORY (HS)

Project actions/activities planned for current reporting period are progressing on track or exceeding expectations to achieve all major outcomes/outputs for given reporting period, without major shortcomings. The project can be presented as "good practice".

2

SATISFACTORY (S)

Project actions/activities planned for current reporting period are progressing on track to achieve most of its major outcomes/outputs with only minor shortcomings.

69

MARGINALLY SATISFACTORY (MS)

Project actions/activities planned for current reporting period are progressing on track to achieve most major relevant outcomes/outputs, but with either significant shortcomings or modest overall relevance.

27

MARGINALLY UNSATISFACTORY (MU)

Project actions/activities planned for current reporting period are not progressing on track to achieve major outcomes/outputs with major shortcomings or is expected to achieve only some of its major outcomes/outputs.

8

UNSATISFACTORY (U)

Project actions/activities planned for current reporting period are not progressing on track to achieve most of its major outcomes/outputs.

4

HIGHLY UNSATISFACTORY (U)

Project actions/activities planned for current reporting period are not on track and shows that it is failing to achieve, and is not expected to achieve, any of its outcomes/outputs.

0

TOTAL

110

22. This is the minimum requirement for all projects, the Board may request more frequent reporting. A report submission period of two months after the end of the reporting year applies.

23. Due to the sensitive information contained in the PPR's procurement section, including bid amounts and winning bids, information, such as names of bidders in the procurement process will be kept confidential in line with the Open Information Policy.

VI. Effectiveness and Efficiency Indicators

As approved by the Board through the RBM Approach Paper (AFB/EFC.1/3/Rev.2), Indicators for Fund level processes are tracked and reported annually. These indicators cover: (i) secure financing, financing mechanisms, and efficiency of use; (ii) project cycle efficiency; (iii) results driven performance; and (iv) accreditation processes. Table 5, provides the data on the Fund level indicators for FY 2013, FY 2014, FY 2015, FY 2016 and FY 2017.

Table 3: Adaptation Fund Level Effectiveness And Efficiency Results Framework

1. SECURE FINANCING AND FINANCING MECHANISMS						
1.1 Increased and Diversified Resources						
Item	As of 30 June 2013	As of 30 June 2014	As of 30 June 2015	As of 30 June 2016	As of 30 June 2017	
Total value of CERs (USD millions)	188.2	190.4	194.2	196.6	197.82	
Number of donors	11	14 ²⁴	15 ²⁵	16 ²⁶	19 ²⁷	
Actual donor contributions (USD millions)	134.5	213.7	284.9	344.8	442.40	
Total cash transfers vs. funds committed	32%	44%	45%	53%	58.67%	
1.2 Efficient Cost Structure						
Item	FY13	FY14	FY15	FY16	FY17	Target
Board, Secretariat, and Trustee operational expenses against total Adaptation Fund resources committed - %	16.2% ²⁸	8.3%	4% ²⁹	16.6% ³⁰	9.2%	5%
Implementing Entities fees against total Fund resources allocated	7.2%	8.0%	8.3%	6.8%	7.3%	8.5%
Execution Cost against total grant (minus fees) - % ³¹	6.2%	7.6%	8.1%	6.6%	8.4%	9.5%
2. IMPROVE EFFICIENCIES IN PROJECT CYCLE						
2.1 Project Cycle Efficiency						
Item	FY13	FY14	FY15	FY16	FY17	Target
Average response time of secretariat to review submissions of projects/programs (months)	2	1.5	2	2	2	2
Average time from first submission to approval for one-step projects (months)	NA	5.1	10.1 ³²	21.4	7	9
Average time from first submission to approval for two-step projects (months)	12.6	6.4	18.4 ³³	31.2	28.8	12
Average time from first cash transfer to project start (NIEs) (months)	7.2	4.8	5.6	8.1	7.2	6
Average time from first cash transfer to project start (RIE) months					10	6
Average time from first cash transfer to project start (MIEs) (months)	7	9.1	13.1 ³⁴	18.1	4	6

24. Include the number of donors that have pledged. 14 donors include separately, Belgium, Brussels Capital, Flanders and Wallonia Regions. 25. Include the number of donors that have pledged. 15 donors include separately, Belgium, Brussels Capital, Flanders and Wallonia Regions. 26. Include the number of donors that have pledged. 16 donors include separately, Belgium, Brussels Capital, Flanders and Wallonia Regions. 27. List as per Trustee Report, Page 7 (TBC). 28. If the projects in the pipeline had been approved (\$59 million in addition to the \$17.9 million approved) the % of expenses against resources committed would have been at 3.8%. 29. The Fund's evaluation (USD 153,585 in FY15), a non-recurring cost, has been included in the operational expenses. 30. Mainly due to the low level of financial commitments made during FY 16 in terms of projects/programmes approval (USD 18.8 million compared to USD 92.4 million during FY15). 31. The project implemented by the NIE UCAR (Argentina) does not have any associated execution costs charged to the project budget. The average (based on the three approved projects) is therefore skewed to the lower average. 32. For pipeline projects, the "approval date" is the date at which the project has been put in the pipeline. 33. Approval and Inception of one RIE project in Uganda (OSS). 34. Three projects that were approved during FY 12 or FY 13 (namely Argentina WB, Sri Lanka WFP and Mauritania UNDP) have started during FY15. If these three projects are subtracted, the indicator goes down to 7.

VI. Effectiveness and Efficiency Indicators

Table 5: Adaptation Fund Level Effectiveness And Efficiency Results Framework

3. RESULTS DRIVEN IMPLEMENTATION					
Item	FY13	FY14	FY15	FY16	FY 17
Percent of projects that have received implementation ratings of MS or above	80%	70%	87%	94%	94%
Number of project concepts endorsed	2	8	2	5	11
Number of project concepts submitted but not endorsed	2	2	4	5	7
Number of fully developed proposals approved	3	6	13	4	12
Number of fully developed proposals not approved	1	4	3	4	7
Number of project concepts rejected	0	0	0	0	0
Number of fully developed proposals technically cleared and placed in pipeline	8	2	0	0	0
Percent of projects that received MS rating or above at midterm review	NA	NA	100%	90%	100%
Percent of projects that received MS rating or above at terminal evaluation	NA	NA	100%	100%	100%

4. ACCREDITATION APPLICATIONS

4.1 Increased and Diversified Access Modalities

Item	FY13	FY14	FY15	FY16	FY17	
MIEs	Number of Applications Accredited	0	1	0	1	0
	Number of Applications Not Accredited	0	0	0	0	0
NIEs	Number of Applications Accredited	3	2	2	4	2
	Number of Applications Not Accredited	2	3	0	0	0
	Number of Applications Under Consideration	9	12	9	12	13
RIEs	Number of Applications Accredited	1	2	0	2	0
	Number of Applications Not Accredited	1	0	1	0	0
	Number of Applications Under Consideration	4	3	2	3	2
Total number of field visits	3	4	2	3	1	
Field visits (percentage over total number of applications received)	20%	33%	16%	16%	25%	
Average months between first submission of accredited application and Board's decision (NIEs and RIEs)	10.6	21.3	20	15.6	19	
Average months between first submission of accredited application and Board's decision (MIEs)	NA	23 ³⁵	NA	30.5	NA	
Average number of months between first submission of non-accredited applications and Board decision (NIEs and RIEs)	11.3	17	19	NA	NA	

35. Based on accreditation of only one MIE application

VII. ANNEXES

ANNEX 1: Implementing Entities of the Adaptation Fund

Accessing Resources from the Adaptation Fund

Potential implementing entities are evaluated by independent experts of the Accreditation Panel for compliance with the AF's fiduciary standards and requirements of the AF Environmental and Social Policy. Implementing entities can be national, regional or multilateral. There are currently 12 accredited multilateral implementing entities, 6 regional implementing entities, and 25 national implementing entities, of which ten (40 per cent) come from either LDCs or SIDS. All developing country Parties to the Kyoto Protocol are eligible to submit a national entity for accreditation. Once accredited, implementing entities can apply for funding of up to USD 10 million per country for concrete adaptation projects or programmes.

National Implementing Entities (NIEs)

Antigua & Barbuda: Department of Environment (DoE)

Argentina: Unidad para el Cambio Rural (UCAR)

Armenia: Environmental Project Implementation Unit (EPIU)

Belize: Protected Areas Conservation Trust (PACT)

Benin: Fond National pour l'Environnement et le Climat (FNEC)

Chile: International Cooperation Agency (AGCI)

Cook Islands: Ministry of Finance and Economic Management (MFEM)

Costa Rica: Fundecooperación Para el Desarrollo Sostenible

Dominican Republic: Dominican Institute of Integral Development (IDDI)

Ethiopia: Ministry of Finance and Economic Development (MOFED)

Federated. States of Micronesia: Micronesia Conservation Trust (MCT)

India: National Bank for Agriculture & Rural Development (NABARD)

Indonesia: Partnership for Governance Reform (Kemitraan)

Jamaica: Planning Institute of Jamaica (PIOJ)

Jordan: Ministry of Planning and International Cooperation (MOPIC)

Kenya: National Environment Management Authority (NEMA)

Mexico: Mexican Institute of Water Technology (IMTA)

Morocco: Agency for Agricultural Development (ADA)

Namibia: Desert Research Foundation (DRFN)

Panama: Fundación Natura

Peru: Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE)

Rwanda: Ministry of Natural Resources (MINIRENA)

Senegal: Centre de Suivi Ecologique (CSE)

South Africa: National Biodiversity Institute (SANBI)

Uruguay: Agencia Nacional de Investigacion e Innovacion (ANII)

Regional Implementing Entities (RIEs)

Caribbean Development Bank (CDB)

Central American Bank for Economic Integration (CABEI) Corporación

Andina de Fomento (CAF)

Observatoire du Sahara et du Sahel (OSS)

Secretariat of the Pacific Regional Environment Programme (SPREP)

West African Development Bank (BOAD)

Multilateral Implementing Entities (MIEs)

African Development Bank (AfDB)

Asian Development Bank (ADB)

International Fund for Agricultural Development (IFAD)

Inter-American Development Bank (IDB)

European Bank for Reconstruction and Development (EBRD) United

Nations Environment Programme (UNEP)

United Nations Educational, Scientific and Cultural Organization (UNESCO)

United Nations Development Programme (UNDP)

United Nations World Food Programme (WFP)

UN-Habitat - United Nations Human Settlements Programme (UN-Habitat)

World Bank (WB)

World Meteorological Organization (WMO)

VII. ANNEXES

ANNEX 2:

