



**GREEN
CLIMATE
FUND**

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Consideration of funding proposals – Addendum XXIV

Response from the accredited entities to the Independent Technical Advisory Panel assessment

Summary

This addendum contains the response from the accredited entities to the independent Technical Advisory Panel assessments of funding proposals (FP046-FP058) submitted for the Board's consideration at its eighteenth meeting.

Table of Contents

FP 046 LLC: Renewable Energy Program #1 - Solar	1
FP 047 GCF-EBRD Kazakhstan Renewables Framework	3
FP 048 Climate-Smart Agriculture (CSA) Risk Sharing Facility for MSMEs	5
FP 049 Building the climate resilience of food insecure smallholder farmers through integrated management of climate risks (the R4 Rural Resilience Initiative)	7
FP 050 Bhutan for Life (BfL)	10
FP 051 Scaling-up investment in lowcarbon public buildings	11
FP 052 Sustainable and climate resilient connectivity for Nauru	12
FP 053 Enhancing climate change adaptation in the north coast and Nile Delta regions in Egypt	13
FP 054 Implementation project of the integral management plan of the Lujan River Basin	14
FP 055 Poverty, Reforestation, Energy and Climate Change (PROEZA Project)	15
FP 056 Scaling up climate resilient water management practices for vulnerable communities in La Mojana	18
FP 057 Climate Action for Rural Development: community-based adaptation and mitigation in Argentina	20
FP 058 Responding to the increasing risk of drought: building genderresponsive resilience of the most vulnerable communities	23

Reply to the Independent Technical Advisory Panel assessment findings (FP 046)

Proposal name: Renewable Energy Program #1 - Solar

Accredited entity: XacBank LLC

Impact potential

XacBank concurs with the positive assessment from ITAP and believes it accurately reflects the context of the Program, its structural makeup, and its anticipated impact areas.

Paradigm shift potential

XacBank concurs with the positive assessment from ITAP and believes it accurately reflects the strength of the Program in promoting paradigm shift concepts that are important to the GCF and its board.

XacBank acknowledges the difficult economic situation in Mongolia, but believes this inhibitor is temporary, whereas the paradigm shift impacts highlighted, such as experience sharing and regulatory enablement, are be long lasting.

Sustainable development potential

XacBank concurs with the positive assessment from ITAP and believes it accurately reflects the sustainable development potential of the Program, in particular the social and health benefits of the Program as well as the demonstrative effects of private sector involvement in clean infrastructure.

Needs of the recipient

XacBank concurs with the positive assessment from ITAP that the needs of the recipient are multiple and are clearly addressed by the Program. ITAP's assessment accurately reflects the GCF's ability to address key barriers, and the Program's ability to unlock key capacities for future scale-up, in accordance with Mongolia's INDC.

Country ownership

XacBank concurs with the positive assessment from ITAP and believes it accurately reflects the strong relationship between the FP and the NDA, the relevant municipalities, and civil society stakeholders, as well as the alignment of the Program with various government strategies, including but not limited to, the INDC and the Nationally Appropriate Mitigation Actions.

Efficiency and effectiveness

XacBank concurs with the positive assessment from ITAP and believes it accurately reflects the large anticipated carbon emission reductions as well as the reasonable cost per ton of reduced carbon on the part of the Green Climate Fund. Though ITAP highlighted the co-financing ratio as “low”, indeed it meets the GCF’s co-financing requirements, in addition to being, as ITAP later highlights, financially and operationally solid. The Funding Proposal further elucidates the reasons behind the current co-financing ratio, however it is worth re-stating that the renewable energy sector is in its infancy in Mongolia, and the AE expects that after the successful proof of concept with this Project, the share borne by the GCF in such projects will decrease.

Overall remarks from the independent Technical Advisory Panel:

XacBank concurs that the project’s demonstrational nature leaves it poised to have a high impact as both an individual project and as a sector influencer.

In relation to the recommendations, XacBank has the following responses:

- i) The AE can agree to a Monitoring and Reporting procedure for this specific program prior to the first disbursement. This recommendation will be followed.
- ii) Indeed, this is in the AE’s standard practice and this recommendation will be followed.

Reply to the Independent Technical Advisory Panel assessment findings (FP 047)

Proposal name: GCF-EBRD Kazakhstan Renewables Framework

Accredited entity: European Bank for Reconstruction and Development

Impact potential

Thank you for the positive review.

It has been revised that 3,000 short-term jobs (during construction) and 150 long-term jobs (during operation) will be created. These numbers are updated in the final Funding Proposal.

