CRPP Community Resilience Partnership Program

Annex 2.4

Design Study: Project Selection Approach and Criteria

29 August 2023

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1. ABOUT THIS ANNEX

This annex is part of the wider annex 2 on design study of the CRPP.[1] In line with the guidance provided for the submissions of programmes that is detailed in the GCF Programmatic Policy Approach paper [GCF/B.21/31/Rev.01], the CRPP is following a **"Case 3"** submission process. As such, a clearly defined approach for selecting sub-projects and allocating resources is required for Board approval, including the eligibility criteria that will be used to select and approve future sub-projects. Thus, this annex describes the project selection approach and to select projects for financing under the CRPP IF. The document also describes the checklist to be used to assess the eligibility criteria of all projects and provides worked examples from selected two concept projects.

The **principles** guiding CRPP investments were developed through in-depth consultation with a range of stakeholders, including national governments from selected developing member countries of ADB, development partners, think tanks and civil society organizations, including grassroots women's groups. The principles factor the key lessons captured by large scale climate adaptation and/or resilience programs implemented at global level, such as the Climate Investment Fund (CIF) Pilot Program for Climate Resilience (PPCR); and the Braced Resilience and Adaptation to Climate Extremes and Disasters supported by Government of United Kingdom.

The project **eligibility criteria** are guided by the overall objective and theory of change of the CRPP; the investment criteria of the Green Climate Fund (GCF); and the use of concessional financing under the CIF-PPCR.

2. INTRODUCTION

The CRPP is a regional partnership program of the Asian Development Bank (ADB) which aims to help countries and communities in Asia and the Pacific region scale up investments in climate adaptation, especially investments at the community level, that explicitly target the **nexus between climate change, poverty, and gender**. The CRPP aims to contribute to transformational change by; (i) mobilizing large-scale public investments that support community level adaptation of poor and vulnerable people; (ii) developing national and local policies, plans, and programs that promote financing for community-led adaptation; and (iii) increasing the meaningful participation of poor women and men in resilience related decision-making. In doing so, the CRPP will address the points of procedural and distributive justice so that the people most vulnerable to the impacts of climate change can engage in a fair process and receive a fair share of the benefits of adaptation efforts.

The CRPP is operationalized through the Community Resilience Financing Partnership Facility (CRFPF) which was established by ADB in August 2021 and comprises two separate but interlinked components; the **CRPP Trust Fund (TF)** focusing on upstream support to strengthen the enabling environment required for implementing local adaptation measures at scale; and the **CRPP Investment Fund (IF)** focusing on the efficient roll-out of local adaptation measures through downstream investments.

The CRPP TF will provide technical assistance and grant resources financed by development partners and administered by ADB, to selected developing member countries (DMC) of the ADB

[1] The other annexes under 2 includes (i) annex 2.1 country climate risk profile; (ii) annex 2.2 description of outputs: and (iii) annex 2.3 description of project concepts.

to implement the following three **outputs**: (**1**) Knowledge and action research on climate risk informed pro-poor community-level solutions strengthened; (**2**) Institutional and community capacity to develop and deliver climate adaptation investments at community-level strengthened; and (**3**) Inclusive and pro-poor adaptation investment projects identified and prepared. The CRPP TF will include a special gender window to ensure all CRPP financed activities mainstream gender equality and to promote women-focused investments in adaptation. The CRPP IF will provide grant and loan financing from the GCF and ADB to seven selected countries, namely, Cambodia, Indonesia, Lao PDR, Pakistan, PNG, Timor Leste, and Vanuatu, to implement local adaptation measures in the context of large-scale programs. The CRPP IF will deliver three climate related outputs that are the focus of this proposal (**4**) information and systems for delivering applied climate-risk informed investments at scale; (**5**) climate resilient pro-poor livelihoods investments implemented; and (**6**) pro-poor climate adaptation infrastructure implemented.

3. INVESTMENT PRINCIPLES

All sub-projects seeking for co-financing under CRPP IF, would need to demonstrate the following principles. These principles need to be articulated in ADB project documents, including project concept paper and/or report and recommendations (RRP) to the President, and related linked documents.

i. **Respond to current and future climate risks.** The proposed sub-projects/project output/s need to clearly describe the current and future climate risk faced by the communities in the project location in the context of changing socioeconomic development and articulate how the project aims to respond to the risk, in line with national climate change priorities. This includes understanding the magnitude and timescale of climate risks under a range of possible futures and combining the best available scientific evidence with indigenous and traditional knowledge systems. Where appropriate, the proposed project/project output/s should seek to strengthen the management of climate risk by playing a strong knowledge brokering role to help overcome gaps in understanding uncertainties by local communities and stakeholders, especially among those with limited literacy.

ii. **Promote adaptation measures that also addresses underlying drivers of poverty and gender inequality.** Given the explicit focus of the CRPP on building climate resilience among the poor and vulnerable population, proposed sub-projects/project outputs/s will implement adaptation measures that adopts innovative approaches to address the underlying drivers of poverty (not restricted to income poverty) and promotes gender equality in line with national/local climate and development priorities. Examples include activities that (i) promote building new skills for communities in order to steer their livelihoods in a resilient direction; and (ii) involve women in prioritization of local adaptation measures to be financed by the projects.

iii. **Promote selection of adaptation measures based on principles of subsidiarity.** In order to build resilience of the poor and vulnerable population, adaptation measures are needed at all levels – household, community, local government, landscape and national level. While a sub-project/project output may aim at support adaptation measures at a specific level (such as landscape), the project should clearly articulate why the said level is appropriate for implementing the proposed adaptation measure; and how it will complement measures at other levels.

iv. **Promote adaptation measures in the context of physical, ecosystem-based, financial, and/or social and institutional resilience.** Poor communities suffer from many different vulnerabilities that amplify their susceptibility and inability to cope with the current and escalating climate change impacts. Thus adaptation measures should promote strengthening resilience of assets that provided services to the poor communities (such as water harvesting structures in drought prone areas to improve livelihoods); ecosystems that have regulatory functions (such as mangroves to reduce storm surges); financial systems (such as financial preparedness of micro-finance institutions to ensure they can continue providing services to their clients in face of extreme weather events); and local institutions (such as building capacity of urban local governments to integrate climate resilience considerations in spatial planning processes). The proposed sub-projects/project outputs should seek to address multiple dimensions of resilience to build a coherent response. While not all projects will be able to address every dimension of resilience, it should help connect poor communities to other adaptation opportunities.

v. **Promotes cross-sector linkages and mainstreaming into development.** To deliver a whole of society response, adaptation solutions need to coordinate, collaborate, and converge across sectors and sections of society and be mainstreamed into development processes. For instance, convergence between existing humanitarian, early warning systems, and social protection interventions that are designed to directly support the poor, with new climate resilience building approaches. The proposed sub-projects/project output/s should promote cross sector linkages, especially at the local level and improved coordination between local government, communities, and civil society organizations to ensure a coherent climate response; and aim at mainstreaming measures into development processes.