Status of the active portfolio (approved projects/programmes) of the Fund as of 30 June 2017

Country	Title	Implementing Entity	Approved Amount (USD)	Amount Transferred (USD)	Approval Date	Project/ Programme Status
Senegal	Adaptation to Coastal Erosion in Vulnerable Areas	CSE	8,619,000	8,619,000	17/9/2010	Completed
Honduras	Addressing Climate Change Risks on Water Resources in Honduras: Increased Systemic Resilience and Reduced Vulnerability of the Urban Poor	UNDP	5,620,300	5,620,300	17/9/2010	Completed
Nicaragua	Reduction of Risks and Vulnerability Based on Flooding and Droughts in the Estero Real River Watershed	UNDP	5,500,950	5,500,950	15/12/2010	Completed
Pakistan	Reducing Risks and Vulnerabilities from Glacier Lake Outburst Floods in Northern Pakistan	UNDP	3,906,000	3,906,000	15/12/2010	Completed
Ecuador	Enhancing resilience of communities to the adverse effects of climate change on food security, in Pichincha Province and the Jubones River basin	WFP	7,449,468	7,449,468	18/3/2011	Under implementation
Eritrea	Climate Change Adaptation Programme in Water and Agriculture in Anseba Region, Eritrea	UNDP	6,520,850	6,070,654	18/3/2011	Under implementation
Solomon Islands	Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security	UNDP	5,533,500	5,533,500	18/3/2011	Completed
Mongolia	Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia	UNDP	5,500,000	5,500,000	22/6/2011	Under implementation
Maldives	Increasing climate resilience through an Integrated Water Resource Management Programme in HA. Ihavandhoo, ADh. Mahibadhoo and GDh. Gadhhdoo Island	UNDP	8,989,225	8,989,225	22/6/2011	Under implementation
Turkmenistan	Addressing climate change risks to farming systems in Turkmenistan at national and community level	UNDP	2,929,500	2,929,500	22/6/2011	Under implementation
Mauritius	Climate Change Adaptation Programme in the Coastal Zone of Mauritius	UNDP	9,119,240	3,710,877	16/9/2011	Under implementation
Georgia	Developing Climate Resilient Flood and Flash Flood Management Practices to Protect Vulnerable Communities of Georgia	UNDP	5,316,500	5,316,500	14/12/2011	Completed
Tanzania	Implementation Of Concrete Adaptation Measures To Reduce Vulnerability Of Livelihood and Economy Of Coastal Communities In Tanzania	UNEP	5,008,564	5,008,564	14/12/2011	Under implementation
Cook Islands	Strengthening the Resilience of our Islands and our Communities to Climate Change	UNDP	5,381,600	5,381,600	14/12/2011	Under implementation
Uruguay	Uruguay: Helping Small Farmers Adapt to Climate Change	ANII	9,967,678	8,551,296	14/12/2011	Under implementation

VII. ANNEXES

ANNEX 2: Status of the active portfolio (approved projects/programmes) of the Fund as of 30 June 2017 (Continued)

Country	Title	Implementing Entity	Approved Amount (USD)	Amount Transferred (USD)	Approval Date	Project/ Programme Status
Samoa	Enhancing Resilience of Samoa's Coastal Communities to Climate Change	UNDP	8,732,351	8,732,351	14/12/2011	Under implementation
Madagascar	Madagascar: Promoting Climate Resilience in the Rice Sector	UNEP	5,104,925	4,829,878	14/12/2011	Under implementation
Papua New Guinea	Enhancing adaptive capacity of communities to climate change-related floods in the North Coast and Islands Region of Papua New Guinea	UNDP	6,530,373	6,530,373	16/3/2012	Under implementation
Cambodia	Enhancing Climate Resilience of Rural Communities Living in Protected Areas of Cambodia	UNEP	4,954,273	4,180,308	28/6/2012	Under implementation
Colombia	Reducing Risk and Vulnerability to Climate Change in the Region of la Depresion Momposina in Colombia	UNDP	8,518,307	4,893,900	28/6/2012	Under implementation
Djibouti	Developing Agro-Pastoral Shade Gardens as an Adaptation Strategy for Poor Rural Communities in Djibouti	UNDP	4,658,556	4,263,948	28/6/2012	Under implementation
Egypt	Building Resilient Food Security Systems to Benefit the Southern Egypt Region	WFP	6,904,318	5,935,284	28/6/2012	Under implementation
Jamaica	Enhancing the Resilience of the Agricultural Sector and Coastal Areas to Protect Livelihoods and Improve Food Security	PIOJ	9,965,000	5,980,360	28/6/2012	Under implementation
Lebanon	Climate Smart Agriculture: Enhancing Adaptive Capacity of the Rural Communities in Lebanon (AgriCAL)	IFAD	7,860,825	1,589,200	28/6/2012	Not Started
Mauritania	Enhancing Resilience of Communities to the Adverse Effects of Climate Change on Food Security in Mauritania	WFP	7,803,605	5,845,468	28/6/2012	Under implementation
Sri Lanka	Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka	WFP	7,989,727	6,568,567	14/12/2012	Under implementation
Argentina	Increasing Climate Resilience and Enhancing Sustainable Land Management in the South-west of the Buenos Aires Province	WB	4,296,817	2,168,308	14/12/2012	Under implementation
Argentina	Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina	UCAR	5,640,000	5,640,000	4/4/2013	Under implementation
Guatemala	Climate change resilient production landscapes and socioeconomic networks advanced in Guatemala	UNDP	5,425,000	4,957,076	14/09/2013	Under implementation
Rwanda	Reducing Vulnerability to Climate Change in North West Rwanda through Community based adaptation.	MINIRENA	9,969,619	8,994,496	01/11/2013	Under implementation
Cuba	Reduction of vulnerability to coastal flooding through ecosystem-based adaptation in the south of Artemisa and Mayabeque provinces	UNDP	6,067,320	2,250,719	20/02/2014	Under implementation
Seychelles	Ecosystem Based Adaptation to Climate Change in Seychelles	UNDP	6,455,750	2,409,398	20/02/2014	Under implementation

VII. ANNEXES

ANNEX 2: Status of the active portfolio (approved projects/programmes) of the Fund as of 30 June 2017 (Continued)

Country	Title	Implementing Entity	Approved Amount (USD)	Amount Transferred (USD)	Approval Date	Project/ Programme Status
Uzbekistan	Developing Climate Resilience of Farming Communities in the drought prone parts of Uzbekistan	UNDP	5,415,103	1,424,612	20/02/2014	Under implementation
Myanmar	Addressing Climate Change Risks on Water Resources and Food Security in the Dry Zone of Myanmar	UNDP	7,909,026	4,857,933	27/02/2014	Under implementation
Belize	Implement priority ecosystem-based marine conservation and climate adaptation measures to strengthen the climate resilience of the Belize Barrier Reef System	WB	6,000,000	4,597,650	18/08/2014	Under implementation
India	Conservation and Management of Coastal Resources as a Potential Adaptation Strategy for Sea Level Rise	NABARD	689,264	161,367	10/10/2014	Under implementation
India	Enhancing Adaptive Capacity and Increasing Resilience of Small and Marginal Farmers in Purulia and Bankura Districts of West Bengal	NABARD	2,510,854	376,628	10/10/2014	Under implementation
Costa Rica	Reducing the vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors	Fundecooperación	9,970,000	4,347,907	10/10/2014	Under implementation
Kenya	Integrated Programme To Build Resilience To Climate Change & Adaptive Capacity Of Vulnerable Communities In Kenya	NEMA	9,998,302	4,956,906	10/10/2014	Under implementation
South Africa	Building Resilience in the Greater uMngeni Catchment	SANBI	7,495,055	2,588,273	10/10/2014	Under implementation
South Africa	Taking Adaptation to the Ground: A Small Grants Facility for Enabling Local Level Responses to Climate Change	SANBI	2,442,682	1,861,024	10/10/2014	Under implementation
Ghana	Increased resilience to climate change in Northern Ghana through the management of water resources and diversification of livelihoods	UNDP	8,293,972	575,965	05/03/2015	Under implementation
Mali	Programme Support for Climate Change Adaptation in the vulnerable regions of Mopti and Timbuktu	UNDP	8,533,348	4,374,194	25/03/2015	Under implementation
Nepal	Adapting to climate induced threats to food production and food security in the Karnali Region of Nepal	WFP	9,527,160	2,341,906	01/04/2015	Not Started
Jordan	Increasing the resilience of poor and vulnerable communities to climate change impacts in Jordan through implementing innovative projects in water and agriculture in support of adaptation to climate change	MOPIC	9,226,000	1,865,193	10/04/2015	Under Implementation
Morocco	Climate changes adaptation project in oasis zones – PACC-ZO	ADA	9,970,000	7,311,018	10/04/2015	Under implementation
India	Building adaptive capacities of small inland fishers for climate resilience and livelihood security, Madhya Pradesh	NABARD	1,790,500	447,620	10/04/2015	Under implementation

VII. ANNEXES

ANNEX 2: Status of the active portfolio (approved projects/programmes) of the Fund as of 30 June 2017 (Continued)