Further to the discussion with GCF Secretariat, biomass projects were excluded from the Funding Proposal.

Paradigm shift potential

Thank you for the positive review.

No further comments.

Sustainable development potential

Thank you for the positive review.

We suggest to add additional benefit associated with the successful implementation of this Programme:

- Socio-economic benefits from end-user costs reduction resulted from more efficient competitive tendering scheme.

Needs of the recipient

Thank you for the positive review.

No further comments.

Country ownership

Thank you for the positive review.

No further comments.

Efficiency and effectiveness

Thank you for the positive review.

The CO2 abatement cost for the total programme has been revised to USD 42.8/tCO2

Overall remarks from the independent Technical Advisory Panel:

Thank you for the positive review.

The proposed Framework builds on the commitment by Kazakhstan to encourage the development of renewable energy and the involvement of the private sector, both at the policy through the adoption of ambitious and specific targets, and at the implementation level through the development of a regulatory framework. The Framework aims to make the renewables regulatory environment a success for scaling up with private sector participation. The Framework makes available adequately termed and priced financing for accelerated project structuring and implementation, and complements it with practical knowledge sharing and capacity enhancement. It is envisioned that the impact of the Framework will be extended beyond the projects finance by it.

Reply to the Independent Technical Advisory Panel assessment findings (FP 048)

Proposal name: Climate-Smart Agriculture (CSA) Risk Sharing Facility for MSMEs

Accredited entity: Inter-American Development Bank

Impact potential

We agree with the assessment from the iTAP and we expect the climate impacts of this proposal to be significant for both mitigation and adaptation objectives.

Paradigm shift potential

We agree with the assessment from the iTAP.

Sustainable development potential

We agree with the assessment from the iTAP.

We would also like to note with respect to the “social co-benefits” section, that one of the proposed subproject, which will promote the uptake of domestic clean cooking technology, in addition to improving the efficiency in the use of firewood, is also expected to significantly improve the indoor air quality, which could result in significant health benefits for the end beneficiaries.

We would also like to note, that in line with the recommendations of the ITAP, the use of genetically modified organism, as well as the intensive use of chemical biocides and agricultural practices that solely depend on inorganic fertilizers, are not eligible for financing under the proposed Facility.

Needs of the recipient

We generally agree with the assessment from the iTAP.

We consider that the needs of both Guatemala and Mexico are significant.

The Global Climate Risk Index 2016¹ ranks Guatemala 10th in terms of countries with the highest climate change risk for 1995-2014. Risks include droughts, flooding in lowlands, and increased vulnerability of crops such as coffee, corn, and cacao to rainfall variability.

As for Mexico, according to the IPCC, “Mexican agriculture appears to be particularly vulnerable to climate-induced changes in precipitation because most (about 85%) of its agricultural land is classified as arid or semi-arid. [...] it was estimated that potential evaporation may increase by 7-16% and the annual soil moisture deficit could increase by 18-45% in important maize-growing regions in eastern Mexico (Liverman and O'Brien, 1991).” Smallholder farmers are particularly vulnerable to increased climate variability and changes in rainfall patterns, and have fewer mechanisms to adapt.

¹ <https://germanwatch.org/fr/download/13503.pdf>

Country ownership

We agree with the assessment from the iTAP.

Efficiency and effectiveness

We generally agree with the assessment from the iTAP.

With respect to the ITAP assessment under the heading “Application of best practices”, the approach taken with regards to the use of genetically modified organism, chemical biocides and inorganic fertilizers, has been outlined under the title “sustainable development potential”, above in this document.

The quote from IDB reported under the “Application of best practices” section refers to an answer provided by the IDB to ITAP before B.17, and it is no longer applicable. As reflected in the project documents submitted by IDB for GCF Board consideration at B.18, the use of genetically modified organisms is now explicitly listed on the List of Excluded Activities annexed to the Environmental and Social Management Framework (ESMF) and to the project Term Sheet.

Overall remarks from the independent Technical Advisory Panel:

We agree with the overall remarks from the iTAP.

Reply to the Independent Technical Advisory Panel assessment findings (FP 049)

Proposal name: Building the climate resilience of food insecure smallholder farmers through integrated management of climate risk (R4) in Senegal

Accredited entity: World Food Programme (WFP)

Impact potential

No comments from WFP

Paradigm shift potential

ITAP: “The theory of change does not provide for an answer regarding financing such efforts elsewhere, perhaps implying that without external financial intervention the potential for bringing a paradigm shift might not be easily realized”.