4. PROJECT SELECTION APPROACH

This section presents the governance structure of the CRPP and states the roles and responsibilities of the key entities for making project-level investment decisions. It also describes the procedure for allocation of resources from the CRPP IF, and the process for reporting investment decisions to the GCF.

4.1 Roles and Responsibilities of the CRFPF Governance Entities

The governance structure of the CRFPF will comprise of (i) CRFPF Partnership Group; (ii) CRFPF Steering Committee (iii) CRFPF Working Group; and (iv) CRFPF Secretariat. The members of each of these entities and their functions are described below and summarized in Figure 1. They will have the following roles and responsibilities for project-level investment decisions.

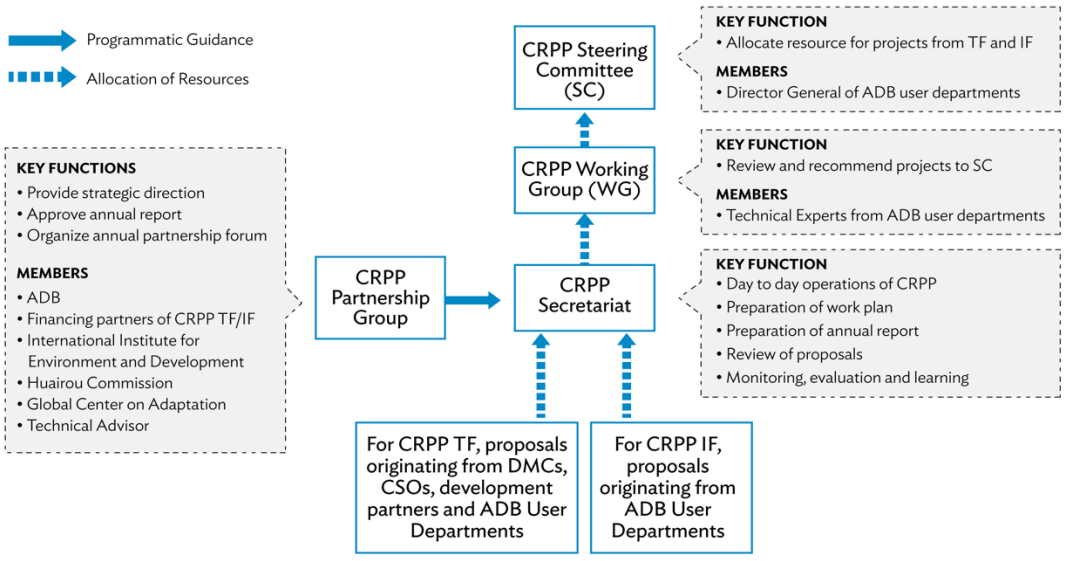
CRFPF Steering Committee: The CRFPF Steering Committee will be responsible for approving the allocation of resources for specific sub-projects, based on priorities identified in the annual work plan and the eligibility criteria defined in the IF Implementation Guidelines (presented in the following section). The Steering Committee will be chaired by Director General, Sustainable Development and Climate Change Department (SDCC) of ADB and the members of the Steering Committee will include the Directors General of the user departments, i.e. ADB departments applying for resources from CRPP TF and IF. The Chair of the CRPP Steering Committee will be the designated authority for approving allocation of CRFPF resources for specific sub-projects. After approval by the CRFPF Steering Committee for fund allocation, the proposals will be processed in accordance with all relevant policies and procedures for technical assistance and grant approval, including without limitation, consulting services and procurement, social and

environmental safeguards, financial management and reporting, and anticorruption and governance.

CRFPF Working Group: The CRFPF Working Group will be responsible for reviewing sub-project proposals and make recommendations to CRFPF Steering Committee for allocation of resources. The Working Group will be chaired by Chief of Climate Change and Disaster Risk Management Thematic Group and Director, SDCD, and comprise of ADB staff from relevant departments with technical expertise on social development, gender, climate and disaster resilience, urban development, and agriculture and food security, and governance. Where needed, the Working Group will engage suitable qualified climate risk consultants to review the climate rationale of the sub-project proposals.

CRFPF Secretariat: The secretariat will support the mission of the CRPP and manage its day-to-day operations. The secretariat will be housed at the ADB and operate under ADB's policies and procedures. The secretariat will include a (i) Fund Manager, (ii) Monitoring and Evaluation and Learning Expert; (iii) Knowledge Expert; and (iv) Gender Expert. The roles and responsibilities of the CRFPF Secretariat in the project selection process will be: (i) supporting the organization and deliberation of CRFPF Partnership Group, and IF Committee meetings; and (ii) preparing minutes of working group meetings on evaluation of IF subprojects and sharing the minutes with GCF.

Figure 1: CRPP Governance Structure



4.2 Procedure for Allocation of Resources from CRPP IF

Sub-projects that seek GCF co-financing under the CRPP IF will be subject to a strict assessment and selection process, that will be based around a framework of criteria that is closely aligned with GCF investment criteria, while also reflecting the core values and priorities of the CRPP. Only sub-projects in the seven participating countries; Cambodia, Indonesia, Lao PDR, Pakistan, Papua New Guinea, Timor-Leste, and Vanuatu from which NOLs have already been received will be considered for CRPP IF support.

The procedure for allocation of resources from CRPP IF (which will blend ADB and GCF finance) will include the following steps:

- Sub-project proposals for CRPP IF can be initiated by ADB. In Q1 of each year, the CRPP Secretariat in close consultation with the CRPP Partnership Group will prepare the annual work plan which would include the list of prioritized project proposals.
- ADB user departments will prepare sub-project proposals using the application form (example given in section 6) and draft project document in standard ADB format and will submit them to the CRPP Secretariat, depending on the nature of application. Applications will be reviewed in batches.
- The applications will be reviewed by the CRPP Secretariat to ensure that they comply with the eligibility criteria (***section 5***) and will be assessed using the project screening tools (***Section 6***). If the application does not meet the criteria, the CRPP Fund Manager will discuss the issues with the user department for revision or withdrawal. If the application complies, the application will be included in the batch for circulation to the CRPP Working Group, as the case may be. The Fund Manager will make a recommendation to the CRPP Working Group on each proposal based on compliance with the eligibility criteria for the use of the funds from CRPP IF. The CRPP Fund Manager will also advise the respective working groups on the availability of CRPP IF resources to support the applications.
- The working groups will have seven working days for review, comment, and endorsement. Where needed, the working group may engage technical climate change experts (consultants) to review the climate rationale of the subprojects. The user department will then have five working days to take the comments into consideration and revise (if necessary) the application. Once completed, the CRPP Fund Manager will prepare the minutes of the decisions of the working group and forward the applications to the CRPP Steering Committee to approve the allocation of resources from the CRPP IF.
- After approval by the CRPP Steering Committee for fund allocation, the proposals will be processed in accordance with all relevant policies and procedures for grant and loan approval, including without limitation, consulting services and procurement, social and environmental safeguards, financial management and reporting, and anticorruption and governance.

