



ADAPTATION FUND

AFB/PPRC.35/29
17 March 2025

Adaptation Fund Board
Project and Programme Review Committee
Thirty fifth Meeting
Bonn, Germany, 8-9 April 2025

Agenda Item 6e)

PROPOSAL FOR COSTA RICA, PANAMA

Background

1. The strategic priorities, policies and guidelines of the Adaptation Fund (the Fund), as well as its operational policies and guidelines include provisions for funding projects and programmes at the regional, i.e. transnational level. However, the Fund has thus far not funded such projects and programmes.

2. The Adaptation Fund Board (the Board), as well as its Project and Programme Review Committee (PPRC) and Ethics and Finance Committee (EFC) considered issues related to regional projects and programmes on a number of occasions between the Board's fourteenth and twenty-first meetings but the Board did not make decisions for the purpose of inviting proposals for such projects. Indeed, in its fourteenth meeting, the Board decided to:

- (c) Request the secretariat to send a letter to any accredited regional implementing entities informing them that they could present a country project/programme but not a regional project/programme until a decision had been taken by the Board, and that they would be provided with further information pursuant to that decision*

(Decision B.14/25 (c))

3. At its eighth meeting in March 2012, the PPRC came up with recommendations on certain definitions related to regional projects and programmes. However, as the subsequent seventeenth Board meeting took a different strategic approach to the overall question of regional projects and programmes, these PPRC recommendations were not included in a Board decision.

4. At its twenty-fourth meeting, the Board heard a presentation from the coordinator of the working group set up by decision B.17/20 and tasked with following up on the issue of regional projects and programmes. She circulated a recommendation prepared by the working group, for the consideration by the Board, and the Board decided:

- (a) To initiate steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million;*
- (b) That the pilot programme on regional projects and programmes will be outside of the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) and the country cap;*
- (c) That regional implementing entities (RIEs) and MIEs that partner with national implementing entities (NIEs) or other national institutions would be eligible for this pilot programme, and*

- (d) *To request the secretariat to prepare for the consideration of the Board, before the twenty-fifth meeting of the Board or intersessionally, under the guidance of the working group set up under decision B.17/20, a proposal for such a pilot programme based on consultations with contributors, MIEs, RIEs, the Adaptation Committee, the Climate Technology Centre and Network (CTCN), the Least Developed Countries Expert Group (LEG), and other relevant bodies, as appropriate, and in that proposal make a recommendation on possible options on approaches, procedures and priority areas for the implementation of the pilot programme.*

(Decision B.24/30)

5. The proposal requested under (d) of the decision above was prepared by the secretariat and submitted to the Board in its twenty-fifth meeting, and the Board decided to:

- (a) *Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*
- (b) *Set a cap of US\$ 30 million for the programme;*
- (c) *Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and*
- (d) *Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.*

(Decision B.25/28)

6. Based on the Board Decision B.25/28, the first call for regional project and programme proposals was issued and an invitation letter to eligible Parties to submit project and programme proposals to the Fund was sent out on 5 May 2015.

7. At its twenty-sixth meeting the Board decided *to request the secretariat to inform the Multilateral Implementing Entities and Regional Implementing Entities that the call for proposals under the Pilot Programme for Regional Projects and Programmes is still open and to encourage them to submit proposals to the Board at its 27th meeting, bearing in mind the cap established by Decision B.25/26.*

(Decision B.26/3)

8. At its twenty-seventh meeting the Board decided to:
- (a) *Continue consideration of regional project and programme proposals under the pilot programme, while reminding the implementing entities that the amount set aside for the pilot programme is US\$ 30 million;*
 - (b) *Request the secretariat to prepare for consideration by the Project and Programme Review Committee at its nineteenth meeting, a proposal for prioritization among regional project/programme proposals, including for awarding project formulation grants, and for establishment of a pipeline; and*
 - (c) *Consider the matter of the pilot programme for regional projects and programmes at its twenty-eighth meeting.*

(Decision B.27/5)

9. The proposal requested in (b) above was presented to the nineteenth meeting of the PPRC as document AFB/PPRC.19/5. The Board subsequently decided:

- a) *With regard to the pilot programme approved by decision B.25/28:*
 - (i) *To prioritize the four projects and 10 project formulation grants as follows:*
 - 1. *If the proposals recommended to be funded in a given meeting of the PPRC do not exceed the available slots under the pilot programme, all those proposals would be submitted to the Board for funding;*
 - 2. *If the proposals recommended to be funded in a given meeting of the PPRC do exceed the available slots under the pilot programme, the proposals to be funded under the pilot programme would be prioritized so that the total number of projects and project formulation grants (PFGs) under the programme maximizes the total diversity of projects/PFGs. This would be done using a three-tier prioritization system: so that the proposals in relatively less funded sectors would be prioritized as the first level of prioritization. If there are more than one proposal in the same sector: the proposals in relatively less funded regions are prioritized as the second level of prioritization. If there are more than one proposal in the same region, the proposals submitted by relatively less represented implementing entity would be prioritized as the third level of prioritization;*
 - (ii) *To request the secretariat to report on the progress and experiences of the pilot programme to the PPRC at its twenty-third meeting; and*
- b) *With regard to financing regional proposals beyond the pilot programme referred to above:*

(i) *To continue considering regional proposals for funding, within the two categories originally described in document AFB/B.25/6/Rev.2: ones requesting up to US\$ 14 million, and others requesting up to US\$ 5 million, subject to review of the regional programme;*

(ii) *To establish two pipelines for technically cleared regional proposals: one for proposals up to US\$ 14 million and the other for proposals up to US\$ 5 million, and place any technically cleared regional proposals, in those pipelines, in the order described in decision B.17/19 (their date of recommendation by the PPRC, their submission date, their lower “net” cost); and*