WFP’s comment: The potential for bringing a paradigm shift is based on 2 factors: i) initial financing is needed to overcome structural, institutional and programmatic barriers and build the capacities at national level to bring about that change; ii) Government’s ownership of the project and improvement in its capacity through component 4 can support the replication and paradigm shift at a national scale.

Sustainable development potential

No comments from WFP

Needs of the recipient

No comments from WFP

Country ownership

No comments from WFP

Efficiency and effectiveness

ITAP: The absence of any co-finance and the relatively high (i.e., 17 per cent of total plus 10 per cent of total as additional to the estimated cost as requested management fee for the AE) transaction cost for the AE (i.e., WFP) to cover management and consultancy raise question regarding value for money.

WFP’s comment: The project has recently mobilized a grant from the French Government to continue the pilot phase activities in 2017. The potential for co-financing remains positive for

the future with the GCF funds as catalyst. WFP will continue mobilizing resources through its Country Strategic Plan process.

Project management costs stay at 7%, which is in line with similar projects implemented in the country. The project's partnership at strategic, operative and political levels and the building and transfer of competencies to beneficiaries, local and national authorities require adequate human resources and therefore appropriate technical support.

ITAP: The management involves too many partners, which embraces certain degree of complexity and might require strong coordination.

WFP's comment: The project's core is based on an integrated approach among different climate risk management strategies. The project also wants to avoid duplications with other ongoing projects and is open to synergies with the government and other actors. That requires strong coordination which is ensured by an experienced project management unit.

Overall remarks from the independent Technical Advisory Panel:

1. Remark from ITAP: Appropriate gender-sensitive trainings are designed and administered in such a fashion that in the process, time away from the training recipients' household chores does not affect their overall household harmony.

Response from WFP: A gender-sensitive approach is at the center of the R4 Initiative planning process. All the interventions under the R4 Initiative involve women and girls, including trainings, village discussions, meetings of the SfC groups, and general implementation of activities. All these activities are underpinned by the need to define hours that are respectful of the chores, roles and commitments of both women and men. In addition, different activities are planned for women and men taking into consideration their specific situation, for example under the risk reduction component, gender equality influences the prioritization of assets to be created, selection of beneficiary participants and households, and utilization of assets created. Furthermore, women or households unable to participate in heavy activities typically dedicate their time to lighter assets creation activities, while particular consideration is given to households' needs such as the care of small children for parents involved in project activities, as well as the possibility to play coordination roles (particularly during assets creation) for pregnant and lactating women. 140 WORDS

2. The project may conduct a study to analyze the opportunity of lifting the existing monopoly by the GOS-supported only agriculture insurance company towards creating additional opportunities for other micro-insurance companies to provide for competitive options for farmers to gain from.

Response from WFP: WFP agrees with the remark of the ITAP and proposes the following actions to address this issue: i) engage in discussions with the Directorate of Insurance, together with other donors/international agencies working on agriculture micro insurance in order to look into the possibility of additional insurers entering the market.; ii) discuss and potentially revisit the role of CNAAS in relation with other implementing partners to assign responsibilities in the most effective way e.g. by having CNAAS focus on pricing and portfolio management, while other implementing partners take care of training, awareness and communication. 97 WORDS

3. The monitoring and evaluation (M&E) function needs to be enhanced in view of potential increase in the application of agrochemicals and fertilizers, which must be supplemented with trainings on integrated pest management and the application of organic fertilizers.

Response from WFP: WFP promotes the use and application of organic fertilizers and compost making. Regarding mineral fertilizers, WFP's implementing partners closely monitor their usage and provide technical training to farmers. These fertilizers are also certified by the departments of agriculture and local agricultural research services. Some of the techniques used to mitigate any potential risk include e.g. the delimitation of plots through small bunds to better capture water management, as well as flattening land to better control water. The project will closely monitor the



proper use of fertilizers but an increase in their utilization is not foreseen. Following the approval of WFP's new Environmental Policy, R4 will also benefit from a more detailed environmental screening which is currently being tested at corporate level.