4.3 The Process For Reporting Investment Decisions to the GCF

The CRPP Secretariat will provide biannual reporting to the GCF Secretariat so that the GCF Secretariat can continuously assess the compliance of the approved subprojects with the eligibility criteria, and where appropriate, recommend remedial measures. Such reporting will be in addition to annual performance reports. The reporting methodology will include, for each investment decision, all the information provided in the sub-project application form (see section 6), the outcome of the screening and selection process (see section 7), and decisions of the CRPP Steering Committee.

5. PROJECT ELIGIBILITY CRITERIA

The following are the eligibility criteria that will form the framework by which sub-projects that seek GCF co-financing under the CRPP IF will be assessed. The eligibility criteria will be based around a framework of criteria that is closely aligned with GCF investment criteria, while also reflecting the core values and priorities of the CRPP. The eligibility criteria would include the following:

1. **Impact potential:** Following criteria will be used to determine the project's impact potential
    a. The project must clearly set out the specific climate risks (hazard, exposure and vulnerability), under current and future conditions of climate change and socioeconomic development, that the project aims to address, articulating a clear causal narrative between specific activities and their objective of reducing vulnerability or climate risk. Projects that include arguments that are well evidenced and quantified using reliable data sources and information will be prioritized. [*Required*]
    b. Prioritization will be given to those projects that have targeting intervention (TI) for poverty reduction – (TI-household); (TI-Geographic); or (TI- SDG)[2] [*Strongly Desired*]
    c. The project must clearly describe the adaptation benefit that is expected to be generated by the implementation of the project activities. Only projects that identify measurable adaptation benefits will be prioritized.
    d. Projects must align to GCF adaptation result areas and prioritization will be given to those projects that have higher expected final targets for the related indicators.
    e. Prioritization will be given for projects with a higher expected total number of beneficiaries relative to total population (disaggregated by gender)
    f. Prioritization will be given for projects with lower cost per beneficiary

2. **Paradigm shift potential:** The potential of the project to catalyze impact beyond a one-off project investment will be determined through following criteria:
    a. The project must clearly describe how the project outcome will be **sustainable** in the long run i.e., through integration into national/local development processes, through securing additional public and/or private financing; and capacity of national/local institutions to implement similar activities without GCF funding. [*Required*]
    b. Prioritization will be given to projects which demonstrate the potential of being **replicated** elsewhere in the same country or other countries in region. [*Strongly Desired*]
    c. The project promotes **innovation**, such as, through the development and/or adoption of new technology or approaches which can help address adaptation barriers in the region. [*Desired*]
    d. The project promotes sharing of knowledge and learning within and with other CRPP countries [*Required]*

3. **Sustainable development potential:** All projects must demonstrate sustainable development potential by identifying at least one **positive co-benefit** from the following and have associated indicators. Prioritization will be given to projects that demonstrate more than one co-benefit. [*Required*]
    a. Economic co-benefits –explicitly aim at poverty reduction

[2] Based on definition in ADB's Handbook for Poverty and Social Analysis. ADB. 2012. *Handbook for Poverty and Social Analysis: A Working Document.* Manila

   b. Social co-benefits – human health and social development through improved food and nutrition security and reduced loss of life resulting from the impact of extreme weather events
   c. Environmental co-benefits –improved ecosystem services and biodiversity

4. **Gender:** Gender is a standalone criterion that projects must meet independently of the environmental, social and economic co-benefits. The project must either fall under **Gender Equity Theme (GEN)** or **Effective Gender Mainstreaming (EGM)** as per ADB's gender categorization system[3] [*Required*]

5. **Needs of the Recipient:** Following criteria will be used to determine how far the project meets the need of the recipient.
   a. The project aims to overcome **barriers** related to technical, institutional and/or financial barriers to adaptation. Prioritization will be given to projects that aim at overcoming a greater number of barriers. [*Required*]
   b. The project must strengthen capacity of **local institutions** to implement adaptation projects, enhance coordination and improve governance. *[Required]*

6. **Country Ownership:** Following criteria will be used to determine alignment with national and/or local priorities
   a. All projects must demonstrate alignment with **national climate priorities** as reflected in nationally determined contributions (NDCs), national adaptation plans (NAPs) and/or national /local disaster risk reduction plans. [*Required*]
   b. All projects must demonstrate **stakeholder engagement** in developing the project, including consultation with local stakeholders – local government and civil society organization. [*Required*]
   c. All projects must demonstrate engagement with **national designated authorities** (NDAs) in developing the project. [*Required]*

7. **Efficiency and Effectiveness:** Following criteria will be used to determine eligibility
   a. Grant resources from CRPP IF are being used to offset the incremental cost of climate resilient investments, provide targeted climate resilient technical assistance, or for non-revenue generating outputs and non-market elements. *[Required]*
   b. Grant resources from CRPP IF are blended with ADB grants and/or loans in order to augment the volume of financing available for adaptation and better tailor concessionality to achieve transformative investments which would otherwise not proceed. The ratio GCF Grant: ADB Grant/Loan should at least be 1: 4 *[Required]*
   c. Projects should ensure that the concessional resources from GCF do not displace or substitute investments that might have taken place anyway using regular ADB borrowing. *[Required]*

Integrated in the overall CRPP IF risk and appraisal system include the need to manage environmental and social risks and impacts of the subprojects through the implementation of the Environmental and Social Management Framework (ESMF). The CRPP IF ESMF adheres to

[3] The projects of the Asian Development Bank have four gender mainstreaming categories (i) category I: gender equity as a theme (GEN); (ii) category II: effective gender mainstreaming (EGM); (iii) category III: some gender elements (SGE); and (iv) category IV: no gender elements (NGE).

compliance benchmarks of the GCF and the ADB as its AE and as mandated in GCF's Environmental and Social Policy and Environmental and Social Safeguards standards and the ADB Safeguards Policy Statement.

In addition to the eligibility criteria presented above and in line with the ESMF, subprojects are required to screened against ADB's Prohibited Investment Activities List (PIAL). Any proposed activity that falls under the PIAL should not be considered. Risk categorization will be undertaken to determine the level of environmental and social risks and impacts and extent of environmental and social due diligence that will be required for subprojects. Due diligence commensurate to the level of risks will be undertaken to identify, quantify and assess risks and identify mitigation measures. Compliance with agreed mitigation measures and other environmental and social clauses that may be required will be monitored.