(iii) *To fund projects from the two pipelines, using funds available for the respective types of implementing entities, so that the maximum number of or maximum total funding for projects and project formulation grants to be approved each fiscal year will be outlined at the time of approving the annual work plan of the Board.*

(Decision B.28/1)

10. At its thirty-first meeting, having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

(a) *To merge the two pipelines for technically cleared regional proposals established in decision B.28/1(b)(ii), so that starting in fiscal year 2019 the provisional amount of funding for regional proposals would be allocated without distinction between the two categories originally described in document AFB/B.25/6/Rev.2, and that the funding of regional proposals would be established on a ‘first come, first served’ basis; and*

(b) *To include in its work programme for fiscal year 2019 provision of an amount of US\$ 60 million for the funding of regional project and programme proposals, as follows:*

(i) *Up to US\$ 59 million to be used for funding regional project and programme proposals in the two categories of regional projects and programmes: ones requesting up to US \$14 million, and others requesting up to US\$ 5 million; and*

(ii) *Up to US\$ 1 million for funding project formulation grant requests for preparing regional project and programme concepts or fully-developed project and programme documents.*

(Decision B.31/3)

11. The following project pre-concept document titled “Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improving

Hydroclimatic and Early Warning systems and integrating with Water Resources Management” was submitted for Costa Rica, Panama by the World Meteorological Organization (WMO), which is a Multilateral Implementing Entity of the Adaptation Fund.

12. This is the fourth submission of the pre-concept note, using the three-step submission process.

13. It was first submitted as a project pre-concept ahead of the forty-third meeting.

9. The current submission was received by the secretariat in time to be considered in the forty-fourth Board meeting. The secretariat carried out a technical review of the project proposal, with the diary number AF00000398, and completed a review sheet.

10. In accordance with a request to the secretariat made by the Board in its 10th meeting, the secretariat shared this review sheet with WMO and offered it the opportunity of providing responses before the review sheet was sent to the PPRC.

11. The secretariat is submitting to the PPRC the summary and, pursuant to decision B.17/15, the final technical review of the project, both prepared by the secretariat, along with the final submission of the proposal in the following section. In accordance with decision B.25.15, the proposal is submitted with changes between the initial submission and the revised version highlighted.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY:

Countries/Region: Costa Rica, Panama/ Central America

Project Title: Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improving Hydroclimatic and Early Warning systems and integrating with Water Resources Management

Thematic focal area: Disaster risk reduction and early warning systems

Implementing Entity: World Meteorological Organization (WMO)

Executing Entities: Global Water Partnership Central America (GWP CAM), Regional Committee for Water Resources (CRRH), World Meteorological Organization (WMO)

AF Project ID: AF00000398

IE Project ID:

Requested Financing from Adaptation Fund (US Dollars): 13,932,655

Reviewer and contact person: Ahmad Ghosn

Co-reviewer(s): Neranda Maurice-George

IE Contact Person(s):

Technical Summary

The project “Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improving Hydroclimatic and Early Warning systems and integrating with Water Resources Management” aims to enhance climate change adaptative capacity and resilience to droughts and floods in Central America through the improvement of related hydro-climatic and early warning systems pillars and integration of generated knowledge in national and regional water resources planning and management. This will be done through the three components below:

Component 1: Hydrometeorological observing and data management infrastructure improved for risk awareness and Early Warning_(USD 4,350,000)

Component 2: Institutional set-up and processes for risk knowledge and Early Warning (USD 3,411,000)

Component 3: Flood and drought management and risk mitigation enhancement (USD 2,330,000)

Component 4: Enabling environment for flood and drought resilience building (USD 1,480,000).

Requested financing overview:

Project/Programme Execution Cost: USD 1,095,050

Total Project/Programme Cost: USD 12,666,050

Implementing Fee: USD 1,266,605

Financing Requested: USD 13,932,655

The proposal includes a request for a project formulation grant (PFG) of USD 30,000.

	<p>The initial technical review dated 23 July 2024 raised few issues, such as inclusion of outputs cost/ budget, possible rephrasing of the project title and objective/s, possible restructuring of some components based on planned further consultation with stakeholders/ beneficiaries, clarification the executing agencies' roles, among others as indicated in Clarification Requests (CRs) and Corrective Action Requests (CARs).</p> <p>The second technical review dated 21 October 2024 found that a few CARs remain and should be addressed including the length of the document, utilizing the updated PFG template and amendments to the Project/Programme Components and Financing table.</p> <p>The third technical review dated 02 December 2024 found that most remaining CARs and CRs indicated in the second technical review have been satisfactorily addressed. A couple of changes due to removal of annex and alignment of PFG and Pre-Concept are still needed.</p> <p>The fourth (final) technical review dated 10 December 2024 finds that the comments indicated in the third review are satisfactorily addressed.</p>
Date	20 December 2024

Review Criteria	Questions	Initial Technical Review Comments 23 July 2024	Second Technical Review Comments 21 October 2024	Third Technical Review Comments 02 December 2024	Fourt Technical Review Comments 10 December 2024
Country Eligibility	1. Are all the participating countries party to the Kyoto Protocol, or the Paris Agreement?	Yes.	-	-	-
	2. Are all the participating countries developing countries particularly vulnerable to the adverse effects of climate change?	Yes. Panama and Costa Rica are subject to increased frequency/ severity of droughts, extreme/ erratic rainfall patterns, floods, decrease in water supply, among others.	-	-	-