Country	Title	Implementing Entity	Approved Amount (USD)	Amount Transferred (USD)	Approval Date	Project/ Programme Status
India	Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-Dependent Hill Communities	NABARD	969,570	165,933	09/10/2015	Under implementation
Chile	Enhancing resilience to climate change of the small agriculture in the Chilean region of O'Higgins	AGCI	9,960,000	1,909,974	09/10/2015	Under Implementation
India	Climate proofing of watershed development projects in the states of Rajasthan and Tamil Nadu	NABARD	1,344,155	470,454	09/10/2015	Under implementation
Peru	Adaptation to the Impacts of Climate Change on Peru's Coastal Marine Ecosystem and Fisheries	PROFONANPE	6,950,239	2,979,902	18/03/2016	Not Started
Niger	Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger Through Modern Irrigation Techniques	BOAD	9,911,000	1,376,000	05/07/2016	Not Started
Uganda	Enhancing Resilience of Communities to Climate Change Through Catchment-based Integrated Management of Water	OSS	7,751,000	1,500,000	05/07/2016	Under Implementation
India	Building Adaptive Capacities in Communities, Livelihood and Ecological Security in Kanha-Pench Corridor in Madhya Pradesh	NABARD	2,556,093	706,276	10/07/2016	Under Implementation
Lao People's Democratic Republic	Enhancing the Climate and Disaster Resilience of the Most Vulnerable Rural and Emerging Urban Rural Settlements in Lao PDR	UN-Habitat	4,500,000	1,188,075	10/07/2016	Under Implementation
Ethiopia, Kenya, Uganda	Agricultural Climate Resilience Enhancement Initiative (ACREI)	WMO	6,800,000	3,400,000	17/03/2017	Not Started
Antigua and Barbuda	An Integrated Approach to Physical Adaptation and Community Resilience in Antigua and Barbuda's Northwest McKinnon's Basin	ABED	9,970,000	1,571,000	17/03/2017	Not Started
Ethiopia	Climate Smart Integrated Rural Development Project	MOFEC	9,987,910	4,354,692	17/03/2017	Not Started
Honduras	Ecosystem-Based Adaptation at Communities of the Central Forest Corridor at Tegucigalpa	UNDP	4,379,700	137,244	17/03/2017	Not Started
Micronesia	Enhancing the Climate Change Resilience of Vulnerable Island Communities in the Federated States of Micronesia	SPREP	9,000,000	1,248,486	17/03/2017	Not Started
Panama	Adapting to Climate Change Through Integrated Water Management in Panama	Fundación Natura	9,977,559	5,531,462	17/03/2017	Not Started
Paraguay	Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco Region of Paraguay	UNEP	7,128,450	961,591	17/03/2017	Not Started
Peru	AYNINACUY: Strategies for Adaptation to Climate Change for the Preservation of Livestock Capital and Livelihoods in Highland Rural Communities	CAF	2,941,446	923,255	17/03/2017	Not Started
TOTAL			416,137,529			

VII. ANNEXES

ANNEX 2:

Status of the active portfolio (approved projects/programmes) of the Fund as of 30 June 2017

Status	Number of projects/ programmes	Total value (USD)
Not started	12	94,074,289
Under implementation	45	287,566,990
Completed	6	34,496,250

ANNEX 3:

Active pipeline of project and programme proposals submitted to the Adaptation Fund but not approved as of 30 June 2017

Table A: Single-country proposals that had been submitted to the Adaptation Fund between 1 July 2016 and 30 June 2017 but not yet approved by the AFB nor cancelled by the proponent by the end of that period.³⁶

Country	Agency	Financing requested (USD)	Stage
NIE proposals			
Dominican Republic	IDDI	9,954,000	Concept (endorsed)
Indonesia	Kemitraan	4,075,005	Concept
Armenia	EPIU	1,385,380	Concept
Armenia	EPIU	2,483,000	Concept
Micronesia (F.S. of)	MCT	970,000	Concept (endorsed)
Namibia	DRFN	750,000	Concept (endorsed)
Namibia	DRFN	750,000	Concept (endorsed)
Total, NIEs		20,367,385	
RIE proposals			
Ecuador	CAF	2,489,373	Concept (endorsed)
Guinea-Bissau	BOAD	9,979,000	Full proposal
Marshall Islands (Republic of)	SPREP	9,000,000	Full proposal
Togo	BOAD	10,000,000	Concept (endorsed)
Total, RIEs		31,468,373	
MIE proposals			
Fiji	UN-Habitat	4,200,000	Full proposal
Solomon Islands	UN-Habitat	4,395,877	Full proposal
Suriname	IDB	9,801,619	Concept (endorsed)
Total, MIEs		18,397,496	
Total, all IEs		70,233,254	

³⁶ Funding request amounts as in the latest submission of the proposal. Only proposals that had been endorsed by the government of the prospective recipient are considered.

VII. ANNEXES

Table B: Regional proposals that had been submitted to the Adaptation Fund between 1 July 2015 and 30 June 2016 but not yet approved by the AFB nor cancelled by the proponent by the end of that period.³⁷

Country	Agency	Financing requested (USD)	Stage
RIE proposals			
Benin, Burkina Faso, Niger	OSS	8,550,000	Concept (endorsed)
Benin, Burkina Faso, Ghana, Niger, Togo	BOAD	14,000,000	Concept (endorsed)
Chile, Ecuador	CAF	13,910,400	Full proposal
Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama	CABEI	5,000,000	Concept
Total, RIEs		41,460,400	
MIE proposals			
Cambodia, Lao PDR, Myanmar, Thailand, Vietnam	UNESCO	4,898,775	Full proposal
Cuba, Dominican Republic, Jamaica	UNDP	4,969,367	Concept
Kyrgyzstan, Tajikistan, Uzbekistan	UNESCO	5,000,000	Concept
Madagascar, Malawi, Mozambique and Union of Comoros	UN-Habitat	13,544,055	Concept (endorsed)
Mauritius, Seychelles	UNDP	4,900,000	Concept (endorsed)
Total, MIEs		33,312,197	
Total, all IEs		74,772,597	

Table 3: Overview of active pipeline of single-country and regional proposals under development

Status	Submitted by NIE	Total value (USD)	Submitted by RIE	Total value (USD)	Submitted by MIE	Total value (USD)	Total	Total value (USD)
Single-country projects and programmes								
Concept submitted, not endorsed	3	7,943,385	0	0	0	0	3	7,943,385
Concept submitted, endorsed	4	12,424,000	2	12,489,373	1	9,801,619	7	34,714,992
Full proposal submitted, not approved	0	0	3	21,920,446	2	8,595,877	5	30,516,323
Regional projects and programmes								
Pre-concept submitted, not endorsed	-	-	0	0	0	0	0	0
Pre-concept submitted, endorsed	-	-	0	0	0	0	0	0
Concept submitted, not endorsed	-	-	1	5,000,000	2	9,969,367	3	14,969,367
Concept submitted, endorsed	-	-	2	22,550,000	2	18,444,055	4	40,994,055
Full proposal submitted, not approved	-	-	1	13,910,400	1	4,898,775	2	18,809,175

37. Funding request amounts as in the latest submission of the proposal. Only proposals that had been endorsed by the governments of all prospective recipient countries are included.

VII. ANNEXES

ANNEX 4: Projects Submitting PPRs and Implementation Progress (IP) Ratings

Table 4: PPRs submitted and IP ratings as of June 30, 2017

Country	NIE/MIE	Duration (months)	Cumulative Disbursements (USD)**	First PPR IP Rating ***	Second PPR IP Rating	Third PPR IP Rating	Fourth PPR IP Rating	Fifth PPR IP Rating
Argentina	UCAR	44	5640000	S	MS	S		
Argentina	WB	24	2168308.5	MU				
Belize	WB	27	4597650	S	MS			
Cambodia	UNEP	49	4180308	S	S	MS		
Colombia	UNDP	51	6644846	MS	MS	S		
Cook Islands	UNDP	59	5381600	S	S	S		
Costa Rica	FONDECO	20	4347907	S				
Cuba	UNDP	31	4315597	S	MS			
Djibouti	UNDP	51	5281708	S	MS	MS	S	
Ecuador	WFP	67	6899757	MU	MU	S	S	
Egypt	WFP	50	5935284	HS	HS	S		
Eritrea	UNDP	55	6070654	S	S	S		
Georgia	UNDP	60	5316500	S	S	S		
Ghana	UNDP	13	1852667.19	S				
Guatemala	UNDP	23	4957076	S	S			
Honduras*	UNDP	59	5620300	S	S	S	S	
Jamaica	PIOJ	55	6010360	MS	MS	MS	MS	
Madagascar	UNEP	56	4829878	MS	MS	MS	MS	
Maldives	UNEP	60	8989225	MU	MU	MS	MS	
Mauritania	WFP	34	6061077	S	S			
Mauritius	UNDP	58	3710877	S	S	S		
Morocco	ADA	18	7311018	S				
Myanmar	UNDP	28	7031074	MU	S			
Mongolia	UNDP	60	5500000	S	S	S	S	S
Nicaragua*	UNDP	59	5500950	S	S	S	S	
Pakistan*	UNDP	55	3906000	S	MS	MS		
Papua New Guinea	UNDP	59	6530373	U	S	S		
Rwanda	MINIRENA	40	9019496	S	S	S		
Samoa	UNDP	53	8732351	U	U	S		
Senegal*	CSE	46	8619000	S	S	S	S	
Seychelles	UNDP	32	2409398	MU	S			
Solomon Islands*	UNDP	59	5533500	MS	S	MS	S	
South Africa (1)	SANBI	21	2588273	S				
South Africa (2)	SANBI	19	1861024	MS				
Sri Lanka	WFP	34	6568567	MS	U			
Tanzania	UNEP	55	5008564	MU	MU	MS	S	
Turkmenistan	UNDP	61	2929500	MU	MS	S	S	
Uruguay	ANII	56	9967678	S	S	S	S	
Uzbekistan	UNDP	37	2869908	S	S	S		

* These projects/programmes are completed as of 30 June 2016. ** Disbursements from the IEs to the project/programme activities.

*** Rating scale: Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU).

VII. ANNEXES

ANNEX 5: Requests Received by the Secretariat from the Implementing Entities

This annex summarizes the list of requests received by the Secretariat from the Implementing Entities during FY 2017. Seven requests have been received by the Secretariat: four of them include requests for project extension; one includes a request for budget revision, and one of them includes revision of disbursement schedule. None of them include requests for Direct Project Services.