Reply to the Independent Technical Advisory Panel assessment findings (FP 050)

Proposal name: Bhutan for Life

Accredited entity: WWF

Impact potential

Thank you for your positive review, to which we would like to add the following comment:

In point 10, the iTAP assessment of BFL mitigation impact focuses on 3,000 ha of reforestation. Although, reforestation is an important activity of BFL, in areas too degraded to be reclaimed through natural forest re-growth, in the views of BFL partners, the most important BFL mitigation impact are:

- BFL ensuring the country's long-term protection of standing forests in protected areas that currently cover 1,2 million ha and sequester 206 MT of CO₂eq; and
- BFL husbandry of natural forest growth and regrowth in protected areas, that over the 14 years of BFL will add another 0.189 million ha of protected forests and 35 MT of CO₂eq;

We make this remark in no way to challenge the iTAP analysis but to underline that is important to recognize efforts by high forest low deforestation developing countries that seek mitigation financing for not only reducing deforestation but also supporting the conservation and expansion of existing forests.

Paradigm shift potential

Thanks for your positive review

Sustainable development potential

Thanks for your positive review

Needs of the recipient

Thanks for your positive review

Country ownership

Thanks for your positive review

Efficiency and effectiveness

Thanks for your positive review

Overall remarks from the independent Technical Advisory Panel:

Thanks for your positive review

Reply to the Independent Technical Advisory Panel assessment findings (FP 051)

Proposal name: Bosnia and Herzegovina: Scaling-up investment in low-carbon public buildings

Accredited entity: UNDP

Impact potential

We appreciate the ITAP's acknowledgement that the project has "medium/high" impact potential.

Paradigm shift potential

The Government of BiH and UNDP appreciate the ITAP's acknowledgement that the paradigm shift potential of the proposed project is "medium/high".

Sustainable development potential

The Government of BiH and UNDP are in agreement with the ITAP conclusion that the proposed project will make a substantial contribution to sustainable development of BiH. We would like to clarify and confirm that the project will facilitate low-carbon retrofits of 430 public buildings representing 11% of the total public building stock.

Needs of the recipient

Government of BiH and UNDP are in agreement with the ITAP finding that there are needs of the recipient to the proposed project.

Country ownership

Government of BiH and UNDP concur with the ITAP finding that country ownership of the project is high.

Efficiency and effectiveness

Government of BiH and UNDP are in agreement with the ITAP finding that the proposed project is high in efficiency and effectiveness.

Overall remarks from the independent Technical Advisory Panel:

We appreciate the recommendation to the board to approve this project. We also agree with the covenants.

- A clear Monitoring and Reporting procedure will be agreed upon with the GCF Secretariat and detailed in the UNDP Project Document, prior to the first disbursement.
- The monitoring and reporting report will be submitted on an annual basis as part of the annual performance report (APR) by UNDP to the GCF.

Reply to the Independent Technical Advisory Panel assessment findings (FP 052)

Proposal name: Sustainable and Climate Resilient Connectivity for Nauru

Accredited entity: Asian Development Bank

Impact potential
<i>No comment</i>
Paradigm shift potential
<i>No comment</i>
Sustainable development potential
<i>No comment</i>
Needs of the recipient
<i>No comment</i>
Country ownership
<i>No comment</i>
Efficiency and effectiveness
<i>No comment</i>
Overall remarks from the independent Technical Advisory Panel:
<i>No comment</i>

Reply to the Independent Technical Advisory Panel assessment findings (FP 053)

Proposal name: Enhancing Climate Change Adaptation in the North Coast and Nile Delta Regions in Egypt

Accredited entity: United Nations Development Programme

Impact potential
The Government of Egypt and UNDP is in agreement with the ITAP assessment on the impact potential.
Paradigm shift potential
The Government and UNDP are in agreement with the ITAP assessment. Nevertheless, it is worth to note that the GCF project is upscaling innovative coastal protection systems that were introduced for the first time in Egypt under the UNDP/GEF/SCCF project while the innovation in the GCF project would be more on the integration of the newly introduced soft engineering solutions with the existing hard structures to protect the low lying lands in the Nile Delta.
Sustainable development potential
<i>No comments</i>
Needs of the recipient
The Government of Egypt and UNDP is in agreement with the ITAP assessment.
Country ownership
The Government of Egypt and UNDP is in agreement with the ITAP assessment. As an AE, UNDP views the engagement of the NDA, technical specialists, civil society and many others in Egypt, including in the areas that will benefit from this intervention, as a model to replicate in other countries. This proposal would not have been possible without the dedicated leadership of the office of the NDA.
Efficiency and effectiveness
The Government of Egypt and UNDP is in agreement with the ITAP assessment.
Overall remarks from the independent Technical Advisory Panel:
The Government of Egypt and UNDP is in agreement with the ITAP assessment. The recommendations of the ITAP are noted and will be followed during implementation.