Project Eligibility	1. Have the designated government authorities for the Adaptation Fund from each of the participating countries endorsed the project/programme?	Yes. As per the Costa Rica's DA Endorsement letter dated 07 June 2024, and Panama's DA Endorsement letter dated 21 May 2024.	-	-	-
	2. Has the pre-concept provided necessary information on the problem the proposed project/programme is aiming to solve, including both the regional and the country perspective?	<p>Yes. However, it would be recommended to revise the project title to reflect adaptation focus and geographic scope.</p> <p>CR1: Consider revising the project title to concisely reflect the adaptation objective and geographic scope. An alternative option could be: "Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improvement Hydroclimatic and Early Warning systems and integration with Water Resources Management". Please feel free to revise the</p>	<p>CR1: Cleared. Title is changed to: "Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improving Hydroclimatic and Early Warning systems and integrating with Water Resources Management" in the revised proposal.</p> <p>CR2: Cleared. As per amendment on page 1.</p> <p>CAR4 (NEW):</p>	<p>CAR4 (NEW): Cleared All Annexes are removed, Essential information is included in the 5 main pages of the pre-concept.</p>	-

		<p>proposed title to your satisfaction or suggest one that fits the purpose.</p> <p>CR2: On page 1 of the Pdf version of the document, please move the subheading “Stage of Submission” to a new line.</p>	<p>Please note that the annex should be removed for this stage of the submission. Any essential information should be included in the 5 pages of the pre-concept template.</p>		
	<p>3. Have the project/programme objectives, components and financing been clearly explained?</p>	<p>Not Fully. Further information on outputs budgets and components totals is needed, among other clarifications noted below.</p> <p>CR3: Consider revising the objective to reflect focus of project interventions. A proposed overall objective is: “To enhance climate change adaptative capacity and resilience to droughts and floods through the improvement of related hydro-climatic and early warning systems and integration of generated knowledge in national and regional water</p>	<p>CR3: Cleared. Objective is revised to: To enhance climate change adaptative capacity and resilience to droughts and floods in Central America through the improvement of related hydro-climatic and early warning systems pillars and integration of generated knowledge in national and regional water resources planning and management. (See p.2).</p> <p>CR4: Cleared. See “Project/Programme Components and</p>	<p>CAR1: Cleared. Amount is corrected and column before it is expanded (See page 3 of the pdf version).</p> <p>CR7 (NEW): Please delete reference to annex 2 under “Project/ Programme Components and Financing”, p. 3, as all annexes are removed.</p>	<p>CR7 (NEW): Cleared.</p> <p>See first statement of “Project/ Programme Components and Financing”, page. 3.</p>

		<p>resources management and planning. Please feel free to revise the proposed objective statement to your satisfaction or suggest one that fits the purpose.</p> <p>CR4: Consider revising Component 2 title to read: “Flood and drought management and risk mitigation enhancement”.</p> <p>CAR1: Please add budget amounts at output level (i.e., for each output). Also, include total budget for each component.</p> <p>CR5: On page 3 it is indicated that the components, outcomes and outputs are to be further refined at concept note stage. In this respect, it would be recommended to <u>restructure Component 1 into more than one component (e.g.:</u></p>	<p>Financing” table, pp.2-3.</p> <p>CAR1: Not cleared. 1. Please correct budget amount aligned to 2.1.1. It should read 3,411,000. Also please expand the first column under amount.</p> <p>CR5: Cleared. See “Project/Programme Components and Financing”, pp.2-3. Also, see WMO responses to the initial review comments.</p>		
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		<p><u>Infrastructure development/ improvement could possibly be a standalone component), among other refinements to be made based on the consultations with concerned stakeholders and beneficiaries during the concept stage.</u></p>			
	<p>4. Has the project/programme been justified in terms of how:</p> <ul style="list-style-type: none"> - it supports concrete adaptation actions? - it builds added value through the regional approach? - it promotes new and innovative solutions to climate change adaptation? - it is cost-effective? - it is consistent with applicable strategies and plans? - it incorporates learning and knowledge management? - it will be developed through a consultative 	<p>To a large extent. See Part II (pp. 4-6) for related details. <u>However</u>, the sustainability aspects of Operation and Maintenance (O&M) of the hydro-meteorological data and EW systems, etc., planned to be established/ improved warrant further clarification.</p> <p>CAR2: Please briefly discuss the sustainability of the O&M aspects of the to be established/ improved hydro-meteorological data and EW systems, etc.</p>	<p>CAR2: Not cleared. The clarifications provided are sufficient for this stage (as per Part II subsection “Sustainability and Scalability”, pp. 5-6, as well as WMO responses to the initial review comments.)</p> <p>The clarification of the overlap between the IFAD proposal and this current proposal is noted. Please add a brief section to the current pre-concept to address this based on the</p>	<p>CAR 2: Cleared. Clarification of the overlap with IFAD proposal/ Pre-CN is now included in main text (See “Synergies”. p. 6 of the pdf version).</p>	<p>-</p>