	Country	Approval date	Project title	Request	Date of receipt of request	Status of Decision	Amount/ Scope	Time between project approval and request (months)
1	Turkmenistan	06/22/2011	Addressing climate change risks to farming systems in Turkmenistan at national and community level	Request for no cost extension of the programme completion date from December 2016 to September 2017 (UNDP)	09/06/2016	Approved (Decision B.27-28/30) 9/30/2016	NA	62
2	Papua New Guinea	03/16/2012	Enhancing Adaptive Capacity of Communities to Climate Change related to Floods in the North Coast and islands Region of Papua New Guinea	Request for no cost extension of the project completion date from October 2016 to December 2017 (UNDP)	10/18/2016	Approved (Decision B.27-28/31) 10/3/2016	NA	55
3	Uruguay	12/14/2011	Building Resilience to Climate Change and Variability in Vulnerable Smallholders	Request for no cost extension of the project completion date from 30 June 2017 to 31 December 2018 (ANII)	10/25/2016	Approved (Decision B.28-29/2) 11/9/2016	NA	58
4	Argentina	04/04/2013	Enhancing the Adaptive Capacity and Increasing Resilience of Small-scale Agriculture Producers of the Northeast of Argentina	Request for budget revision (UCAR) ³⁸	12/01/2016	Approved (Decision B.28-29/15) 02/20/2017	>10% (see supporting documents of B.28-29/15)	43

(continued)

38. EFC Article 4.03 of the standard legal agreement between the Adaptation Fund Board and Implementing Entity as amended in October 2015, which stipulates that "Any material change made in the original budget allocation for the Project by the Implementing Entity, in consultation with the Executing Entity, shall be communicated to the Board for its approval. "Material change" shall mean any change that involves ten per cent (10%) or more of the total budget". As highlighted in Annex 5, the secretariat has received during this reporting year, and over the last years, several requests from implementing entities related to that Article. Since it does not explicitly mention it, some requests included changes of budget allocation of more than 10 per cent at activity level, output level, and/or outcome level. That led to different interpretations among Implementing Entities. In addition, some of these requests were closely related to changes in initial target indicators (at activity, output or outcome level), which, here again, are not covered by the Article 4.03. In both cases, when such requests are at the outcome level (and therefore could be considered as major changes of activities), one interpretation could be that a new review of the project/programme proposal is needed, as the modified project component may substantially differ from the one included in the initial project agreement. However, given the lack of clear guidance on this matter, a new review of the project/programme proposal for such cases has never been recommended by the secretariat. Therefore, the secretariat is of the view that the Fund's legal agreement would greatly benefit from clarifying whether the scope of the "material change" under Article 4.03 refers to changes in the budget at output or outcome level, and clarifying which level of changes in the scope of the project – be it at the output, outcome, or even objective level, including their related indicators and associated targets – would be acceptable without triggering a new review of the project/programme proposal by the Board. Such clarification could help avoid any ambiguity in the interpretation by both the secretariat and the IE of future requests that the secretariat may receive.

VII. ANNEXES

ANNEX 5: Requests Received by the Secretariat from the Implementing Entities (Continued)

	Country	Approval date	Project title	Request	Date of receipt of request	Status of Decision	Amount/ Scope	Time between project approval and request (months)
5	South Africa	10/10/2014	Building Resilience in the Greater uMngeni Catchment	Request for disbursement schedule revision (SANBI)	03/28/2017	Approved (Decision B.29-30/2) 05/03/2017	NA	29
6	Sri Lanka	12/14/2012	Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka	Request for extension of the programme completion date from August 2017 to February 2019 (WFP)	01/20/2017	Approved (Decision B.29-30/3) 05/09/2017	NA	49
7	Egypt	06/28/2012	Building Resilient Food Security Systems to Benefit the Southern Egypt Region	Request for a no-cost eighteen-month extension of the project completion date, from March 2017 to October 2018 (WFP)	09/07/2016	Approved (Decision B.27-28/6)	NA	50
8	Cook Islands	12/14/2011	Strengthening the Resilience of our Islands and our Communities to Climate Change	Request for no cost 12 month extension of the programme for the completion from 1st May 2017 1st May 2018.	04/03/2017	Pending Approval	NA	63

Annex I: Request for extension*Request for extension of project/programme completion date*

AF Project/programme ID: PIMS 4450			
Project/programme Title: Addressing Climate Change Risks to Farming Systems in Turkmenistan at National and Community Level			
Country: Turkmenistan			
Project/Programme Approval (date)	22 June 2011 (Adaptation Fund Board Approval) 3 November 2011 (Signature of the AF-UNDP project agreement) 08 December 2011 (Signature of the Project Document)		
Expected Project/programme Completion (date)	7 December 2016	Proposed Revised Completion (date):	30 September 2017

Reasons/justifications for the extension of project/programme completion:

The AF Project was designed to be implemented for 5 full years (60 months) from 1 October 2011 to 30 September 2016. The Project Document was signed by the Government of Turkmenistan on 8 December 2011 due to the need for the NIM partner to secure internal clearances. Thus the expected project completion date is 7 December 2016. The Adaptation Fund released the 1st tranche to the project on 1 March 2012.

The project faced operational delays during the inception period. The first six months since the project signature were devoted to the recruitment of project staff and establishment of the project office. The core project management staff were hired in June 2012 while most of the project team members were hired later in the year. The first Steering Committee meeting that endorsed the annual work plans was conducted in September 2012.

Another reason for delays at the project inception phase was related to the national legislation requiring a formal registration for the project with the government. In Turkmenistan, all externally funded technical assistance and development projects have to undergo a formal project registration procedure with the Ministry of Economy and Development. The registration allows the project to officially start and implement activities. The registration submission package has to include the signed prodoc, evidence of presence of staff and other governmental internal permits and clearances. The Ministry of Nature Protection, as the lead partner, submitted the package for project registration in August 2012. Following a series of meetings and consultations with the government the project received its registration in April 2013.

Since April 2013 there has been significant progress in implementation of the project workplan, and multiple on-the-ground results have already been achieved and reported to the Adaptation Fund. A detailed work plans for the remaining project timeframe (2016-2017) and annual milestones have been elaborated.

Upon consultations with the national counterparts and a detailed analysis of the remaining tasks the project is recommending a no-cost extension for 9 months until end of September 2017 that will secure both completion of the technical work and finalization of the project

reporting (PPR, etc.). The 9-month extension allowing for the completion of the project technical work has also been supported and recommended by the project Steering Committee and by the Government NIM Partner. The project extension was recommended by the mid-term evaluation that took place in November 2014.

Provided the requested no-cost extension is granted, it is likely that the project will reach its outcomes and development objective.

Detailed justification for the extension is provided in the UNDP Interoffice Memorandum dated 23 June 2016.

Implementing Entity certification

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the designated authority (DA) has been notified.



Adriana Dinu
Executive Coordinator
UNDP-Global Environmental Finance
Sustainable Development Cluster
Bureau for Policy and Programme Support

Project/programme contact person: Nataly Olofinskaya

Date: *September 6, 2016*

Tel. and Email: +90 850 288 2137
nataly.olofinskaya@undp.org



Turkmenistan

**Interoffice
Memorandum**

To: Adriana Dinu, UNDP-GEF Executive Coordinator
Pradeep Kurukulasuriya, UNDP-GEF Senior Technical
Advisor, Adaptation to CC

Date: 23 June 2016

From: Merdan Hudaykulyev, Project Manager "Addressing Climate
Change Risks to Farming Systems in Turkmenistan at
National and Community Level" (AF Project)

Extension:

Through: Rovshen Nurmuhamedov, Programme Specialist for
Environment, UNDP, Turkmenistan
Natalia Olofinskaya, Regional CC Adaptation Specialist

Subject: No-cost extension of the UNFCCC AF NIM Project
"Addressing Climate Change Risks to Farming Systems in
Turkmenistan at National and Community Level"

File:

We are seeking your approval for the no-cost extension of the \$2.7 million UNDP/AF project entitled 'Addressing Climate Change Risks to Farming Systems in Turkmenistan at National and Community Level' which started implementation in 1 October 2011 with the planned duration of 60 months. The extension is required for 9 months till 30 September 2017.

Background – inception phase:

The AF Project was designed to be implemented for 5 full years (60 months). The original project document submitted for the AF CEO endorsement reflected the five-year duration from 1 October 2011 to 30 September 2016 (Budget/AWP section and cover). The AF signed the endorsement letter on 18 August 2011. The AF-UNDP agreement on the project was signed on 3 November 2011. The UNDP DOA was signed on November 29, 2011. Following signature of the DOA the UNDP CO signed the project document with the Turkmenistan government. The government signature was obtained only on 8 December 2011 due to the need for the NIM partner to secure internal clearances. Hence December 2011 is considered as the official start of the project; 31 December 2016 is currently the end-date. The Adaptation Fund released the 1st tranche to the project on 1 March 2012. The project released its first payment on 30 May 2012.

The first six months since the prodoc signature were mainly devoted to recruitment of project staff, including development and agreement of ToR, competitive selection procedures, and establishment of the project office. In Turkmenistan, the labour market is rather restricted in terms of identification of professional staff to implement development projects. Thus, the 1st recruitment was formalized in June 2012. The initial project staff was hired in June 2012 while most of the project team members were hired later in the year. The first Steering Committee meeting that endorsed the annual work plans was conducted in September 2012.

Another reason for delays at the project inception phase was related to the national legislation requiring a formal registration for the project with the government. In Turkmenistan, all externally funded technical assistance and development projects have to undergo a formal project registration procedure with Ministry of Economy and Development. The registration allows the project to officially start and implement activities. The registration submission package has to include the signed prodoc, evidence of presence of staff and other

governmental internal permits and clearances. The Ministry of Nature Protection, as the lead partner, submitted the package for project registration in August 2012. It had been nearly 9 months that the Ministry of Economy and Development was registering the project. A number of reminders have been sent from UNDP and the national partner. The mission of Martin Krauze, Regional Practice Leader, in March 2013 became a catalyst for the registration to take place. This issue was brought at his meeting with the deputy minister of foreign affairs, who committed to personally follow up on the registration of UNDP project. The project received its registration in April 2013. Since April 2013 there has been significant progress in implementation of the project workplan, and multiple on-the-ground results have already been achieved.

Implementation status and delivery:

The project delivery rate as of 31 December 2015 was USD 1,87 million that comes to 70% of the total project budget of USD 2,7 million.

The project objective is planned to be achieved through three main components:

- **Component 1: Policy and Institutional Capacity Strengthening**
- **Component 2: Community based adaptation initiatives**
- **Component 3: Communal management systems for water delivery**

The Project mid-term evaluation (MTE) took place in October - November 2014 (final report submitted in January 2015) and its main conclusions were the following:

1. Main successes of the Project:

Under Outcome 1, a new draft of the water code was produced with project support. The draft is currently under review of the Parliament. Its adoption is expected in 2016. The project also assisted in amending the pastures law that was adopted in 2015. The other legal documents the project is supporting on include the draft law on water user associations and amendment to the law on farmer associations.

Outcome 2 has been mainly focused on demonstration of adaptation measures in the pilot areas: Nohur (mountains), Karakum (desert) and Sakarchaga (irrigation area). Based on the vulnerability and risk assessment's findings for each area, the project has identified and implemented adaptation solutions promoting both traditional local water and land management practices and introducing new innovative ways of increasing water efficiency and land quality. Among the implemented adaptation measures are:

- Construction of 7 dams and reservoirs, repair of 3 dams and reservoirs and repair of 4 springs;
- Construction of two concrete pools
- Reconstruction of the existing system of drip irrigation on 20 hectares (10 hectares of gardens, 10 hectares of vegetables) and Design and installation of a new drip irrigation system (10 ha) in Nohur;
- Construction of ocal seedlings nurseries in all the project areas;
- Arrangement of production of compost and organic-compost cycle completed -14 pits.
- Sand dune fixation 10 hectares.
- Design and installation of a drip irrigation system in Karakum (3.02 ha) is completed;
- Repair 4 dew mounds for livestock farms No. 1 (500 m3) and No. 2 (500 m3)
- Construction of new 7 wells and repair of the existing 6 wells
- Reconstruction of 8 takyrs and kaks (rain wells) and construction of the new 11 dew mounds (60 m3)
- Construction of 16 water counting structures in Sakarchaga.
- Cleaning of a drainage canal with a total length of 31.5 km
- Reclamation of 20 hectares of abandoned lands in Sakarchaga

Implementation of these adaptation measures were accompanied with capacity development activities and events for local communities to upgrade their relevant technical knowledge and build stronger commitment and engagement. Furthermore, the project undertook cost-benefit analysis for all the completed measures to understand the socio-economic and environmental impact and benefits.