ADB user departments submitting applications to CRPP IF will assume primary responsibility for ensuring that subprojects satisfy the ADB safeguards requirements. CRPP will undertake compliance check and ensure that the subprojects are in compliance with the CRPP IF ESMF.

6. APPLICATION FORM FOR ACCESS TO CRPP IF RESOURCES – ADB PROJECTS

(5 pages maximum)

Date: _____

To: CRFPF Steering Committee
Through: *<Department head in principle, or Director with delegated authority>*
From: *<Project Officer, Division>*

Re: Approval for Fund Allocation

Project name : _____
Country/Region : _____
Sector : _____
Amount of funding requested : _____ **Year and quarter fund is needed** : ____

A. Project description *{Please provide a brief description of the background of the proposed project that the CRPP IFwill support by responding to the following questions.}*

i. What is the specific problem which the project seeks to address? (*Note: This should includea summary of the climate change rationale for the project activities)*
ii. What is the project's overall objective and expected output, outcome, and impact, and howdo these align with the CRPP IF design and monitoring framework and the GCF adaptation result areas?

B. Use of CRPP IF funds and added value from receiving CRPP IF support *{Please indicate how CRPP IFfunds will be used, and demonstrate the added value from receiving CRPP IF support to the proposed project.}*

C. Consistency with CRPP IF investment criteria *{Please demonstrate how the proposed funds meet each of theeligibility criteria for fund allocation of investments by responding to the following questions.}*

I. Impact potential:

i. What are the specific climate risks (hazards, exposure and vulnerability), under current and future conditions of climate change and socioeconomic development, that the project aims to address? *{Please articulate a clear causal narrative between specific activities proposed and their objective of reducing climate risk at the community level.}.*
ii. What is the targeting intervention for poverty reduction: Household, Geographic, or SDG?
iii. What are the measurable adaptation benefits that are expected to be generated by the implementation of the project's activities? *{Please articulate the adaptation benefits expected to result from the implementation of the project activities}.*
iv. Please indicate the GCF adaptation result areas that the project is aligned to and include expected final targets for the related indicators. *{The related indicators should be included in the projects DMF}*
v. Please indicate the expected total number of beneficiaries relative to total population (disaggregated by gender) and the cost per beneficiary.

II. Paradigm shift potential:

i. What measures will be taken to ensure that the project outcome will be sustainable in the longrun? *(e.g., integration into national/local development processes, through securing additionalpublic and/or private financing; building capacity of national/local institutions to implement similar activities)*
ii. Please indicate the potential of replicating the project elsewhere in the same country

or othercountries in region.

iii. How does the project promote innovation? *(e.g., through the development and/or adoption ofnew technology or community-based approaches that can help address adaptation barriers inthe region)*

iv. How does the project promote sharing of knowledge and learning?

III. ***Sustainable development potential:*** *What positive co-benefits will the project produce? (note: the project must* identify at least one economic, social or environmental positive co-benefit).

IV. **Gender:** What gender category is the project? *(Note: The project must either be categorized as Gender Equity Theme or Effective Gender Mainstreaming as per the Guidelines for Gender Mainstreaming Categories ofADB Projects.)*

V. Needs of the recipient:

i. How does the project aim to overcome technical, institutional, and/or financial barriers relatedto climate adaptation at the community level? *(Note: Prioritization will be given to projects that aimat overcoming a greater number of barriers.)*

ii. How will the project strengthen the capacity of local institutions to implement adaptation projects, enhance coordination, and improve governance?

VI. Country ownership:

i. Please describe how the project is aligned with national climate priorities as reflected in nationally determined contributions (NDCs), national adaptation plans (NAPs), and/or nationalor local disaster risk reduction plans.

ii. Please describe how stakeholders have been engaged in developing the project, including consultation with local stakeholders such as local governments and civil society organizations.

VII. Efficiency and effectiveness:

Please describe how grant resources are blended with ADB grants and/or loans in order to augment the volume of financing available for adaptation and better tailor concessionality to achieve transformative investments that would otherwise not proceed. *(Note: The CRPPTF Grant: ADB financial assistance grant/loan ratio should be at least 1:4.)*

D. Implementation arrangements and project timeline

i. Describe the likelihood of timely implementation of the project. What is the project timeline(e.g., the project processing and approval time)? Who is the executing and implementing agency?

ii. Please indicate the flow of CRPP IF funds for the project, especially if the funds will support community level activities (using a flow chart where possible).

iii. Please briefly describe the monitoring, reporting, and evaluation plan for the project.

E. Attachments

Attachment 1: Completed Project Eligibility Checklist
Attachment 2: Completed Climate Adaptation Impact Sub-Project Screening Tool Summary
Attachment 3: Theory of Change (ToC) *{The ToC should describe the expected change process progression from activities to specific identifiable adaptation benefits and outcomes}.*
Attachment 4: Design and Monitoring Framework (DMF) {*The DMF should focus on the activities financed through the CRPPIF and be coherent with the CRPPIF DMF and must demonstrate mapping to the GCF IRMF}*
Attachment 5: Detailed Cost Estimates and Financing Plan.
Attachment 6: Detailed Terms of Reference *{Please provide terms of reference for consultants/firms that will be recruited to implement the investment activities.}*

Attachment 7: Draft project concept paper or report and recommendation of the President (if applicable)
Attachment 8: Others (if any)

Assigned by CRFPF Secretariat: Application Number:_____ Amount approved for CRPP IF allocation: _____

NOTES:

1. Please refer to the *Application Number* for tracking/monitoring purposes.
2. User/Operations departments are responsible for sourcing funds to support costs incurred beyond the amount approved for CRPP IF fund allocation.

7. SUB-PROJECT SELECTION AND ASSESSMENT TOOLS

This section presented the tools that will be used in the selection and assessment of CRPP IF sub-projects.

7.1 Sub-Project Eligibility Checklist

Projects that seek GCF co-financing under the CRPP IF will be assessed using the following checklist.