Reply to the Independent Technical Advisory Panel assessment findings (FP 054)

Proposal name: Implementation Project of the Integral Management Plan of the Lujan River Basin

Accredited entity: CAF – banco de desarrollo de América Latina

Impact potential
<i>CAF appreciates ITAP's assessment.</i>
Paradigm shift potential
<i>CAF appreciates ITAP's assessment.</i>
Sustainable development potential
<i>CAF appreciates ITAP's assessment.</i>
Needs of the recipient
<i>CAF appreciates ITAP's assessment.</i>
Country ownership
<i>CAF appreciates ITAP's assessment.</i>
Efficiency and effectiveness
<p>On Paragraph 36 and 37, Please note that the report (Technical Report) have been submitted and further information have been provided to the ITAP on how the recommendations of the report have been include in the FP. As such we would like to request the ITAP to update this assessment and revised paragraph 36 and 37 based on the further information shared by CAF.</p>
<p>Overall remarks from the independent Technical Advisory Panel:</p> <p>CAF is pleased with the positive review of the Project from the ITAP. Regarding the recommendation of the ITAP on the inclusion of the measure of the Technical Report in the final engineering design of the works, we would like to clarify that the Technical Report does not provide recommendation on specific works, but on the Management Plan of the Lujan River Basin in general, in particular on the importance of ensuring that funding is made available for both structural and non-structural measures as they are complementary and are both important to achieve the Project results. CAF indicated to the ITAP that the approval of both tranches of its funding for the Project and the participation of the GCF in the Project strongly reduce this risk and will ensure that funding is available for the implementation of both structural and non-structural measures.</p>

Reply to the Independent Technical Advisory Panel assessment findings (FP 055)

Proposal name: Poverty, Reforestation, Energy and Climate Change Project (PROEZA)

Accredited entity: FAO

Impact potential

The climate change impact baseline has been prepared by the Ministry of Environment, Ministry of Economy and the Economic Commission for Latin-American and the Caribbean (see adaptation baseline in C.2). The 1961-1990 period is taken as a basis. For the year 2100 a continuous increase of the average temperature, equivalent to 4.2°C would occur in the scenario A2 of IPCC and respectively of 3.4°C for scenario B2. The impact of rainfall and temperature levels projected up to 2100 will be expressed on yield reduction for a set of crops basic for family farmers. The yields have a declining trend in both scenarios. The poor and extremely poor family farmers are the higher vulnerable to this impact of the climate change with disproportionate effect on their limited livelihoods. PROEZA promotes both, adaptation to climate change of this poor and extremely poor people and at the same time, mitigation.

Paradigm shift potential

As mentioned, the first and most important component is the called “Planting for the Future” that focuses on socially and climatic vulnerable households living in poverty. The GCF financed activities on component I are expected to contribute directly to mitigation by a) reducing loss of native forests; b) expanding the use of improved stoves for heating and cooking; and c) rapidly shifting toward sustainable production of wood-based bioenergy and the substitution of un-sustainable with sustainably produced biofuel. The mitigation potential of component I is 3.89 million ton CO₂eq due to agroforestry systems implementation that corresponds to 41% of the PROEZA total mitigation potential.

Sustainable development potential

PROEZA promotes incentives to mitigate climate change through planting fast growing trees in mixtures with valuable native species in an environmental friendly and socially responsible way at the same time that rural poverty and extremely poverty is reduced as a path to increase resilience and adaptation to climate change. On the other hand, PROEZA’s adaptation strategy consists of supporting poor and extremely poor rural vulnerable households to increase their resilience to climate change through the diversification of production and options to increase family income through intensive social and technical assistance for the establishment of climate-smart agroforestry production systems and/or multifunctional “Close-to-Nature” planted forests (CTNPF) generating mitigation. The leading elements are both, climatic and social.

Needs of the recipient

Please note also that PROEZA is highly needed by Paraguay considering that the climate change would have significant and differentiated effects and intensities in the poor and extremely poor family farmers. The fundamental variable used for assessing the impact is the yield for a set of crops: cotton, bean, cassava, sesame and sugarcane. It has been obtained the



expected yields of the different crops and types of agriculture during the period 2010-2100 and compared them with the base yield, which corresponds to the average of the yields registered per Department in the period 1991-2007. Projections show that family farming would yield significant reductions in productivity from the beginning of the analysis period, and would be greater in the case of scenario A2 of the IPCC.