	<p>process with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund? - it will take into account sustainability?</p>	<p>Another proposal submitted to the AF for Costa Rica, Panama and Dominican Republic, available on the AF website at IFAD_Costa Rica_Dominican Republic_Panama seems to have several over-lapping elements with this proposal.</p> <p>CR6: Please clarify how the consultative process for this regional project considered other proposed initiative and in particular the above-mentioned project and how duplication of efforts will be avoided.</p>	<p>information provided in the response sheet.</p> <p>CR6: Cleared. Based on WMO's responses to initial review comments. Also, see cleared CAR2 above.</p>		
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	<p>5. Does the pre-concept briefly explain which organizations would be involved in the proposed regional project/programme at the regional and national/sub-national level, and how coordination would be arranged? Does it explain how national institutions, and when possible, national implementing entities (NIEs) would be involved as partners in the project?</p>	<p>Not Fully. Part I "Project Information" refer to five (5) executing agencies (Costa Rica's National Institute of Meteorology (IMN), Costa Rican Institute for Electricity (ICE), Panama's National Institute of Meteorology and Hydrology (IMHPA); Global Water Partnership (GWP), Regional Committee for Water Resources (CRRH)). The Neither the discussion nor the chart presented under Part III "Implementation Arrangements" reflect the role of these agencies.</p> <p>CAR3: Please revise the discussion in Part III to reflect the roles of the above executing agencies and revise the organization chart accordingly.</p>	<p>CAR3: Cleared. See Part III, p.6.</p>		
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Resource Availability	6. Is the requested project / programme funding within the funding windows of the programme for regional projects/programmes ?	Yes.	-	-	
	7. Are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 10 per cent of the project/programme for implementing entity (IE) fees and at or below 10 per cent of the project/programme cost for the execution costs?	Yes. IE Management Fee (USD 1,266,605) is at 10% of the project/programme cost (USD 12,666,050) and Execution Costs (USD 1,095,050) are at 8.65%.	CAR5 (NEW): Please use the updated PFG template available https://www.adaptati-on-fund.org/wp-content/uploads/2024/07/Revised-PFG-Application-Form.docx	CAR5: Cleared. CR8(NEW): Please correct activity 2 title on p.2 to be consistent with that listed in the PFG Part B table, p.1.	CR8 (NEW): Cleared. See revised title on PFG, p. 2.
Eligibility of IE	8. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?	Yes. WMO is an AF Board accredited MIE with accreditation valid till 24 th November 2028.	-	-	-



PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improving Hydroclimatic and Early Warning systems and integrating with Water Resources Management

Countries: Costa Rica, Panama, Central America

Thematic Focal Area¹: Disaster risk reduction and early warning systems

Type of Implementing Entity: Multilateral Implementing Entity

Implementing Entity: WMO

Executing Entities: Global Water Partnership Central America (GWP CAM), Regional Committee for Water Resources (CRRH)

Amount of Financing Requested: 13,932,655 (in U.S Dollars Equivalent)

Project Formulation Grant Request: Yes No

Amount of Requested financing for PFG: 30,000 (in U.S Dollars Equivalent)

Letters of Endorsement (LOE) signed for all countries: Yes No

NOTE: LOEs should be signed by the Designated Authority (DA). The signatory DA must be on file with the Adaptation Fund. To find the DA currently on file check this page: <https://www.adaptation-fund.org/apply-funding/designated-authorities>

Stage of Submission:

- This pre-concept has been submitted before
- This is the first submission ever of the pre-concept

In case of a resubmission, please indicate the last submission date: [Click or tap to enter a date.](#)

Please note that pre-concept should not exceed 5 pages (in addition to this first cover page)

¹ Thematic areas are Food security; Disaster risk reduction and early warning systems; Transboundary water management; Innovation in adaptation finance.

Project/Programme Background and Context:

Central America (CA) is considered one of the most vulnerable regions to climate change. The countries in the region are consistently ranked highest in the world by risk of being impacted by extreme events (high confidence). Hydro-meteorological events, are the most frequent extreme events and have the highest impact (high confidence)².

Among such events are the increasing frequency and severity of droughts, with a concomitant decrease in water supply, impacting agricultural production, traditional fishing, food security and human health (high confidence). In CA, 10.5 million people live in the so-called Dry Corridor, a region with an extended dry season and now more erratic rainfall patterns². The increasing water scarcity is and will continue to impact food security, human health and well-being². On the other side, the impacts of floods mainly affect the urban poor neighbourhoods and are responsible for the majority of disaster-related deaths. Climatic drivers, such as tropical storms, hurricanes, and heavy rains leading to floods, interact with social, political, geopolitical, and economic drivers (high confidence)².

According to the World Bank, Costa Rica (CR) has almost 7% of its area exposed to three or more hazards which translates to the 8th highest economic risk exposure in the world. According to Panama's (PA) third National Communication on Climate Change, the country ranks fourteenth among the countries with the highest exposure to multiple hazards, with 15% of its area and 12% of its total population exposed to two or more hazards. The exposure to multiple hazards, such as floods and droughts, becomes more relevant for the three transboundary basins shared by CR and PA: Changuinola, Sixaola and Chiriqui. Recent events, such as droughts in 2018-2019, Hurricanes Eta and Iota in 2020, and floods in 2022, have highlighted the precarious position of CA countries, particularly CR and PA.

In this context, it becomes much more important and priority to have accurate and timely hydro-meteorological information that facilitates and allows better decision making related to the protection of the population and their property.

Deleted: For additional context please see Annex 1.

With the support of the World Meteorological Organization (WMO) and the Inter-American Development Bank (IDB) and in close collaboration with the National Meteorological and Hydrological Services (NMHSs) and sectoral information users, a detailed national assessment of hydrometeorological value chain was carried out in both countries. This exercise resulted in strategic roadmaps to improving the provision of hydrological services at the national level. The needs identified are numerous and ambitious, but in particular a lack or insufficient national-scale hydrometeorological data production coverage and integrated databases, localized and operational early warning systems, and limited institutional monitoring, planning and governance, particularly in relation to droughts and floods, as well as a lack of stakeholder awareness.

Having these valuable planning instruments, together with the recently created Institute of Meteorology and Hydrology (IMHPA) of PA and two consolidated and recognized institutions in CA (Instituto Meteorológico Nacional (IMN) and the Instituto Costarricense de Electricidad (ICE)) as well as the recent change of government administrations in both countries, opens a window of opportunity for the joint development and implementation of capacity building initiatives to strengthen the provision of services particularly linked to droughts and floods. The existence and willingness of the Comité Regional de Recursos Hidráulicos (CRRH) of the Sistema de Integración Centroamericana (SICA) to support and facilitate not only the implementation, but also to contribute to the integration and extension of national benefits and results to the regional level throughout CA represents an additional added value. In addition, WMO and its partners, such as Global Water Partnership Central America (GWP CAM), will also provide added value through the different technical products and results of their associated programs for drought and flood management.