Outcome 3 focuses on the development of community-based local frameworks for managing water resources, in short known as water user associations (WUAs). The work on WUAs is a follow-up building on the results of Outcomes 1 and 2. Thus, sequentially, activities under this Outcome started at a much later stage, focusing on piloting WUAs. The main is to develop WUAs on the basis of the existing farmer associations, with relevant legal and institutional adjustments where appropriate. The 2016 workplan is structured to have the pilot WUAs established by the end of the year in all the three project areas, including relevant capacity development activities and implementation of WUA-based adaptation grants. However, at least another 12 months are required to ensure sustainability of WUAs by completing WUA-based grant implementation and all the legal and institutional work to ensure that WUAs can continue their operation in the post-project life.

2. Main areas for improvement outlined by the MTE:

- Water user associations have been pre-identified, but the risk lies in the formal adoption of WUA legislation by GoT. Water code is expected to be adopted in July 2016 but it requires additional year of Project work for introducing the changes into benefit of newly establishing 9 Water Users Associations (WUAs).
- Activities need a substantive revision in 2016 and 2017. Draft plan and budget revision for 2017 are enclosed for reference.
- Increase efforts in supporting newly establishing 9 WUAs, develop Organizational and Technical support Manuals for newly establishing WUAs.
- Stakeholder involvement and lobbying function need to be improved

The project has seriously taken MTE recommendations to improve the situation and in 2015 has executed the following improvement actions on most relevant MTE recommendations:

1) **Recommendation 1:** The critical element for the Turkmenistan AF project to achieve transformational changes in Turkmenistan is the extent to which the demonstration activities advocated by the project are taken up and incorporated in broader government investment plans for the water sector. The experiences and lessons from the project pilot sites need to be shared broadly with the communities in the regions of the pilot areas, and integrated with government planning for those regions. To support this long-term goal the project needs to continue to emphasize and focus on documenting and disseminating information and experiences from the project pilot regions. Activities such as widespread adoption of drip-irrigation, and community-based management of water resources could represent transformational change in Turkmenistan, but a pathway must be built from the activities of this project to the targeted long-term results. There must continue to be a focus on replication and catalyzing up-scaling of the climate resilient water management approaches supported by the project. More specifically, the project must undertake direct measures to document and disseminate the experiences of the pilot regions, with dissemination of information at the sub-national and national levels.

Project response: The gained experience and results have been and will be documented, printed and disseminated as part of the project advocacy in 2016 and 2017 during the extension period. Furthermore, best practices from the project driven adaptation measures will be embedded into the work of the water user associations expected to be established within Component 3 of the project. Moreover, the project results will be taken further and scaled up, as appropriate, in the coming land and water related projects supporting climate resilient livelihoods of local communities. Constant dialogues will be maintained with the key ministries to ensure that their plans and work do take into account the project inputs and that transformational changes are happening at broader scales.

2) **Recommendation 2:** The project experienced an initial slow start-up process related to multiple factors, including formal government registration as a foreign assistance project, staff turnover, and other factors. However, since the project has been fully up and running, since approximately April 2013, there has been significant progress in implementation of the project workplan, and multiple on-the-ground results have already been achieved. The project faces some risks in terms of what the ultimate level of achievement in

some of the key results areas will be, such as the revision of the Water Code, and establishment of the Water User Associations.

Project response: Project has made significant progress in preparing establishment of 9 new WUAs but it requires more time till the end of September 2017 for successful achievement of results related to introduction of economic incentives in saving water resources and establishment of sustainable WUAs. The 2016 and 2017 AWP implementation will be rigidly followed to ensure that the results are achieved in a sustainable manner. Continuous dialogue and advocacy will be maintained with the government to ensure that relevant regulatory changes take place to allow further scale-up of project results.

3) **Recommendation 5:** To strengthen the value of the field-level demonstration activities, the project should work to clearly document the cost-benefit analysis of the various water management activities and infrastructure investments undertaken. Financial data is often a critical element of advocacy at both the local and national level. Clearly demonstrating the financial value of the approaches the project is demonstrating (e.g. drip irrigation, etc.), would be highly useful for catalyzing replication and up-scaling.

Project response: The project has been conducting a cost-benefit analysis for all adaptation measures. The analysis show the economic feasibility in the implementation of adaptation measures at the project level with the possibility of scaling up this experience at the national level. Along with the socio-economic report, the analysis will demonstrate financial aspects of the project driven adaptation measures to be further used in catalyzing scale-up and replication. This will become part of the project extension work.

4) **Recommendation 6:** The project has made valuable progress in demonstrating specific water management technologies in the pilot regions, but there may be opportunities to further strengthen the climate resilience of the agriculture-based rural livelihoods of the communities in the pilot regions, to allow communities to receive greater economic benefit with less water use. The project should consider the overall economic picture related to water-dependent livelihoods in the pilot communities, and assess the feasibility of additional value-added processing for key commodities related to the specific agricultural products the project is already supporting. However, it is critical to keep the linkage to climate resilience, ensuring that any activities supported represent long-term sustainable adaptations to climate change.

Project response: Use less water for economic benefit has become one of the criteria for WUA-based grant selection and implementation in 2016 and 2017. This will as well enable greater understanding and commitment from local communities to new and innovative adaptation solutions leading to notable socio-economic benefits. This work will also become part of the project extension period.

5) **Recommendation 7:** To support the previous recommendation on information dissemination, the project should strengthen the awareness and outreach activities, at the national and local level. The project has been highly dynamic in producing news releases and information available to the international community, but a similar level of effort needs to be concentrated on the communities neighboring the specific pilot regions, to disseminate the project experiences to other climate-risk communities, as well as to policy makers. One specific approach could be to organize a national end-of-project conference to share and widely disseminate the final project lessons and experiences.

Project response: During the extension period, the project will continue its active information, communication and advocacy strategy using all possible means of media both inside and outside the country. The project will also organize a national end-of-project conference to share and widely disseminate the final project lessons and experiences.

6) **Recommendation 9:** The project should further extend its stakeholder engagement at the national level. At the field level the Turkmenistan AF project appears to have been highly successful in engaging the local communities, and building stakeholder ownership. Key national-level institutions have been involved as well, but there remain opportunities to engage additional relevant national stakeholders. These include, for example, the Animal Husbandry State Association (particularly in the context of the Karakum and Nohur

pilot regions). Also, for example, one of the agricultural universities has a pilot site for testing irrigation techniques that is located very near to Ashgabat, which could be leveraged as a valuable partnership for the project in multiple ways. Another important stakeholder that has not been highly engaged thus far is the state committee on emergency situations.

Project response: During the extension period, the project will invite the recommended stakeholders to relevant project activities and events and explore ways for collaboration in addressing and researching project related issues. Implemented adaptation measures in three pilot regions will be used as demonstration pilot sites for all relevant ministries, departments, universities and local schools.

Focus points for 2016 – 2017

In addition to actions to address the MTE recommendations, the Project will focus on further establishment and strengthening of 9 pilot Water Users Associations (WUAs) in 3 pilot regions. The project will continue to follow-up and support State Legislative body in finalizing and accepting the new draft of Water Code in July 2016. The project will also follow up on adoption of their relevant legal documentation such as the draft law of WUAs and the amendment to the law on farmer associations.

The Project will continue collecting data from adaptation measures and develop cost-benefit analysis, which will be provided to related stakeholders and made available to potential beneficiary groups, in order to achieve replication of adaptation measures implemented, where possible.

Suggested no-cost extension:

Upon consultations with the national counterparts and a detailed analysis the project is recommending a no-cost extension for 9 months until end of September 2017 that will secure both completion of the technical work and finalization of the project reporting (PPR, etc.). The following milestones for tracking the project progress are proposed:

2016: Planned budget \$682,907.33 from AF and UNDP funding \$20,235.00, TOTAL 703,142.33 USD:

- (i) At least 90% of the project delivery.
- (ii) All adaptation measures construction is completed.
- (iii) all 9 Water Users Associations are operational in all the three project areas and started implementation of WUA grants

2017: Planned budget \$146,807 USD.

- (i) 100% of the project delivery.
- (ii) All of the 9 WUAs are established and functional.
- (iii) Laws required for supporting WUAs are ready to support the activities of the WUAs, including collecting financial means for supporting WUAs activities.

The 9-month extension allowing for the completion of the project technical work has also been supported and recommended by the project Steering Committee and by the NIM Partner.

The project will also have to complete its reporting obligations to the UNDP/AF including the final PPR outlining its results against indicators and prepare for the operational and financial closure. During this period a small core project team will have to be sustained.

It has been discussed with and understood by the project team and the national counterparts that the extension would be granted only once and that no further extension requests will be accepted by UNDP in future.

For the reasons described above, we recommend to accept the recommendations of the national stakeholders and the project Steering Committee and to endorse the no-cost extension of the UNDP/AF

project "Addressing Climate Change Risks to Farming Systems in Turkmenistan at National and Community Level" until end of September 2017. Provided the requested no-cost extension is granted and in view of the management changes taken up by the project, it is likely that the project will reach its outcomes and development objective and deliver expected global environmental benefits.

Attachments:

Budget planning table 2016 - 2017

Detailed work plans 2016 - 2017

Request for Extension of Enhancing adaptive capacity of communities to climate change-related floods in the North coast and Island Region of Papua New Guinea

Request for Extension of project / programme completion date:

AF Project / Programme ID: PIMS 4452	
Project / Programme Title: Enhancing adaptive capacity of communities to climate change-related floods in the North coast and Island Region of Papua New Guinea	
Country: Papua New Guinea	
AF Project / Programme Approval (date): 23rd March 2012	
Expected AF Project / Programme End Date: 31st October 2016	Proposed AF Project Completion Date: 31st December 2017

Request for Extension of project / programme completion date:

In accordance with finding and recommendations of the Midterm Review (MTR), the "Enhancing adaptive capacity of communities to climate change-related floods in the North coast and Island Region of Papua New Guinea" requests for extension of the project until 31st December 2017.