Country ownership

PROEZA formulation process was governed by the Ministry of Planning for Economic and Social Development (STP), the Ministry of Agriculture (MAG), the National Forestry Institute (INFONA), the Social Action Secretariat (SAS), the Vice Ministry of Mines and Energy (VMME), the Environment Secretariat (SEAM), and the Paraguayan Institute for Indigenous Affairs (INDI). During the implementation process this organizations will conform the Executive Committee (EC) for the day-to-day governance of the project. Also a Project Steering Committee (SC) at the highest political and sectoral level composed by Ministers/Vice-Ministers, Director Generals and civil society representatives will provide political guidance and visibility, inter-sectoral coordination, information sharing, accountability and transparency. Private sector and civil society representatives will be invited by STP, according to criteria set in the operational manual.

Efficiency and effectiveness

The total Project costs are estimated to be of USD 118.6 million of which USD 44.5 million are requested from the GCF. The estimated emission reduced and avoided are 9.5 million t CO₂e_q resulting at a cost for GCF of 5 USD / tCO₂e_q (in an implementation period of 5 years and capitalization period of 30 years). This price matches with the price agreed by the GCF Board of 5 USD per ton of CO₂e_q. However, the general cost of the project is of 13 USD / tCO₂e_q. GCF grant allocated for the component 1 and 3 should generate about 3.89 million tCO₂e_q directly sequestered in biomass which leads to 11.44 USD per tCO₂e_q.

Overall remarks from the independent Technical Advisory Panel:

After ITAP meeting the PROEZA implementation arrangement was adjusted to increase the governance of SC and EC. FAO will hire the Project Management Agent (PMA) to provide support on technical, administrative and financial matter to speed up the PROEZA implementation. PMA will act under the overall governance of the Executive Committee (EC). The EC in coordination with FAO should among others validate and approve the annual work plan and budget, take decisions for day-to-day project execution, review the quarterly financial and procurement report and take action as necessary. High importance will be given to continue improving interagency coordination and to strengthen efficient project management and control, as also oversight and law enforcement functions of key GoP entities. The institutional strengthening will be provided by Component 3 through the provision of training on project management, legal advice and support to the multisectoral dialogue process, improve the sectoral legal and normative framework, and also to reinforce capacities to enforce forestry, land and energy use, as also environmental regulations. Interagency coordination will be improved through joint facilitated workshops and training events with the active participation of staff from EC institutions; common training, knowledge sharing and capacity building activities, planning and implementation of shared auditing and law enforcement activities, among others. The fact that seven different public entities have agreed on a common project formulation, execution and implementation framework in a coordinated and collaborative manner is already an enormous improvement in comparison with past practices. However, as requested, FAO will provide more information about how the project execution will strengthen the executive capacity of the national agencies. The



periodic reports to the Fund will highlight the progress achieved in component 3 and in particular, in increasing executive capacities of governmental structures.

Reply to the Independent Technical Advisory Panel assessment findings (FP 056)

Proposal name: Scaling up climate resilient water management practices for vulnerable communities in La Mojana

Accredited entity: UNDP

Impact potential

The Government of Colombia and UNDP appreciates the main points included within impact assessment of the ITAP Panel. We would like to highlight that, nationally, the impact potential would be significant given that this initiative will promote ecosystem based adaptation in line with anticipated climate change risks to compliment the ongoing disaster risk management approaches. Moreover, planned activities such as the enactment of standards and codes, in conjunction with an investment by the government in 1,400 Ha of silvo pastoral areas, and in partnership with largest cattle ranch association that will help with enforcement by its membership, will be a game changer in Colombia.

The rural development program (extension services) will promote an approach of research in action (farmer field school approach detailed in pg.160 Annex II), this will be done through local universities who will be contracted to work in coordination with agricultural sector organizations (e.g. Fedearroz, Fedegan) with experience in these techniques and involve existing professionals or technicians to provide this support. The project will use GCF funds and co-financing to provide this extension this includes not only providing the training but also the appropriate tools and resources to ensure that the research developed through the project will be applied in field.

While the Steering Committee for this project does involve various agencies, this is an arrangement that is commonly found in the country as it allows for an inclusive approach and enables all relevant agencies to provide guidance according to their expertise. UNDP has experience working with such arrangements and do not see any risks associated with this approach.

Paradigm shift potential

The Government of Colombia and UNDP appreciate and agree with ITAP's assessment on the paradigm shift potential

Sustainable development potential

The Government of Colombia and UNDP are in agreement with ITAP's assessment on sustainable development potential.

Needs of the recipient

The Government of Colombia and UNDP are in agreement with ITAP's assessment

Country ownership

The Government of Colombia and UNDP appreciates and agrees with ITAP's assessment of high country ownership.