	Eligibility Criteria	Requirements	Yes/No	Description
i	**Impact potential**			
	Causal narrative between climate risk (hazard, exposure and vulnerability) and project	Required		
	Poverty targeting	Strongly Desired		
	Alignment to GCF adaptation result areas (result area and related indicator with final target)	Required		
	Clear adaptation benefit generated.	Required		
	Number of direct and indirect beneficiaries (desegregated by sex)			
	Beneficiary/total population			
	Cost/Beneficiary			
ii	**Paradigm shift potential**			
	Demonstrates sustainability	Required		
	Potential for replication	Strongly Desired		
	Promoted market development	Desired		
	Promotes innovation	Desired		
iii	**Sustainable development potential**			
	Economic co-benefits	Required		
	Social co-benefits			
	Environmental co-benefits			
iv	**Gender**			
	Gender equity theme/ Effective gender mainstreaming	Required		
v	**Needs of the recipient**			
	Supports in overcoming barriers	Required		
	Strengthens local institutions	Required		
vi	**Country ownership**			
	Responds to national climate priorities	Required		
	Stakeholder engagement	Required		
	Engagement with NDA	Required		

	Eligibility Criteria	Requirements	Yes/No	Description
vii	**Efficiency and effectiveness**			
	Grant resources are being to offset the incremental cost of climate resilient investment	Required		
	Grant: Loan Ratio is at least 1:4	Required		
	Grant resources are not displacing investments that might have taken place using regular borrowing	Required		

7.2 Investment Fund Climate Adaptation Impact Sub-Project Screening Tool

The following checklist has been developed with the aim of assisting the design and selection of transformative adaptation investment projects that can be supported by the CRPP IF to ensure that they maximize benefits and avoid maladaptation. The checklist has been developed as a tool that will enable the CRPP secretariat to assess the climate adaptation impact potential in CRPP funding proposals for sub-projects in a consistent and transparent way that is in line with the guidance provided by the GCF. It will also support the user departments in the design of the feasibility studies, along with the ToR provided in section 9.

Adaptation actions should show how the proposed activities relate to and seek to address current and/or future projected climate change impacts. Proposals should identify the systems at risk and the climate change hazard affecting them. They should show how climate change has led, or will lead, to the specific impacts that the proposed activity addresses using the best available data.

Climate Adaptation Impact Potential Assessment Tool

Assessment Criteria	Meets required standard		Summary of supporting evidence	Comments
	Yes	No		
1. The system at risk				
1a. The system at risk is clearly identified and described.				The proposal defines the specific system that is the focus of the proposed intervention. It specifies the location with its geographical characteristics, the demographics with emphasis on poor population, and the environmental and administrative characteristics.
2. The climate change problem				
2a. The climate hazard(s) is clearly defined.				The proposal provides a detailed description of the climate hazard(s). The frequency, severity & extent are described using examples from previous events and (where possible) hazard maps of the location(s) are included.
2b. There is an explicit connection between climate change and an				An increase in the frequency and/or intensity of the hazard(s) in the proposed location can be attributed to climate change. This is well evidenced using

Assessment Criteria	Meets required standard		Summary of supporting evidence	Comments
	Yes	No		
increase in frequency and/or intensity of the hazard(s).				reliable data sources and information including observational data, other historical climate data and projected future changes to climate. A **minimum of 30 years of historical data should be cited** and this must be specific to the context of the proposal. Consensus amongst different data sources is evidenced wherever possible. Exposure maps should be included.
2c. Non-climatic factors that may be contributing to the changes in frequency and intensity of the hazard are identified.				Any factors that are not related to climate change that might contribute to the changes in hazard must be clearly stated (e.g reduced water resources as a result of over extraction).
3. Vulnerability assessment				
3a. The groups that are most vulnerable to the negative impacts of the hazard(s) are clearly identified.				The most vulnerable population is identified via detailed vulnerability analysis that uses a clearly articulated methodology. Vulnerability and risk maps are included.
3b. The socio-economic mechanisms that exacerbate impacts from the hazard(s) for the above group are clearly described.				The proposal clearly articulates the current and potential future trends of social, political and economic factors that are contributing to the exposure and vulnerability of the proposed beneficiaries of the intervention (e.g., reliance on single crop production for livelihood and food security that suffers from productivity loss due to heat stress), and discusses how exposure and vulnerability to the climate hazard(s) are expected to change over time.
4. Appropriateness of the proposed intervention.				
4a. The proposal demonstrates how the specific adaptation activities will reduce the				The proposal provides evidence and analysis which shows an appropriate response to the threat of the ongoing and/or projected climate change hazard identified.

Assessment Criteria	Meets required standard		Summary of supporting evidence	Comments
	Yes	No		
exposure and/or vulnerability of people and thus lessen the climate change risk or impact.				
4b. The number of expected beneficiaries of the proposed activity is consistent with the size of the investment.				The direct and indirect beneficiaries expected to result from the activities are quantified using an approach consistent with the CRPP methodology.
4c. The proposed activity is unlikely to lead to maladaptation.				Sufficient evidence must be provided to show that the proposed activity will not lead to maladaptation, and the risks and mitigation measures proposed in this regard are clearly articulated.
5. Summary of climate rationale				
5a. A clear definition of the problem summarizing the above information is included.				The proposal summarizes the information presented in the previous section clearly and concisely making an evidenced based case for the climate rationale for the proposed intervention.

8. PROJECT EXAMPLES

This section presents worked examples of the use of the project eligibility checklist.

Example 1: Lao People's Democratic Republic: Flood and Drought Mitigation and Management Project

	Eligibility Criteria	Requirements	Yes/No	Description
i	**Impact potential**			
	Causal narrative between risk and vulnerability and project	Required	Yes	Reduction of financial and economic losses from floods and droughts as a result of extreme weather events caused by climate change in Lao PDR. [Note: Detailed climate risk assessments will be undertaken for project locations during project preparation]
	Poverty targeting	Strongly Desired	Yes	Among others, the project aims to increase incomes of local communities through the reduction of flood damages and losses and diversification into high value crops.
	Beneficiary/total population		1.02 million direct and indirect beneficiaries	Based on the 2015 population census, and extrapolated to 2020, direct and indirect beneficiaries are estimated at around 1.02 million (about 22% of the rural population of the three provinces).
	Cost/Beneficiary		$43.5/1.02 = $42.65 per beneficiary	The project is estimated to cost $43.5 million.
ii	**Paradigm shift potential**			
	Demonstrates sustainability	Required	Yes	Economic Sustainability: by ensuring financial returns for the farmers and adoption of resilient production systems. Environmental sustainability: water resource protection by improved water use efficiency; conservation of aqua biodiversity through construction of fish passage on flood control and irrigation infrastructures; land rehabilitation from cassava conversions; and forest regeneration.
	Potential for replication	Strongly Desired	Yes	Using best practices and lessoned learned has the potential for replication in other provinces and the possibility for scaling up of proposed activities.
	Promoted market development	Desired	No	
	Promotes innovation	Desired	Yes	Among others, the provision of small-scale innovative technologies and equipment (e.g. solar irrigation pumping, solar drying, green houses, digital soil and water