Thus, the implementation of this initiative from an integrated point of view at the national, binational and regional levels will not only strengthen regional and binational institutional arrangements and tools, but will also favor the availability, access and provision of accurate and timely services, information and data according to the general needs of the population and particular needs of end users in priority communities, specifically related to drought and flood management. This integrated and effective approach will also contribute financially by achieving economies of scale in joint implementation, as well as addressing limited institutional budgets and bureaucratic processes at the national level.

Project/Programme Objectives:

² <https://www.ipcc.ch/report/ar6/wg2/chapter/chapter-12/>

The project objective is to enhance climate change adaptative capacity and resilience to droughts and floods in Central America through the improvement of related hydro-climatic and early warning systems pillars³ and integration of generated knowledge in national and regional water resources planning and management. This will be achieved by: (1) Strengthen capacities for observing, monitoring and forecasting meteorological, hydrological, and climate related hazards through the improvement of observing and data systems to allow data collection, interoperability, exchange and integration, and informed decisions at a regional and national level; (2) Develop and implement a (virtual) CA Flood and Drought Management Center (CAFDMC) to strengthen regional coordination for flood and drought management, and enhancing risk knowledge and multi-hazards early warning capacities at a regional, national and local scale, targeting the vulnerable through pilot projects, and ensuring that the National Droughts and Flood Plans are developed and established; (3) Enhance institutional capacity and stakeholders awareness to enable integrated drought and flood management at a regional, national and local level enabling CRRH, CR and PA to produce important fit-for-purpose information that helps regional, national and local decision-making processes and improving institutional structures, assuring improved inclusive policy tools for flood and drought management systems in a gender and socially-inclusive manner.

Project/Programme Components and Financing:

The draft project components, outcomes and outputs are proposed as follows (to be further refined at the concept note stage):

Deleted: and further described in Annex 2

Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)	
1. Hydrometeorological observing and data management infrastructure improved for risk awareness and Early Warning	1.1 Enhanced and sustained integrated observation and data management systems	1.1.1 Duly designed and modernized (and/or instrumented) hydromet monitoring networks in priority basins integrated at both national and regional level, operating continuously and sustainably based on solid financing strategy	CR, PA & CA	1,170,000	2,830,000
		1.1.2 Hydromet and climate database management systems developed and implemented at the national and regional level (NMHSs)	CR, PA & CA	1,660,000	
	1.2 Enhanced and sustained hydrometeorological and climate data integration, processing and availability at national and regional levels	1.2.1 Hydrometeorological and climate data and information duly integrated and processed (with quality control and homogenization)	CR, PA & CA	120,000	1,520,000
		1.2.2 Structures established to integrate, process and disseminate data at national and regional level according to end-user requirements and necessities at a public and sectoral levels	CR, PA & CA	1,400,000	
2. Institutional set-up and processes for risk knowledge and Early Warning	2.1 Enhanced and sustained mechanisms for flood and drought risk knowledge	2.1.1 Flood and drought risk assessment mechanism agreed and established, baseline risk assessment for priority basins defined	CR & PA	310,000	770,000
		2.1.2 Flood and drought impact assessment and monitoring methodology developed and agreed, regional impact data base established	CR & PA	300,000	
		2.1.3 Socioeconomic benefit (SEB) analysis performed to showcase the benefit of hydrometeorological information	CR, PA & CA	160,000	
	2.2 Enhanced and sustained hydrometeorological monitoring and forecasting	2.2.1 Products and services defined and developed in a participative manner with communities and end-users both at a basin scale (for floods) and at a national/basin scale (for droughts)	CR & PA	620,000	1,641,000
		2.2.2 Hydrological status and outlook products (sub-seasonal to seasonal) for priority basins generated according to international guidelines and end-users needs at sectoral levels	CR & PA	1,021,000	
	2.3 Enhanced dissemination of warnings for flood and drought	2.3.1 Structures for Communication and dissemination of warnings established and implemented with focus on last mile and connected to local and national flood contingency plans and drought plans	CR, PA & CA	1,000,000	1,000,000

³ risk knowledge, monitoring, dissemination, and preparedness/response capacity

3. Flood and drought management and risk mitigation enhancement	3.1 Strengthened regional coordination of flood and drought management and policy	3.1.1 CAFDMC established with the support of NMHSs, managing and providing harmonized risk knowledge, data and information as well as build national capacity	CR, PA & CA	580,000	650,000	2,330,000
		3.1.2 Regional institutional arrangements and working groups established under the umbrella of the CAFDMC	CR, PA & CA	70,000		
	3.2 National planning for flood and drought established and response capacity strengthened	3.2.1 National drought plans established and/or support for their implementation that integrate all relevant sectors with a society-wide approach.	CR & PA	120,000	480,000	
		3.2.2 National flood plans established integrating relevant sectors with a whole-of-society-approach	CR & PA	120,000		
		3.2.3 Decision-support system implemented at a national level for integrated water management	CR & PA	240,000		
	3.3 Vulnerable communities more resilient against flood and drought	3.3.1 Community-level climate-resilient drought risk management plans developed for vulnerable communities	CR & PA	100,000	1,200,000	
3.3.2 Community flood managements plans incl. contingency planning established in vulnerable communities of priority basins		CR & PA	100,000			
3.3.3 Pilot projects in prioritized basins to reduce drought and flood risk in vulnerable communities implemented, prioritizing Nature-based Solutions		CR & PA	1,000,000			
4. Enabling environment for flood and drought resilience building	4.1 Enhanced governance framework and gender mainstreaming for integrated drought and flood management	4.1.1 Framework for sustainability of hydrometeorological services embedded in National legal and planning instruments, including ministerial decrees.	CR, PA & CA	190,000	335,000	1,480,000
		4.1.2 Policy and governance mechanisms and instruments in place for strengthening capacity and institutional coordination at all stages of hydromet, including a financial sustainability strategy/plan	CR, PA & CA	100,000		
		4.1.3 Gender action plans, indicators and trainings are developed and implemented at the institutional level	CR & PA	45,000		
	4.2 4.2 Enhanced institutional capacity and stakeholders awareness for integrated drought and flood management	4.2.1 Comprehensive training and education program developed and implemented for all stakeholders at regional, national and local level.	CR, PA & CA	1,080,000	1,145,000	
		4.2.2 Knowledge management and Community of Practice on climate-resilient flood and drought management	CR, PA & CA	65,000		
4. Project/Programme Execution cost						1,095,050
5. Total Project/Programme Cost						12,666,050
6. Project/Programme Cycle Management Fee charged by the Implementing Entity						1,266,605
Amount of Financing Requested						13,932,655