Efficiency and effectiveness

The Government of Colombia and UNDP appreciates the ITAP's assessment on efficiency and effectiveness and will take into consideration going into the project-through both its research elements and the extension service component- household level technics of wastewater treatment and reuse in addition to the grey water kit that will be provided.

The calculations for communal water tank made by the ITAP are appreciated and are taken into consideration. In regards to these, the feasibility study (page 181) lists rooftop extensions per municipality, with only 3 of the municipalities (San Benito at 46m², Majagual at 49.2m² and Sucre with 52.3m²) not having the minimum extension as calculated per ITAP. Fortunately, in these areas average precipitation does go beyond 1,800 mm per year as can be seen in the following table in which annual rainfall data from stations located within these municipalities is presented:

Code	Type	Weather Station	Municipality	Rainfall (mm)
25020500	PM	VILLA CECILIA HDA	SUCRE	2405.7
25020820	PM	ZAPATA	MAJAGUAL	2630.6
25020790	PM	PALMARITO	SAN BENITO ABAD	2577.6
25021360	PM	CAMPO ALEGRE	SUCRE	2439.4
25025240	CP	MAJAGUAL	MAJAGUAL	2480.1

Overall remarks from the independent Technical Advisory Panel:

The Government of Colombia and UNDP, appreciates iTAP's recommendations and endorsement. The conditions set forward are agreeable and the gender recommendation is welcome and will be included within the implementation of the project.

Reply to the Independent Technical Advisory Panel assessment findings (FP 057)

Proposal name: Climate Action for Rural Development: community based adaptation and mitigation in Argentina

Accredited entity: Unit for Rural Change (UCAR)

Impact potential

Regarding the selection of investment options that can clearly provide concrete adaptation and/or mitigation impacts, it is important to highlight that the participative methodology proposed for the development of the Mitigation and Adaptation Plans and the capacity building processes together with the involvement of climate change professionals will guarantee this through the definition of a complete diagnosis of the micro-regions, good identification of the needs and a good design of the lines of actions and investments.

Regarding the broad range of investments proposed as examples throughout the Funding Proposal, it has been done following the EDA's programmatic spirit. Besides, the idea behind this it to ensure that the identified needs can be attended and that an integrated approach is adopted.

Paradigm shift potential

It is critical to understand the scale of the microregions: cluster of municipalities with similar climatic, productive and ecosystemic characteristics, at which the proposed investments are expected to have a substantial impact.

The participatory processes will ensure that the selected projects will be the most appropriate for the reality of each microregion.

Agreements will be made with local governments to ensure that MAPs are embedded in development and land use plans, as well as with relevant public institutions for technical support.

Local governments and UCAR will be involved in the capacity building and lessons learned activities. In parallel, please note that UCAR Readiness proposal is in its last stage of approval and will allow further strengthening.

Just as UCAR has prioritized these microregions in previous and future programmes, their financial sustainability will be pursued.

Sustainable development potential

Environmental co-benefits

The Programme team together with the Environmental and Social Management Unit of UCAR in charge of the implementation of the ESMF will ensure that the awareness raising activities are performed.

The participative process carried out during the first year of Programme implementation considers both science and local knowledge as a basic premise for the development of MAPs.

Economic co-benefits

We agree with observation 10 and this criterion will be considered in the development of MAPs. Besides, in the evaluation of proposals the Committees will take into account their contribution with the achievement of GCF's objectives and the consistency with GCF's investment criteria. Moreover, grants will only be awarded to associative groups, thus promoting aggregated impacts.

Needs of the recipient

This Programme is known to the National Climate Change Office (DNCC), which has expressed its interest in considering this experience as a decentralized climate action that will provide inputs for the National Adaptation Plan. Please note that UCAR is working together with the DNCC on the NAP Readiness Proposal to the GCF as Accredited Entity. Moreover, UCAR is part of the Ministry of Agroindustry which participates in the National Climate Change Cabinet.

In this Programme, the Ministry of Environment and other ministries will have place in the steering and evaluation committees, which will promote their involvement and will facilitate new commitments.

Interventions that could be scalable and have a potential for knowledge sharing will be prioritized. Please refer to the significant lessons learned and dissemination activities that have been included in the proposal.

Country ownership

The Steering Committee will count with a representative from the DNCC, which leads the Inter-jurisdictional Climate Change Cabinet, ensuring that the prioritized lines of action will be in line with the national CC strategy. Besides, the Evaluation Committee will count with representatives of national institutions that could include ministries relevant for public investments. It should also be noted that provincial institutions will be involved along the Programme.