	Eligibility Criteria	Requirements	Yes/No	Description
				metering) will strengthen farmers to meet the demand for high quality agricultural products.
iii	**Sustainable development potential**			
	Economic co-benefits	Required	Yes	Farming will become possible year-round which means substantial increased opportunity for men and women during the dry season
	Social co-benefits		Yes	Support provided for improved nutrition within rural diets, especially for girls and women of reproductive age
	Environmental co-benefits		Yes	Environmental benefits include water resource protection by improved water use efficiency; conservation of aqua biodiversity through construction of fish passage on flood control and irrigation infrastructures; land rehabilitation from cassava conversions; and forest regeneration.
iv	**Gender**			
	Gender equity theme/ Effective gender mainstreaming	Required	Yes	Gender consideration will be mainstreamed in all of the project's outputs. Especially the nutrition component will introduce major nutritional benefits for young especially girls and women. During the dry season when men normally move to cities for job opportunities, agriculture is feminized
v	**Needs of the recipient**			
	Supports in overcoming barriers	Required	Yes	Financial and technical barriers to access knowledge, equipment and technology related to climate smart farming and new agricultural practices
	Strengthens local institutions	Required	Yes	The project will support (local) government entities as they currently do not have the necessary skills and decision support tools to plan and guide investment for mitigation of, or adaption to, climate risks.
vi	**Country ownership**			
	Responds to national climate priorities	Required	Yes	The project will help the government to implement the National Water Management Strategy and Action Plan 2030, the country's Nationally Determined Contributions and the 2010 National Strategy on Climate Change
	Stakeholder engagement	Required	Yes	Comprehensive consultations are being held with relevant national government ministries, state departments, development

	Eligibility Criteria	Requirements	Yes/No	Description
				partners, civil society organizations, beneficiaries and nongovernment organizations
	Engagement with NDA	Required		NDA in Lao PDR is the Ministry of Natural Resources and Environment (MONRE). NDA will be represented in the National Steering Committee that is in charge of the Project's oversight chaired by the Minister of MAF. Each of the three target provinces will establish a provincial steering committee with representative of provincial MONRE and chaired by governor of each province.
vii	**Efficiency and effectiveness**			
	Grant resources are being to offset the incremental cost of climate resilient investment	Required	Yes	The project will use grant resources to incentivize implementation of local adaptation solutions. Without such additional incentives it is unlikely that farmers will be able to deal with the increasing risk from climate change.
	Grant: Loan Ratio is at least 1:4	Required	Yes	GCF Grant $10 million; ADB loan $30 million (plus $2 million government contribution and $1.5 million ADB Special Fund grant)
	Grant resources are not displacing investments that might have taken place using regular borrowing	Required	Yes	Grant money is required to fund the adaptation elements of the project that will otherwise not receive financing as some are non-revenue generating.

Example 2: Proposed Agriculture Value Chain and Water Harvesting Project

	Eligibility Criteria	Requirements	Yes/No	Description
i	**Impact potential**			
	Causal narrative between risk and vulnerability and project	Required	Yes	Project responds to future predicted climate change risks by supporting changes in farming systems to more resilient practices, development of market systems to generate incentives to support behavior change, and investment in water harvesting infrastructure to better manage water resources. [Note: Detailed climate risk assessments will be undertaken for project locations during project preparation.]
	Poverty targeting	Strongly Desired	Yes	Project will focus on the poorest sub-districts in 4 target municipalities all of which contain areas with the highest poverty rates in the country.
	Beneficiary/total population			Direct + indirect beneficiaries to total population: 38%
	Cost/Beneficiary			$80,000,000/460,000=$174

	Eligibility Criteria	Requirements	Yes/No	Description
ii	**Paradigm shift potential**			
	Demonstrates sustainability	Required	Yes	Improved skills and knowledge through capacity development activities, trainings and skill development on climate-smart agricultural practices, crop diversification and improved market systems to ensure a widespread adoption and application of acquired skills by key stakeholders; (ii) increased financial returns for farmers and other market participants in agricultural value chains to ensure the continued development of climate resilient production systems; and (iii) allocated funding by government agencies sufficient to cover O&M costs.
	Potential for replication	Strongly Desired	Yes	As a relatively small country with a variety of similar farming systems and through a close partnership with the Ministry of Agriculture and Fisheries and local governments who will be responsible for implementing the project, as well as the project's emphasis on knowledge creation and sharing, there is good potential for replication to other areas.
	Promoted market development	Desired	Yes	A key focus of the project is on the development of agricultural value chains to improve the livelihoods of both women and men through increased private sector participation.
	Promotes innovation	Desired	Yes	Project will support the application of innovative small scale, community-based infrastructure appropriate to the local circumstance to increase resiliency to climate change and improve returns to agriculture for women and me. It will also encourage integration of agroforestry within existing farming systems.
iii	**Sustainable development potential**			
	Economic co-benefits	Required	Yes	Project aims to expand participation of the private sector in agricultural value chains to increase income-earning opportunities for women and men famers in poor rural areas. Strengthened links between producers and consumers will improve incentives for farmers to produce for the market leading to increased returns. Access to finance, especially for women farmers, will be increased by linking to established microfinance providers.
	Social co-benefits		Yes	Project builds solidarity at a community level by engaging the full range of stakeholders involved in agricultural production systems and

	Eligibility Criteria	Requirements	Yes/No	Description
				value chains, particularly on strengthening participation of women in project activities. In particular the project will focus on closing the productivity gap between men and women by enhance women's access to finance and assets.
	Environmental co-benefits		Yes	Project supports transition from unsustainable, environmentally damaging agricultural practices through environmentally sensitive practices, investing in climate-resilient infrastructure, and adopting institutional arrangements that will ensure long-term sustainability.
iv	**Gender**			
	Gender equity theme/ Effective gender mainstreaming	Required	Yes	Project supports effective gender mainstreaming by ensuring women's substantial participation in project activities, promoting equal opportunities for women's leadership in local decision-making processes, and strengthening women's economic empowerment through improved access to finance and other assets.
v	**Needs of the recipient**			
	Supports overcoming barriers	Required	Yes	Project will provide a combination of technical information, financial incentives, and gender-responsive engagement opportunities through (i) climate-smart agroforestry and forestry activities to restore ecological function, (ii) expanded participation of the private sector by linking producers to markets and providing critical support services to small farmers to create market-based incentives that enable women and men farmers to make the transition from previously unsustainable to climate-resilient agricultural practices.
	Strengthens local institutions	Required	Yes	Project will focus on local farmers' groups as the primary community-level institution with a focus on strengthening the participation of women's groups.
vi	**Country ownership**			
	Responds to national climate priorities	Required	Yes	Project supports government's efforts "to increase productivity and production of the agricultural sector that could have congruent positive impacts on food and nutrition security and poverty alleviation and sustainable growth in the context of climate change", contribute to the country's commitment in its Initial Nationally Determined Contribution to mainstream climate change