Project Duration: Five (5) years / (60 months)

PART II: PROJECT/PROGRAMME JUSTIFICATION

Project Structure. This project is structured in relation to the main barriers found in the roadmaps: (1) insufficient hydromet coverage and data collection including the need for data exchange and adequate scale for effective hydromet services delivery; (2) limited governance and lack of enabling environment for institutional effectiveness, including multi-sectoral coordination, and data & information sharing; (3) limited governmental financing and budgets; (4) insufficient hydroclimatic information to plan, develop and manage water sustainably, droughts and floods, and early warning; and (5) insufficient institutional support for regional hydromet operations due to weaknesses and lack of regional tools, methodologies, and products.

Why the project is needed. The project directly addresses part of the countries' roadmaps for enhancing hydrometeorological services. In a national and regional context, where countries are increasingly more vulnerable and exposed to the impacts of climate change and extreme events such as droughts and floods, it is priority and essential to build capacities that allow the protection of their population and their property. This means timely and accurate information (early warning) for decision making and planning. Without this information, decision-making will remain reactive, and

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adaptation measures will be less effective and late, resulting in greater impacts and raising vulnerability, with increasingly higher recovery costs^{4,5}.

This implies working at different levels: from the institutional level, improving and strengthening planning, financing, coordination and dissemination schemes and mechanisms, as well as training and education; to the technical field, through the development of methodologies, processes, protocols and systems that facilitate data collection, generation of products and delivery of information and services in accordance with the needs of end users.

Beneficiaries, gender, and social inclusion and stakeholder engagement. The project will have beneficiaries at different levels: at the regional level, CRRH and the SNMH's of CA (some actions/outputs may be extensive to regional users and to other SNMHs both immediately and eventually through adjustment and/or adaptation; i.e. methodologies, data, systems, training and education, coordination, governance and policy instruments, etc.); at the national level, general population, institutional and sectoral users; and at the local level, in priority vulnerable communities, the general population and end users.

Gender and social inclusion will be addressed through the development of specific action plans, including monitoring indicators and training programmes. The stakeholders engagement is also foreseen at different levels: (i) products and services defined and developed in a participatory manner with communities and end users; (ii) regional institutional arrangements and working groups established under the umbrella of the Regional Flood and Drought Management Center; and (iii) participatory planning with vulnerable communities for developing management and contingency plans and pilot projects in priority basins.

Contribution to sustainable development. Hydromet data and information is used for decision making and planning processes across many sectors and therefore it supports sustainable development. This project will provide information to enhance water resources management in support of water dependent sectors (drinking water supply and sanitation, agriculture and food systems, energy, mining, transportation, forestry and ecosystems), as well as to reduce disaster risk particularly related to droughts and floods. Furthermore, it also contributes to specific goals and objectives of national planning instruments such as the Drinking Water Investment Plan (2019-2025), the National Risk Management Plan (2021 - 2025), the National Adaptation Plan (PNA 2022 - 2026), National Determined Contribution (NDC 2020) and the National Integrated Water Resources Management Plan (PNGIRH), in the case of CR; and the National Water Security Plan, IWRM Action Plan and the NDC 2020 in the case of PA.

Main expected outputs of the project. Methodologies and mechanisms to evaluate drought and flood risk and impact implemented at the institutional and regional level, including risk baselines and impact databases. Modernized hydromet monitoring networks in priority basins integrated at both national and regional level, operating continuously and feeding stakeholders accessible databases and sustainably based on solid financing strategy and climate products (including outlooks) and services related to droughts and floods defined in a community participative manner, as well as proper communications of warnings connected to national, regional and local droughts and flood plans. These elements directly contribute to: increased the competitiveness and economic development of the countries and the region; reduction of vulnerability to climate change; institutional strengthening of meteorological, hydrological, water, and disaster risk management authorities; development and social well-being of the vulnerable to climate change; and improved management of water resources and natural disasters at the national level caused by hydrometeorological phenomena exacerbated by climate change.

Innovation and cost effectiveness. The creation and operation of a virtual CAFDMC is an innovative approach given that the countries do not currently share a common platform nor a national level monitoring practices and protocols, nor they link such practices to the planning and operations of the institutions that manage hydrometeorological related disaster risk. Connecting the products and services of the CAFDMC with the national and communities-based droughts and floods management plans will harmonize risk knowledge, data and information as well as build national capacity. Innovative approaches to capacity development will also be sought, especially in consideration of WMO Regional Training Centres (RTCs).