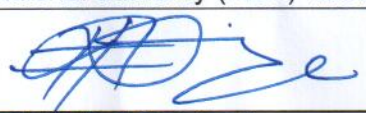
The MTR indicates that "without any time extension, the review found that many project targets won't be achieved by October 2016. This is mostly due to numerous delays since the outset of this project – mostly management delays to establish an effective PMU with a full time Project Manager (PM). One particular indicator is the level of project disbursements whereby only 3% of the AF grant were used during the first 15 months as opposed to 31% of the elapsed time."

As of the end of October 2015, there is a remaining budget of 3,861,400 representing about 64% of the AF grant. If we consider the original timeline with end of September 2016 as the closing date for the project, the assessment indicates that this remaining budget will not be expended during the remaining period of 11 months. Taking as a benchmark the disbursement of the first 10 months of 2015, the project would need 30 additional months to expend the remaining budget. Considering this remaining budget and the overall progress of the project, particularly the fact that October 2016 appears too early for the project to end while ensuring sustainable achievements, it is recommended to extend the project by another year to the end of September 2017.

So far, the project has spent \$2,157,377 or 36% of the AF grant. A large portion of these expenditures were allocated to assessments, studies and strategy such as a communication strategy. A lot of valuable information has been produced so far but little use of this information has been made. In the coming months, this body of knowledge will also be increased with the outputs of the two ongoing assessments: vulnerability assessment in the 5 provinces and information needed to inform the design of a functional EWS. Closing the project in October 2016 would prevent the use of this information for implementing concrete actions to address impacts of coastal and riverine flooding in the 5 provinces, including planning activities but also flooding mitigation activities. A one-year extension would provide an opportunity to value this initial investment on assessment.

The MTR recommends one-year extension of the project until September 2017. In consideration of financial and operational closure and TE, we request for extension until 31st December 2017.

Implementing Entity Certification:

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating entities, and the designated national authority (NDA) has been notified.	
Name and Signature of Project / Programme Contact Person:	JACOB EKINYE 
Date:	Telephone: 72868 759 Email: jacobekinye@gmail.com
29 APRIL 2016	



ADAPTATION FUND

1818 H Street, NW
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Email: afbsec@adaptation-fund.org

Ref: 2016/126

18 October 2016

Mr. Jacob Ekinye
United Nations Development Programme (UNDP)
jacobekinye@gmail.com

Re: Request for Extension of Enhancing adaptive capacity of communities to climate change-related floods in the North coast and Island Region of Papua New Guinea.

Dear Mr. Ekinye,

I am writing with regard to the project extension request for the project "Enhancing Adaptive Capacity of Communities to Climate Change-related Floods in the North Coast and Islands Region of Papua New Guinea" in Papua New Guinea that your organization submitted to the Adaptation Fund Board on May 23, 2016.

Following a technical review conducted by the secretariat, the Adaptation Fund Board has intersessionally approved the request, as contained in the annex to decision AFB/B.27-28/30. Please find the decision attached to this letter.

Sincerely,



Marcia Levaggi
Manager
Adaptation Fund Board Secretariat

Annex

Approval of request for project extension: UNDP (Papua New Guinea)

Following the recommendation of the secretariat after its review of the request for project extension for the project "Enhancing Adaptive Capacity of Communities to Climate Change-related Floods in the North Coast and islands Region of Papua New Guinea" (Papua New Guinea) submitted by the United Nations Development Programme (UNDP), the Adaptation Fund Board decides to approve the extension of the project completion date from October 2016 to December 2017.

Decision B.27-28/30

Annex I: Request for extension*Request for extension of project/programme completion date*

AF Project/programme ID: AFB/NIE/Agri/2011/1			
Project/programme Title: "Building Resilience to Climate Change and Variability in Vulnerable Smallholders"			
Country: Uruguay			
Project/Programme Approval (date)	December 13-14, 2011		
Expected Project/programme Completion (date)	June 30, 2017	Proposed Revised Completion (date):	December 31, 2018

Reasons/justifications for the extension of project/programme completion:

The reasons for the date change are related to planning closure activities oriented to:

- Design and execution of projects including technical assistance and investments for new beneficiaries.
- Strengthening of management capacities in member Organizations of Local Networks.
- Greater inclusion of women and youth in Development and Adaptation to Climate Change projects.

Implementing Entity certification

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the designated authority (DA) has been notified.

Marcelo Battó Lindsay



Agencia Nacional de Investigación e Innovación. Área Operaciones.

Date: *October 25, 2016*

Tel. and Email: mbatto@anii.org.uy



ADAPTATION FUND

AFB/B.28-29/1
3 February 2017

Adaptation Fund Board

**REQUEST FOR REALLOCATION OF FUNDS WITHIN
THE PROJECT'S BUDGET: UCAR (ARGENTINA)**

Background

1. The Adaptation Fund Board (the Board) at its twentieth meeting, approved the project “Enhancing the Adaptive Capacity and Increasing Resilience of Small-scale Agriculture Producers of the Northeast of Argentina” proposed by the *Unidad de Cambio Rural* (UCAR) in Argentina (decision B.20/3). As mandated by the decision, an agreement was prepared and signed between the Board and UCAR. Paragraph 4.03 of the legal agreement signed between the Fund and UCAR states:

4.03. Any material change made in the original budget allocation for the Project by UCAR, in consultation with the Executing Entity, shall be communicated to the Board for its approval. “Material change” shall mean any change that involves ten per cent (10%) or more of the total budget.

2. Following the submission and clearance of the third Project Performance Report (PPR) for this project, UCAR submitted to the Board, on 26 December 2016, through the secretariat, a request for reallocation of funds following the extension of completion date granted by the Board for the project, until April 2018.

3. The secretariat conducted a review of the request, including the revised budget, the justification of the reallocation, and the letter from the Designated Authority of the Adaptation Fund for Argentina.

4. The request was complemented by the following documents:

- a) Letter of endorsement by the Designated Authority for Argentina dated 21 December 2016;
- b) A request letter to the Board to approve the revised project budget, dated 1 December 2016, submitted by UCAR through the secretariat;
- c) An explanatory note of the reallocation of funds.

Secretariat’s review of the revised project document

7. The revised budget has the same total amount as the one originally approved through decision B.20/3. The changes are only related to allocation of funds among outputs (budget). The proposed modification suggests a reallocation of funds from outputs 1.2, 1.3, 2.2, and 3.2 to outputs 1.1 and 2.1. In total, the cumulative changes among outputs within the budget amount to US\$ 899,672, or 17% of the total budget for the project, which is above the 10% referred to in para 4.03 of the legal agreement between the Board and UCAR for this project. Therefore, the changes requested are considered as material change.

8. In the following table, a summary of the changes is presented in the table below.

Components	Outputs	Current budget (USD)	Reallocation proposal (USD)	Modified Budget (USD)
1	1.1. Implementation of improvements in the efficient use, catchment, harvesting, and storage of water in the areas of intervention	1,538,171	661,932	2,200,103
	1.2. Implementation of a system for the management and transfer of risks targeting small- and mid-scale agricultural producers Development of two pilot tests in the region selected	1,260,142	-540,559	719,583
	1.3. Optimization practices of agricultural, farming, and forestry production management in each one of the areas of intervention	701,068	-48,343	652,724
2	2.1 Integration and expansion of the project area's agrohydrometeorological networks.	653,500	237,740	891,240
	2.2 Development of an integrated Early Warning and Decision-making system to assess and manage climate risks, including extreme events	750,870	-255,345	495,525
3	3.1 Development of training and communication modules on risk management and transfer for governmental technical experts and small-scale agricultural producers	271,500	Not amended	271,500
	3.2 Training and formation addressed to municipal and provincial governmental units for hydrometeorological management and monitoring, analysis of climate information, use of methodological tools and development of modules of adaptation	184,750	-55,425	129,325
	TOTAL	5,360,000	0	5,360,000

9. The proposed change in Output 1.1 from US\$ 1,538,171 to US\$ 2,200,103 is a result of field needs surveys showing increased demand for some solutions (e.g. works of retrofitting and construction of cisterns which responds to more pressing demands than those for dams for livestock) and under-execution of other activities such as the construction of community reservoirs for small and large livestock, due to decreased demand.

10. Under output 1.2, a reduction of US\$ 540,549 of the output budget is proposed, as the activity 1.2.3 related to developing an insurance pilot plan has been canceled, and a different, less costly risk transfer pilot plan is proposed, resulting in a decrease of US\$ 628,648 of that activity budget.

11. The details of the other modification within outputs is provided in the Annex to this document.

12. Overall, the secretariat's review finds that in light of the information provided, the conclusion can be supported that the requested budget reallocation is justified, and the budget revision can be supported.

Recommendation

11. The secretariat finds that UCAR has provided adequate reasoning for the reallocation of resources made in the project budget.

12. Therefore, the Board may consider and decide to approve the request for reallocation of funds for the project "Enhancing the Adaptive Capacity and Increasing Resilience of Small-scale Agriculture Producers of the Northeast of Argentina", as requested by the *Unidad de Cambio Rural* (UCAR).

Annexes:

1. The request to the Board to approve the revised project budget, dated 1 December 2016, submitted by UCAR through the secretariat.
2. Letter of endorsement by the Designated Authority for Argentina.
3. Explanatory note of the reallocation of funds.

ANNEXES



Ministerio de Agroindustria
Presidencia de la Nación



Buenos Aires, December 1st 2016

Ref.: *Project "Enhancing the Adaptive Capacity and Increasing Resilience of Small-Scale Agriculture Producers of the Northeast of Argentina"*

Dear Mr. Ndiaye,

I am writing to you to request the reallocation of funds in the loan matrix based on the proposal attached hereto.

In order to have a realistic matrix in the light of the progress and the possibilities of execution in the remaining period of project execution - until April 2018 based on the extension granted - a series of changes is being proposed.

In this line, reallocation of funds is proposed as detailed and explained in Annex I and as summarized herein below:

- To increase the sum allocated to the implementation of improvements in efficient use, catchment, harvesting and storage of water in the areas of intervention (Output 1.1) and the integration and extension of the region's agro-hydro-meteorological networks (Output 2.1.).
- To reduce the sum allocated to the implementation of a risk management and transfer system targeted at small and mid scale agricultural producers (Output 1.2), as well as to optimization practices in agricultural, livestock and forestry production management (Output 1.3), to Development of an Early Warning and Decision-making System for the evaluation and management of climatic risks (Output 2.2), and for Outputs 3.1 and 3.2 of capacity strengthening.