	Eligibility Criteria	Requirements	Yes/No	Description
				adaptation in the action plans of all sectors, and support implementation of adaptation measures and project profiles outlined in the National Adaptation Programme of Action to Climate Change.
	Stakeholder engagement	Required	Yes	Project will integrate stakeholder participation throughout design and implementation with a particular focus on engagement of women and men beneficiaries at the community level, local sub-district authorities, officials in ministries involved in project implementation.
	Engagement with NDA	Required	Yes	The Secretariat of State for the Environment will be consulted during project development and will have a role in project implementation as a provider of knowledge to local community on the risks of climate change and opportunities to increasing adaptation in the agriculture sector.
vii	**Efficiency and effectiveness**			
	Grant resources are being used to offset the incremental cost of climate resilient investment	Required	Yes	Given the current low returns to agriculture, the project will use grant resources to bolster incentives for poor women and men farmers to adopt farming practices that are better adapted to predicted climate change risks. Without such additional incentives it is unlikely that farmers will be able to overcome the short-term risks associated with loss of immediate agricultural output that may occur due to a change in farming practices.
	Grant: Loan Ratio is at least 1:4	Required	Yes	10,000,000:70,000,000 = 1:7
	Grant resources are not displacing investments that might have taken place using regular borrowing	Required	Yes	As a UN-classified least-developed country and with an ADB category of fragile with conflict-affected situations (FCAS), Timor-Leste lacks the financial resources to meet it overall needs for development financing while adequately combat the effects of climate change. The grant resources requested for the project are needed to provide farmers with sufficient incentives to encourage farmers to shift from unstainable, environmentally damaging farming practices to enable the country to better adapt to future negative climate impacts.

9. EXAMPLE TERMS OF REFERENCE FOR THE CLIMATE RATIONALE FOR CRPP IF PROJECTS

This section presents an example of the terms of reference that can be used for experts to support the development of the climate rationale. This is included as an indicative example as the specific scope of the assessment may vary depending on the project's context.

Background

The **Community Resilience Partnership Program (CRPP)** is a proposed regional program of the Asian Development Bank (ADB) that aims to address local adaptation needs of the poor and vulnerable population while being gender responsive. The objectives of the CRPP are to support selected countries in Asia and the Pacific region to (i) scale up local adaptation solutions in alignment with national climate priorities; (ii) finance local adaptation solutions that explicitly address the climate and poverty nexus and are implemented in the context of large-scale poverty reduction programs; and (iii) work with local institutions and communities to build long-term capacity for dealing with climate shocks and stresses. The CRPP comprises two separate but interlinked components.

The **CRPP Trust Fund (TF)** focuses on upstream support to strengthen the enabling environment required for implementing local adaptation measures at scale. This will provide technical assistance and grant resources financed by development partners and administered by ADB, to selected countries in Asia and the Pacific region to implement the following outputs: (1) increased awareness and capacity on use of climate risk information to improve decision-making at the local level; (2) institutions' ability to develop and deliver local adaptation investments at scale strengthened; and (3) large-scale local adaptation projects identified and designed in the context of wider poverty reduction programs.

The **CRPP Investment Fund (IF)** focuses on the efficient roll-out of local adaptation measures through downstream investments. This will provide grant and loan financing to seven selected DMCs, namely, Cambodia, Indonesia, Lao PDR, Pakistan, PNG, Timor Leste, and Vanuatu, to implement local adaptation measures as part of ADB financed poverty reduction projects. The IF will deliver three climate related outputs that are seeking funding from the Green Climate Fund (4) information and systems for delivering applied climate-risk informed local investments at scale; (5) climate resilient pro-poor livelihoods investments implemented; and (6) pro-poor climate adaptation infrastructure investments implemented.

Projects applying for the IF need to comply with the Green Climate Fund (GCF) guidance on developing a clear **climate rationale**.

This terms of reference sets out the activities and outputs that are needed to produce this climate rationale, and the expected output of the climate rationale report. This aligns to Section B1 of the GCF proposal template. Further guidance on developing a climate rationale are available from the GCF website, in the GCF Programming Manual[4] and additional guidance is available in the GCF Proposal Toolkit[5].

The information provided in the climate context will also be used to help undertake ADB's Climate Risk and Adaptation Assessment for the project. There is ADB guidance that can help on climate risk and adaptation assessment[6], with guidance documents by sector (for agriculture, transport, energy and water), as well as general guidance[7].

[4] https://www.greenclimate.fund/document/programming-manual.
[5] https://reliefweb.int/sites/reliefweb.int/files/resources/GCF-Funding-Proposal-Toolkit-2020.pdf.
[6] https://www.adb.org/publications/climate-risk-management-adb-projects.
[7] https://www.adb.org/publications/climate-risk-management-climate-proofing-projects.

Objective

The primary objective of this assignment is to provide a climate context document for the proposed project, which clearly outlines the climate justification. This climate rationale should align to the GCF requirements and outputs for the climate rationale of a GCF proposal, section B1. A secondary objective is to provide information of relevance for ADB's climate risk and adaptation assessment of the project.

Outputs

The outputs are:
- A short, clear summary of the climate rationale of approximately 1000 words (2 pages).
- A technical annex with more detailed information and data.

Output outline

The document should outline the context that the proposed project/programme operates in and what climate change problems the project/programme aims to address. To do this, the outputs should include the following:
- Context: Briefly describe the target region/area of the proposed interventions including information on the demographics, economy, topography, etc.
- Climate change problem: Describe the climate change problem the proposal is expected to address. Describe the adaptation needs (climate hazards and associated risks based on impacts, exposure, and vulnerabilities) that the proposed interventions are expected to address.
- Scenarios. Describe the most likely scenario (prevailing conditions or other alternative) that would remain or continue in the absence of the proposed interventions. Include baseline information. Outline the potential benefits of the project in reducing these baseline impacts.
- Related projects/interventions: Describe any recent or ongoing projects/interventions that are related to the proposal from other domestic or international sources of funding.

The guidance from the GCF highlights a number of elements for the above list:

(i) Include a detailed description of the main climatic impacts or factors affecting a specific priority sector or location, i.e. describe the climate change-induced problem, its root causes and effects;

(ii) Identify and produce data and science, including reference to the state of the climate (temperature, precipitation, sea-level rise, etc.), characterization of climate variability and trends from historical observations, and description of potential future climate changes using climate models. Data should validate the climate problem.

(iii) Identify adaptation measures that address the climate problem as described, and which are feasible and would be effective under expected current and future climate conditions. The connections between the climate conditions and the potential proposed actions should also be described on the basis of the best available observations, data and science.

The methods used for these steps (data, methods, information) should be fully documented and referenced. This should include peer reviewed academic literature, international datasets, complemented with national policy or project reports or national sectoral studies.

Detailed Specification

Draft general climate change annexes currently exist for all countries in the proposed CRPP IF. These will be provided to the consultants. The key task of this assignment is to improve

these to provide greater alignment with the GCF template and to provide input to the full design studies and the ADB climate risk and adaptation assessment. The content of the sections and possible approaches and data sets are provided below.