Regarding co-financing, the programmes managed through UCAR correspond to other financing sources. Within this Programme such resources are considered as parallel co-financing related to projects being developed in the prioritized micro-regions.

Regarding UCAR's capacity building, the Environmental and Social Management Unit counts with four CC specialists and constitutes the permanent group able to manage CC. This Unit is implementing an Adaptation Fund Project and promoting CC approach within UCAR and its programmes. Besides, UCAR's Readiness Proposal will allow further strengthening of the institution.

Efficiency and effectiveness

Although other methodological options could be considered, please note that the methodology based on forums is a proven methodology developed by UCAR for its IDeMi Programme, and thus has a substantial level of development and incorporation of lessons learned (see Feasibility Study).

It is important to understand the scale of the microregions, their low institutional capacity and development level, how innovative the revolving funds are for the local organizations, and the dimension of the expected investments.

Revolving funds managed by organizations have much lower transactions costs than other options (e.g. banking). However, based on the demand and the learning progress of the organizations, an increase of the revolving funds could be considered.

Arrangements will be made with local governments within UCAR's competencies framework.

UCAR is providing parallel co-financing from other programmes to be implemented in the selected micro-regions.

Operation and maintenance conditions are included in the contract models (see Annex I).

Overall remarks from the independent Technical Advisory Panel:

UCAR agrees with the conditions recommended by the iTAP.

Reply to the Independent Technical Advisory Panel assessment findings (FP 058)

Proposal name: Responding to the increasing risk of drought: building gender-responsive resilience of the most vulnerable communities

Accredited entity: Ministry of Finance and Economic Cooperation (MOFEC)

Impact potential

The project was developed taking priority identified activities and targeting the maximum number of beneficiaries to deliver high value for money. Based on our analysis the project will spend USD 20 on direct and indirect beneficiaries, which is an indicator of effectiveness. The project also has GHG mitigation co-benefits, which have not been considered. OCHA's 2016 report states 10 Million people in Ethiopia have been affected by climate induced droughts. In our opinion, this figure should be the basis for the impact potential analysis and not the total population of Ethiopia. As such the project will benefit 10% of the 10 Million affected by climate induced drought.

Paradigm shift potential

The project has designed a viable and sustainable water supply using innovative technologies and contributes to Ethiopia's overarching national plan of increasing rural water supply coverage to 59% and develop over 4 million hectare of irrigated land by 2020. This project will help implement the Water Resources Management Policy and Strategy from the national to the local levels. The integration of the proposed NRM initiatives will further contribute to effective water resource management. The AE has also provided analytical figures under the impact potential on how this funding proposal has high value for money. The successful implementation of this project will help attract additional funding and replicate results in other localities.

Sustainable development potential

The project proponent is satisfied with the overall assessment result. However, we would like to point out that the focus of this project is to build the resilience capacity of close to 1 million vulnerable communities out of an estimated 10M total vulnerable population thorough out the country. The use of the total population figure of Ethiopia which is close to 100M could be misleading and yield in different assessment results.

Needs of the recipient

The project proponents concur with the assessment result of the iTAP.

Country ownership

The project proponents concur with the assessment result of the iTAP.

Efficiency and effectiveness

MOFEC has already commenced conducting water balance study in line with previous discussions with the iTAP. We are confident that a full-fledged water balance study report shall be submitted to the GCF secretariat by the first quarter of 2018. Hence, our suggestion is that the iTAP gives due recognition to this effort and to not use it as basis for assessing project “efficiency and effectiveness.”

While increased costs and decreased benefits could reduce the economic viability of the project under the assumptions used in the analysis, several factors were mentioned in the FP and the annex on the economic analysis to indicate that benefits are underestimated and costs overestimated, which, if taken into account, will increase the economic viability of the proposed project

Overall remarks from the independent Technical Advisory Panel:

The AE sees the overall assessment of the iTAP as fair and realistic, except in some areas where we felt that the iTAP has overseen some factors which otherwise would have contributed positively to the assessment results. We have provided our reflections where we felt these have negatively impacted the results.

While we are in agreement with the “condition” set forth by the iTAP, we strongly feel that the linking disbursement for Component-1 with the second disbursement schedule that has been reflected under the “Covenant” will highly impact the overall implementation of the project. We therefore request the iTAP to revise the “Covenant” to commence the disbursement for component-1 following GCF’s review of the comprehensive water balance study that will be submitted by the AE.