Do not hesitate to contact me for further information.

Sincerely,



Lic. Mario Nanclares
UCAR
Entidad Nacional de
Implementación de Proyectos
Fondo de Adaptación



*Ministerio de Ambiente
y Desarrollo Sustentable*

Buenos Aires, December 21st 2016

Mr. Naresh Sharma
Adaptation Fund Board Chair

Subject: Budget reallocation

Dear Mr. Sharma,

I am addressing this letter to you in my capacity of Argentina's Designated Authority before the Adaptation Fund. Having revised the proposed changes in budget allocation for the Project "Enhancing the Adaptive Capacity and Increasing Resilience of Small-scale Agriculture Producers of the Northeast of Argentina", it is my recommendation that these changes are approved by the Adaptation Fund Board and communicated to UCAR in its capacity of National Implementing Entity of the Project.

In the hope of receiving a favorable consideration to this recommendation, please accept my assurances of my highest consideration.

Yours sincerely,

Lucas Di Pietro Paolo
Adaptation to Climate Change Director
Ministry of Environment and Sustainable Development - Argentina

South African National Biodiversity Institute (SANBI)
Kirstenbosch National Botanical Gardens
P/Bag X7, Claremont
Cape Town
7735
South Africa

28 March 2017

The Adaptation Fund Board
C/O Adaptation Fund Board Secretariat
1818 H Street NW
Washington DC
20433
USA
Email: afbsec@adaptation-fund.org

RE: Request to amend the Disbursement Schedule of the uMngeni Resilience Project

The South African National Biodiversity Institute (SANBI) hereby requests an amendment to the Disbursement Schedule of the uMngeni Resilience Project. SANBI is requesting this amendment as the approved project Disbursement Schedule will result in budget shortfalls and implementation delays.

As per the original Disbursement Schedule (see Table 1), an amount of USD 190,986 was transferred to SANBI upon signature of the project contract. At the end of Year 1, project expenses amounted to USD 341,310, as detailed in the Project Performance Report (PPR). If the original Disbursement Request were to be followed, an amount of USD 763,492 would now be transferred to SANBI (End of Year 1). This would leave USD 613,618 for the implementation of activities during Year 2. However, the forecast for Year 2 expenses, as approved in the PPR, is USD 1,125,128 (see Table 2). To avoid a shortfall in the availability of project funds in Year 2 (and subsequent years), and prevent potential delays in the implementation of the planned activities, an amendment to the Disbursement Schedule is now requested (see Table 3).

As part of this proposed amendment, please note that we have modified the payment at the end of the project to zero. This is because SANBI and its project partners are not able to advance funds to cover the costs of project implementation.

The revised Disbursement Schedule has been calculated as follows:

- End of Year 1: (Actual Year 1 expenses) – (1st AF disbursement) + (Year 2 forecast) + (50% of Year 3 forecast)
- End of Year 2: (Remaining 50% of Year 3 forecast) + (50% of Year 4 forecast)
- End of Year 3: (Remaining 50% of Year 4 forecast) + (50% of Year 5 forecast)
- End of Year 4: Remaining 50% of Year 5 forecast
- End of Year 5: Zero

Table 1: Original Disbursement Schedule (as in approved Project Document):

	Upon Agreement Signature	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total (USD)
Schedule Date (Tentative)	15-Feb	16-Jun	17-Jun	18-Jun	19-Jun	20-Jun	
Project Funds	130,243	520,969	520,969	1,041,940	2,083,878	1,953,637	6,251,636
EE Fee	31,385	125,539	119,929	145,895	116,800	116,701	656,249
NIE Fee	29,358	117,434	117,434	117,434	117,434	88,076	587,170
Total	190,986	763,942	758,332	1,305,269	2,318,112	2,158,414	7,495,055
	3%	10%	10%	17%	31%	29%	

Table 2: Project five year budget, showing Year 1 actual expenditure, and updated forecasts for Years 2–5:

	Year 1 expenditure	Year 2 forecast	Year 3 forecast	Year 4 forecast	Year 5 forecast	Sub-Total
Component 1	23,165	200,929	262,292	253,128	206,224	945,738
Component 2	0	237,052	1,076,072	1,145,775	738,407	3,197,306
Component 3	149,521	335,302	423,112	309,346	193,195	1,410,476
Component 4	18,072	93,184	210,247	240,158	136,455	698,116
Sub-Total	190,758	866,467	1,971,723	1,948,408	1,274,281	6,251,636
EE fee	75,812	156,999	135,323	119,963	168,152	656,249
NIE fee	74,740	101,661	136,623	136,623	137,523	587,170
Total	341,310	1,125,128	2,243,668	2,204,993	1,579,955	7,495,055
	5%	15%	30%	29%	21%	

Table 3: Proposed Revised Disbursement Schedule

	Upon Agreement Signature	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total (USD)
Schedule Date	15-Feb	17-Apr	18-Feb	19-Feb	20-Feb	21-Feb	
Project Funds	130,243	1,912,844	1,960,065	1,611,344	637,140	0	6,251,636
EE Fee	31,385	269,088	127,643	144,057	84,076	0	656,249
NIE Fee	29,358	215,355	136,623	137,073	68,761	0	587,170
Total	190,986	2,397,287	2,224,331	1,892,474	789,977	0	7,495,055
	3%	32%	30%	25%	11%	0%	

SANBI thus requests that the next disbursement (End of Year 1) totals **USD 2,397,287**.

I trust that the above request for an amendment to the Disbursement Schedule meets with your approval. Should you require any clarifications or further details on the annual forecasts, please do not hesitate to contact me.

Sincerely,



Mandy Barnett
Lead: Climate Funds
SANBI

Request for extension

Request for extension of project/programme completion date

AF Project/programme ID: LKA/MIE/Rural/2011/1			
Project/programme Title: Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka			
Country: Sri Lanka			
Project/Programme Approval (date)	12/14/2012 (Project Start date: August, 2014)		
Expected Project/programme Completion (date)	August, 2017	Proposed Revised Completion (date):	February, 2019

The “Addressing Climate Change Impacts on Marginalized Agricultural Communities Living in the Mahaweli River Basin of Sri Lanka” project targets rain dependent farming families in two hazard-prone areas in the Mahaweli Basin. The project is designed to address specific vulnerabilities faced by farmers whose livelihoods are mainly rain-fed agriculture. It involves strategies to overcome dry season food and income insecurity; introduction of diversified income sources to broad-based risks, improved water storage and irrigation to overcome uncertainty of rainfall, improved soil quality and fertility for increased production, and timely, quality agriculture advice and extension.

The overall objective of the project is to secure community livelihoods and food security against climate change-induced rainfall variability leading to longer droughts and more intense rainfall. This project directly addresses these climate-induced impacts through two project components:



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- i. Developing household food security and build resilient livelihoods for rain-fed farming households.
- ii. Building institutional capacity in village, local, regional service delivery to reduce risks associated with climate-induced rainfall variability

Reasons/justifications for the extension of project completion:

The project was approved by the Adaptation Fund Board on 14th December, 2012 during a period when Sri Lanka was undergoing significant political changes following the end of the 30 year conflict. The country faced two major elections, namely presidential and parliamentary elections and thus subsequently underwent significant changes. This had a major impact on the Executing Entity which experienced several structural changes; the Designated Authority of the project was changed three times with the last change was made in January 2016.

With regards to project activity execution, as explained in the financial data tab, due to the constantly changing government administration, all government recruitments (including project staff) were put on hold and only completed in August 2015. In absence of project staff, procurement as well as implementation of planned activities was severely affected.

Apart from the above-mentioned start-up delays, several additional challenges were faced during implementation, delaying/ imposing the postponement of some key activities. Key among these were:

- **Political instability and recurrent changes in key government officials:** As the government had undergone two major elections, it remained quite challenging to mobilise human resources to implement the project activities. This included the appointment of three NDAs. As a result, capacities of the Executing Entity were weakened due to change of staff, leadership and regulations at all levels. As the new leadership is still familiarizing with the project, capacity deficit has been identified as a key factor and actions to mitigate this are still being discussed with the government.
- **Stalled staff recruitment:** A recruitment freeze due to the election and turn over/transfer of officials at various level also caused delays. However since August, 2015, a functional Project Support Unit (PSU) was established and is expected to implement the project according to the action plan. It should be noted that there was a change in the Project Director, and the new Project Director was appointed in January 2016.
- **Lack of institutional frameworks:** The restructuring of the government ministries and political reshuffle, as a result of the two major elections, entailed prolonged delays in the project activity



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implementation. However, the delays would have been mitigated if institutional frameworks were in place to compel concerned ministries to execute project activities as planned.

- **Unforeseen delays in procurement:** The complex cross cross-ministerial and cross-institution mechanism for project activity planning and cost estimates etc. significantly delaying procurement of services and non-food items necessary for project implementation

Despite the above stated setbacks, encouragingly the project has achieved increased progress compared to the previous reporting year, but it is still insufficient with the overall project execution still far its project target. Progress has been made on identifying and finding solutions for bottlenecks experienced -- low implementation capacity at both central and project site levels, as well as the complex cross-ministerial and cross-institution mechanisms for project activity planning, cost estimates, approval and implementation – and are being worked on in a concerted manner, with positive commitment being expressed by the External Entity . Notwithstanding is almost impossible that within the current remaining time of the project life (August 2017), the project will be properly completed. Hence, an extension in time of 18 months is being requested.

If granted a no-cost project extension of 18 months, the project will be able to:

- Compensate for the delayed start-up of the project caused by the recurrent political changes witnessed since 2013.
- Compensate for the different delays encountered due to the challenges faced in the implementation so far.
- Advance on the fulfillment of the project targets with social and physical structures in place for enhanced sustainability, to the extent possible.

With an 18 month extension, the new project end date would be February 2019. However, considering the current level of progress, it is advisable that an overall reevaluation of the implementation schedule be conducted to garner a realistic timeline of project completion, noting that it may go beyond the initial extension period.

It is suggested that a mid-term evaluation of the project be carried out if this request for extension will be granted. The evaluation would help further identify gaps and bottlenecks in the implementation of the project so as to make recommendations for improvements.

The completion of this project and its objectives is of significant relevance, also considering a serious drought that is unfolding in many parts of the country and causing rising concern at all levels. The project strongly underpins the commitment made by the government in its recent National Adaptation Plan (NAP) as well as its Nationally Determined Contributions (NDC).