The project will also provide socioeconomical analysis as well as to identifying the most reliable mechanisms (e.g. framework for sustainability embedded in legal and planning instruments) to ensure political commitment and matching public funding for the provision of hydrometeorological and water resources information to support decision-making under a changing climate. Besides the policy and governance mechanisms to strengthen coordination among institutions, gender action plans and comprehensive training and education in complement to knowledge management and communication are also relevant outputs.

Sustainability and Scalability. Elements that contribute to the sustainability of the project include not only the integrated approach to implementation in geographic terms (regional, national and local-community) that ensures the participation and involvement of stakeholders at different levels, but also a participatory and inclusive planning, development and implementation strategy, in addition to the development of methodologies, protocols, processes, products and services that can be extended regionally and replicated in other countries to meet their particular needs and

⁴ Drought affecting the Panama Canal operations reducing significantly the national income and thus the GDP. <https://www.bbc.com/news/business-68467529>

⁵ Costa Rica reduces energy production due to drought. <https://phys.org/news/2024-05-costa-rica-ration-electricity-drought.html>

support their decision-making and planning processes. Specifically, the financial sustainability of the project is a central element that will be addressed through socioeconomic analyses that will underpin and support the development of policies and legal and financial mechanisms that will help ensure the continuity and sustainability of the operations & management related to the CAFDMC and the production of the necessary hydrometeorological and water resources information for decision-making. The development of hydromet services, products, and EWS will support their appropriation by institutions. Roles, responsibilities, and agreements will be established during the project to ensure proper O&M sustainability. Capacity development is planned to ensure NMHS staff can perform required O&M activities. Embedding EWS and IWRM activities in national legal and planning instruments will secure long-term national resources. Lessons will be collected, and cooperation sought with other regional flood and drought monitors and guidance systems⁶.

A post-project monitoring and evaluation tool will be provided to the local agencies in charge of early warning system and people's committee/associations so that regular monitoring and evaluation of the proposed activities continue beyond the life of the project.

Synergies. Synergies with a proposed IFAD project will be useful for data and product integration. That project focuses on multi-hazard impact-based forecasting and early warning services, targeting only agriculture. On the contrary, this proposal focuses on developing capacities from a regional perspective with national and local applications, oriented towards the production and management of harmonized information on regional risk monitoring for hydrological extreme events across various sectors, including droughts and floods, integrating not only meteorological but also hydrological components at both national and local levels in Costa Rica and Panama.

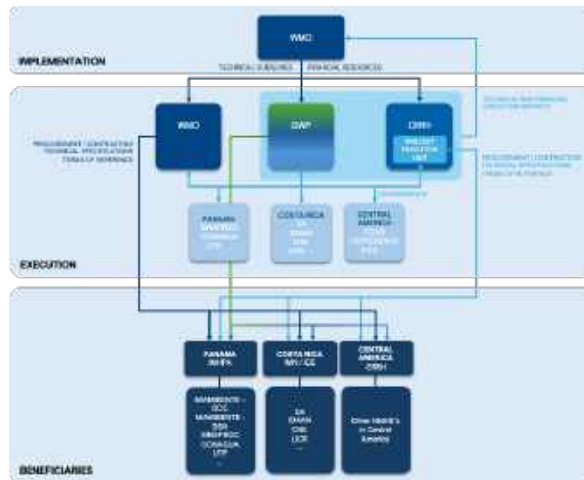
PART III: IMPLEMENTATION ARRANGEMENTS

The WMO will be the overall implementing entity. It will provide overall management, technical guidelines and support.

WMO will rely on its extensive expert network as well as relevant technical commissions and research board ensuring compliance with international standards and guidelines and participate in oversight functions, when necessary, as well as in compilation of best practices and recommendations to scale up the project across CA, and ensure alignment with initiatives such as Early Warnings for All (EW4All). A key strategic partner will be the Inter-American Development Bank.

The execution of the project will depend mainly on CRRH. It will integrate and operate a project implementation unit, in charge of the procurement and contracting processes. For such purpose CRRH will maintain a close relation and coordination with the NMHS. In turn, NMHSs will coordinate with other national authorities, as necessary, as well as with stakeholders at the community level.

CRRH will lead the execution of components 1, 2 and 3 in direct coordination with the NMHSs of both countries (IMN, ICE, and IMHPA). CRRH has agreements/mechanisms with its Member countries to ensure that the funds for the execution of national activities are made available to them as required. This mechanism will be further refined and might change at the Concept Note level to accommodate to the needs of NMHSs. GWP CAM will lead the execution of Component 4. WMO will execute activities related to WMO initiatives under all components. WMO, GWP, CRRH, and NMHSs will work in a coordinated manner to carry out activities within the framework of their technical programs and joint initiatives.



Deleted: (Annex 4 provides a stakeholder mapping)

Deleted: Annex 5 provides more information on the selection of the regional executing entities.

⁶ such as the North American Drought Monitor, Latin America Flood and Drought Monitor, Central America Flash Flood Guidance System (CAFFGS), and the Regional Water Centre for Arid and Semi-Arid Regions of Latin America and the Caribbean (CAZALAC).

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government⁷ Provide the name and position of the government official and indicate date of endorsement for each country participating in the proposed project/programme. Add more lines as necessary. The endorsement letters should be attached as annexes to the project/programme proposal.

H.E. Carlos Isaac Perez Mejia Vice-Minister of Strategic Management Ministry of Environment and Energy Email: cperez@minae.go.cr vicegestionestrategica@minae.go.cr	Date: June 7, 2024
S.E Juan Carlos Navarro, Minister of Environment Ministry of Environment Email: jcnavarro@miambiente.gob.pa	Date: Dec 4, 2024

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B. Implementing Entity certification Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
<i>Moyenda Chaponda</i>	
Moyenda Chaponda Implementing Entity Coordinator Development Partnerships Office, WMO	
Date: December 6, 2024	Tel. and email: +41 22 730 8646 and mchaponda@wmo.int
Project Contact Person: Luis Roberto Silva Vara	
Tel. And Email: +41 22 730 8488 - LSilvaVara@wmo.int	

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⁷ Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.