The resources for the extension are 100% guaranteed under the current Adaptation Fund grant.



Implementing Entity certification

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the Designated Authority (DA) has been notified.

A handwritten signature in cursive script that reads 'Brenda Barton'.

Brenda Barton
WFP Sri Lanka Country Director

Project/programme contact person: Nguyenduc Hoang (Deputy Country Director)

Date: *December 14, 2016*

Tel. +94 77444 0564

Email: NguyenDuc.Hoang@wfp.org



Request for extension

Request for extension of project/programme completion date

AF Project/programme ID: EGY/MIE/Food/2011/1			
Project/programme Title: Building Resilient Food Security Systems To Benefit The Southern Egypt Region			
Country: EGYPT			
Project/Programme Approval (date)	28 June, 2012 (Inception 31 March, 2013)		
Expected Project/programme Completion (date)	March, 2017	Proposed Revised Completion (date):	October, 2018

The ‘Building Resilient Food Security Systems to Benefit the Southern Egypt Region’ project has pioneered climate change adaptation activities in Southern Egypt and has been strongly supported by the national as well as regional governments since it started implementation. The project is closely aligned with the Egyptian National Adaptation Strategy and the Agricultural Climate Adaptation Strategy issued in 2010, as well as the 2030 National Water Resources Strategy. Through its lessons learned, best practices and knowledge so far, the project is nationally recognised as a main contribution to the implementation of the mentioned national Strategies. Its effectiveness on the ground has been promoted across the country through national media and it continues to benefit target communities through its activities.

The project’s dissemination of new heat varieties of main crops of the area, namely wheat and sorghum is recognised as a major success that is adopted by the Government for replication. Improved agricultural practices including change of sowing dates, scientifically-guided intercropping and improved irrigation techniques are also successfully introduced, profoundly enhancing farmers’ productivity as well as land and water usage efficiency. Equally important, the project’s ability to reduce farmers’ losses in extreme weather events through early warning and technical recommendations is nationally recognized. Upon its request, the project is currently working with the Government on upscaling the use of this early warning facility nationally.

The project’s provision of loans for animals raising provides a good window for diversification and augmentation of income generating activities, identified by the strategy as an effective climate



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adaptation activity in vulnerable rural communities. The project's focus on community empowerment and working through community organizations offers a viable response to the emphasis on the role of civil society, a recognized national priority.

Reasons/justifications for the extension of project completion:

The project was approved by the Adaptation Fund Board in 28/6/2012 during a period when Egypt was undergoing significant political changes. Although the Inception Workshop was held on 31 March 2013, recurrent political changes resulted in delaying the start of project activities in the field till September 2013. As a result of this, the project schedule was affected and activities scheduled in the project document were implemented with the new timeline.

Apart from the above-mentioned start-up delays, several challenges were faced during implementation, delaying/ imposing postponement of some key activities. Key among these were:

- **Weakened partner capacity:** Capacities of some of the potential partner NGOs identified in the project formulation phase weakened due to various reasons during the delay of almost one year between the local NGOs evaluation and the start of their activities in the field. This needed the identification and assessment of three new NGOs in the same villages to replace others with whom partnering is no longer viable.
- **New regulatory requirements in 2014:** The government introduced new national regulations in microfinance (Decree 172/2014 and Law 141/2014). Complying with new government standards needed an upgradation of partner NGO capacities which had been weakened during 2012-2013 due to changing enabling environment as mentioned above. To overcome this, the project enhanced partner NGOs' capacity to meet the new regulations. Technical support in completion of necessary paperwork, issuance of security permits and administrative approvals was been offered. As a result of this, implementation of activities by NGO's was further delayed.
- **Lack of institutional frameworks:** The unavailability of a legal framework to govern the establishment and management of water users associations delayed activities of improving irrigation efficiency. To mitigate this, the project had to explore alternative means for establishing such bodies. Hosting these user associations in local partner NGOs was identified as the way forward which needed the project to work on strengthening NGO capacities in this domain.
- **Unforeseen delays in procurement:** Some key procurements took longer than expected due to several reasons including very limited number of suppliers of specialised services/ commodities. This included procurement of animals for the small loan programme and related capacity building activities.



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- **Lack of a sustainable mechanism for equipment maintenance:** Lack of mechanisms for maintenance of the solar irrigation pumps meant that alternative means to provide this service were needed. These included having the private sector provide such a service at a cost or connecting to the National grid to have the National Renewable Energy Authority (NREA) maintain the units as well as provide technical support to the beneficiaries as needed free of charge. For longer-term sustainability, the project decided to sign an MOU with NREA, under the On-grid law that was issued in March 2016. Although this approach resulted delaying the introduction of the solar units to the following project year, it is expected to be more beneficial on the longer term.
- **Change of animal loan cycle:** Upon the recommendation of the goats' experts (which was later supported by the mid-term evaluation), the project extended the 6-months loan cycle to 13 months. Although this inflicted a delay in the project's ability to meet the targets of the output on time, it enhanced the potential of success and sustainability of this revolving loans mechanism.
- **Bridging capacity gaps:** The project opted for approaches that empowered partners, engaged stakeholders or sought more profound impact. Although such approaches took longer to implement than others, on the longer term such activities are more sustainable and are more effective in implementation of concrete adaptation interventions. For example, the project's capacity building of local partners and then entrusting them with hosting and operating assets such as climate information centers took longer but is more sustainable than directly offering climate information to farmers through the project, as it would cease after its life time.

Recommendations during mid-term evaluation

The project Mid-term Evaluation was conducted in the period August-October 2015. Among its conclusions, the Evaluation noted that the project was specifically distinguished in applying a participatory approach at all levels, beginning with the grassroots level, to the central level in Cairo, as well as and in all phases, beginning with project design and planning phase to implementation of activities based on community ownership and responsibility.

According to the evaluation, 'there is no doubt that this level of community organization and what it requires in awareness activities, training and capacity building, and their results in building confidence, capacity, enablement and ownership are considered among the most important results, and not simply that, but also social assets that are the foundations of sustainability.'

The evaluation accordingly highly recommended to extend the project duration on a no-cost basis for at least one year above the originally planned duration. This is not only to compensate for the late start of the project, but also due to the identified strong correlation between the very time-consuming community mobilization and organization on one side and the effectiveness and sustainability of the project activities on the other side.



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With a no-cost project extension of 18 months the project will be able to:

- Compensate for the delayed start-up of the project caused by the recurrent political changes witnessed in 2013.
- Compensate for the different delays encountered due to the challenges faced in the implementation so far.
- Ensure complete fulfillment of the project targets with social and physical structures in place for enhanced sustainability

With the 18 months extension, the new project end date would be 31 October, 2018. The resources of the extension are 100% guaranteed under the Adaptation Fund grant.

Implementing Entity certification

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating executing entities, and the Designated Authority (DA) has been notified.	
 Menghestab Haile WFP Egypt Country Director a.i.	
Project/programme contact person: Dr. Ithar Khalil, Programme Officer	
Date: June 22, 2016	Tel. and Email: +2 00 0100 6063056/ ithar.khalil@wfp.org .



MINISTRY OF FOREIGN AFFAIRS AND IMMIGRATION

GOVERNMENT OF THE COOK ISLANDS

Ref No: 305.3

Letter No: 380

16 November 2016

Ms Lizbeth Cullity
Resident Representative
United Nations Development Programme (UNDP)
Apia
Samoa

Kia Orana Lizbeth,

Request for Extension of Strengthening the Resilience of our Islands and our Communities to Climate Change (SRIC-CC) Programme

As you are aware our SRICC-CC program is expected to end 1 May 2017. Due to some delays in implementation, we anticipate that we will not be able to complete the SRICC-CC program on the expected date. We therefore request for the extension of the programme for the completion date to the 1st May 2018.

The details relating to this request are outlined below:

AF Programme ID:	
Programme Title: Strengthening the Resilience of our Islands and our Communities to Climate Change (SRIC-CC) Programme	
Country: Cook Islands	
AF Programme Approval (date): 16 February 2012	
Expected AF Programme End Date: 1 May 2017	Proposed AF Programme Completion Date: 1 May 2018

Request for Extension of programme completion date: 1st May 2018

In accordance with the findings and recommendations of the Midterm Review (MTR), the **“Strengthening the Resilience of our Islands and our Communities to Climate Change (SRIC-CC) Programme”** requests for extension of the programme until 1st May 2018.

The MTR recommends the programme to be extended for an additional 12 months period in order to have sufficient time to meet all targets and to achieve, monitor and assess development impact in terms of building climate change adaptation capacities' of island communities of the Cook Islands.

As of the end of October 2016, total expenditure is USD\$3,461,406.14 or 69.8% of the total AF grant. Remaining budget is USD\$1,498,593.86 (NZD\$2,098,031.40) or 30.2% of the AF grant.

Compared to last reporting period, delivery speed has accelerated substantially with the programme expenditure doubling from US\$ 890,244.65 in October 2015 to US\$ 1,462,292.77 in October 2016.

While the programme will continue to keep the momentum and accelerate implementation, a 12 month extension is still necessary in order to complete all remaining activities in the pipeline to achieve all targets as well as effectively monitor, assess and evaluate impacts.

For example, in Q4 2016, the Climate Early Warning Systems (CLEWS) activities are planned to initiate in the field, where Automated Weather Stations will be installed and relevant stakeholders will be trained in all Pa Enea (Outer Islands). Furthermore, various water resilience infrastructure activities are planned, such as increasing water storage capacity of community tanks on 3 islands (Pukapuka, Manihiki and Rakahanga) through community concrete water tanks and building structure repairs. This will be followed by policy development for maintenance, monitoring and training. The SRIC-CC will also be implementing coastal protection projects through the propagating and planting of native coastal trees with relevant awareness activities for our indigenous plants. All of these community-based investments will require substantial time for installation / construction, training, awareness raising, and implementation as well as to monitor implementation progress over time to assess effectiveness of the interventions.

In light of the above, and also in consideration of the financial and operational closure and the Terminal Evaluation process, we therefore seek for 12 months extension of the SRIC-CC programme.

Implementing Entity Certification:

This request has been prepared in accordance with Adaptation Fund policies and procedures, has been agreed by participating entities, and the designated national authority (NDA) has been notified.

We look forward to your favourable response to this request and remain available to provide further clarification should you so require.

Yours sincerely



Ms Tapaeru Herrmann

SECRETARY

Cc: Elizabeth Wright Koteka
Chief of Staff