Viceministerio de Gestión Estratégica

07th June 2024
DVGE-109-2024

To: Adaptation Fund
c/o: Adaptation Fund Board Secretariat
E-mail: Secretariat@Adaptation-Fund.org

Subject: Endorsement letter for the pre-concept note of "Adapting national and regional Water Resources Management to climate extremes through Hydro-climatic Information, Early Warning Systems and Decision Support Tools"

In my capacity as the designated authority for the adaptation fund in the Republic of Costa Rica, I confirm that the above regional project proposal aligns with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts and risks posed by floods and droughts in the country.

Accordingly, I endorse the above project proposal with appreciation of the support from the adaptation fund. If approved, the project will be implemented by the World Meteorological Organization (OMM) and executed by the Comité Regional de Recursos Hídricos (CRRH), the Global Water Partnership (GWP) and the World Meteorological Organization (OMM), in close coordination with the Instituto Meteorológico de Costa Rica (IMN).

Sincerely,

Ing. Carlos Isaac Pérez Mejía
Vice- Minister of Strategic Management
Ministry of Environment and Energy

Cc: Franz Tattenbach Copra, Ministro de Ambiente y Energía
Adriana Bonilla, Directora Cambio Climático MINAE
Archivo/ Consecutivo

Panama, 4 December 2024
DM-N-1134-2024

To: Adaptation Fund

Ref.: Subject: Endorsement letter for the pre-concept note of "Adapting national and regional Water Resources Management to climate extremes through Hydro-climatic Information, Early Warning Systems and Decision Support Tools".

In my capacity as the designated authority for the adaptation fund in the republic of Panama, I confirm that the above regional project proposal aligns with the government's national and regional priorities in implementing adaptation activities to reduce adverse impacts and risks posed by floods and droughts in the country.

Accordingly, I endorse the above project proposal with appreciation of the support from the adaptation fund. If approved, the project will be implemented by the World Meteorological Organization and executed by the Comité Regional de Recursos Hídricos, the Global Water Partnership and the World Meteorological Organization, in close coordination with the Instituto de Meteorología e Hidrología de Panamá (IMHPA).

Sincerely,



Juan Carlos Navarro
Minister



C.C.: Adaptation Fund Board Secretariat

JCN/es/pa



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date: 13 November 2024

Adaptation Fund Project ID: AF00000398

Country/ies: Costa Rica, Panamá, Central America

Title of Project/Programme: Enhancing Climate Change Adaptation Capacity in Central America with Focus on Costa Rica and Panama: Improving Hydroclimatic and Early Warning systems and integrating with Water Resources Management

Type of IE (NIE/RIE/MIE): Multilateral Implementing Entity

Implementing Entity: World Meteorological Organization (WMO)

Executing Entity/ies: Regional Committee for Water Resources (CRRH), Global Water Partnership (GWP), and WMO

A. Project Preparation Timeframe

Start date of PFG	March 2025
Completion date of PFG	August 2025

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note²
1. Technical assistance for integration of the concept note	Final concept note	US\$ 15,000	Consultancies for 30 days at US\$ 500 per day
2. Organization of a stakeholders' validation workshop	Workshops held for regional and national partners Validated concept note	US\$ 12,300	Travel arrangements and/or meeting arrangements for up to US\$ 12,300

¹ As presented in AFB/PPRC.33/40 Annex 1.

² The proposal should include a detailed budget with budget notes indicating the break-down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

Administration Support (Implementing Entity fee)		US\$ 2,700	Lumpsum for coordination of consultants, travel, consultations, etc.
Total Project Formulation Grant	-	US\$ 30,000.00	-

Please describe below each of the PFG activities and provide justifications for their need and for the amount of funding required:

Activity 1. Technical assistance for integration of the concept note. Based on the information gathered, the comments and feedback received and the results of the national consultations with the counterparts, the concept note document will be prepared and updated as necessary, not only complementing the description of the project scope and its different components, but also adjusting and complementing the context information and its justification, its benefits and valuation, related risks and sustainability aspects, as well as political and organizational aspects. Once this new version has been integrated, it will be submitted again to the counterparts for comments, feedback, and validation in order to integrate the final version of the document. [Consultancies: 30 days at US\$ 500/day = US\$ 15,000]

Activity 2. Organization of a stakeholders' validation workshop. Consultations are planned in each country (Costa Rica and Panama) in order to include all identified stakeholders. The objective is to present them with the scope of the concept note (prepared in coordination by all key stakeholders and executing agencies), confirm their agreement, provide clarifications and changes if necessary, and gather additional information relevant to develop the final version. The organization and development of the consultations will be carried out in coordination with counterparts in each country and executing entities. [Travel, interpretation, meeting documents, meeting organization and facilities: up to US\$ 12,300]

For LLA Projects only:

If requesting additional funding for LLA projects to enable devolving decision making to the local level, please specify the activities that would directly serve to enable devolving decision making to the lowest appropriate level and enable local actors to make informed decisions on how adaptation actions are defined, prioritized, designed, and implemented:

Please provide justifications for their need and for the amount of additional funding required:

C. Implementing Entity

This request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
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Moyenda Chaponda World Meteorological Organization	<i>Moyenda Chaponda</i>	December, 6, 2024	Luis Roberto Silva Vara	+41 22 730 8488	lsilvavara@wmo.int
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