Context

The first section should describe the target country and provide information on the demographics, economy, etc. This should be taken from international published sources, e.g. United Nations, ADB and World Bank data sources. Where a project is focused on a particular region/area of the country, the data for this region should be collated.

Given the focus of the CRPP, it is critical to include poverty data for the country (this can be taken from ADB[8] and UN sources[9]), but should also include poverty data for the area of the project, which is likely to require additional source material (e.g. national data sets).

The section should also include a short summary of climate policies. Information is available by country from the Climate laws of the world site[10].

Climate change problem (including data validation)

The starting point is to assess the current climate. This section should start with an overview of the current topography and climate in the country and the region/location of the project. At the national level, it would be useful to derive the average monthly temperature and rainfall plot. This should be complemented with an analysis of how the current climate differs across the country, either with national climatic zone maps, or more detailed temperature and precipitation plots for regions. This information can generally be compiled from the ADB/World Bank Climate Risk profiles[11] (new), the World Bank Climate Portal[12], and from information in the country's most recent national communication[13].

Outlining the climate rationale

This section should outline the main climate problem affecting the specific priority sectors or locations that the project is seeking to address, including a simple description. This should identify the key climate hazards, past, present and future, and the problem that this is/will cause. It should also identify non-climatic drivers of stressors of relevance to the project area, e.g. population, land-use change. This information can also be presented as a problem tree or problem analysis diagram, noting a problem tree may already exist in the ADB concept note for the project.

Local historical climate data, including hazards and trends

The section should provide current (historic to present) climate data (observational) that is specific to the area that the proposal is addressing, and focus on relevant climate parameters for the sector or thematic problem.

For sub-national projects, observational data can be taken from international data sets or local stations (if validated). For guidance on collecting this data, and relevant sources of information, we recommend the *ADB Information Sources to Support ADB Climate Risk Assessments and Management: Technical Note* and the section on Historic Weather and Climate Information[14].

[8] Asian Development Bank (ADB). *Basic Statistics 2020*. https://www.adb.org/publications/basic-statistics-2020.
[9] http://hdr.undp.org/en/countries/.
[10] https://climate-laws.org/.
[11] https://www.adb.org/publications/series/climate-risk-country-profiles.
[12] https://climateknowledgeportal.worldbank.org/.
[13] https://unfccc.int/non-annex-I-NCs.
[14] https://www.adb.org/publications/adb-climate-risk-assessments-information-sources

It is stressed that this historic data series should align to the climate problem that the project is seeking to address. For example, a project focused on coastal areas and sea-level rise should source information on observed sea-level increases and subsidence/uplifts in the area, e.g. sourcing information on tide gauge measurements[15]. As another example, a project focusing on extreme events and disaster risk might look at data on extreme event indices[16] and collate information from disaster risk datasets in the region of the proposed project (see below).

As well as observed information, the analysis should document trends, i.e. the changes that are already occurring from climate change. It is noted that while some data show clear, statistical trends, e.g. average temperatures, it is often difficult to pick out trends for other parameters due to baseline variability, e.g. average or seasonal rainfall, patterns of extremes. Information on trends is available from some of the climate risk profiles and national sources (e.g. NCs) but these often differ, so it is good practice to look at different sources and also be transparent in reporting this information.

Data sources should be from reliable sources. It is highlighted that data series should be of sufficient length to allow for the effects of variability, i.e. at least 30 years, and for the analysis of trends, longer than this, i.e. 50 years. All data sources should be clearly documented and referenced. This section should also include a description of climate data adequacy (availability, quality, applicability) and of the key assessment methodologies and tools used to document and analyse climate variability and trends.

Historic extreme events

For many projects, it will be relevant to collect data on historic extreme events, i.e. floods, droughts, windstorm, storm surges, etc. to build up the project climate rationale. The information on these can be collected at national and subnational level from international datasets, as examples from the EM-DAT International disasters database[17]. DESINVENTAR[18], the Dartmouth flood observatory[19] and UNDSR[20]. All data sources should be clearly documented and referenced. Note that as above, time series should be long enough to reflect variability and care should be taken in over-interpreting trends due to changes in reporting and other socio-economic factors changing over time.

Vulnerability

Climate risks are part of a broader system and should be understood as a function of hazards (above), exposure, and vulnerability. Given the focus of the CRPP, the consideration of vulnerability is of key importance. This refers to the degree to which the system (and the affected population) is susceptible to, and unable to cope with, the adverse effects of climate change, including climate variability and extremes.

This section should compile relevant vulnerability information, i.e. it should undertake a rapid vulnerability assessment to identify the root causes of vulnerability to climate change, focusing on the population and communities that the project is targeting.

This could compile information on how have people historically coped with climate extremes, and to document where are the most vulnerable areas and who are the most vulnerable populations. This identifies biophysical drivers of vulnerability. It may include local experiences related to shifting precipitation patterns and water availability, effects of warming on

[15] See https://www.psmsl.org/about_us/ and https://uhslc.soest.hawaii.edu/
[16] For example, using Climpact (climpact-sci.org)
[17] https://emdat.be/
[18] https://www.desinventar.net/
[19] https://floodobservatory.colorado.edu/
[20] https://www.preventionweb.net/knowledgebase/disaster-statistics

agriculture, etc. The assessment should also include consideration of socioeconomic drivers of vulnerability, e.g. socio adaptive capacity including human development indexes, livelihood dependencies, land tenure, etc.

Additional guidance on vulnerability assessments are available[21]. In some cases (for specific projects) this may require participatory engagement, including community perceptions (interviews, surveys) of vulnerability to climate change and the capacity to adapt.

There should also be a specific analysis and section on how hazards affect poor and vulnerable population (including marginalised groups) - reflecting the focus of CRPP on these groups - and a separate analysis of how the hazards affect women. The latter analysis should link to the gender assessment and gender action plan for the project.

Future climate change projections

The next step is to assess future climate change projections. There are many sources of climate information, but care is needed in sourcing and reporting.

For guidance on collecting this data, and relevant sources of this information, we recommend the *ADB Information Sources to Support ADB Climate Risk Assessments and Management: Technical Note* and the section on Multidecadal Climate Change Projections[22].

Climate projections should be based on the relevant time period for the project. This will normally mean projections for the mid-century (around the 2050s) and not the late century (2080s). They should also focus on parameters that are relevant for the climate problem, and not just present information on annual average temperature and precipitation.

Climate projections should be reported for different emission scenarios, i.e. different RCPs and for different climate models (to capture uncertainty). We recommend against reporting single central estimates only. A combination of plots and tables is useful. It can be useful to start with the average annual trends, then explore seasonal information and then move to climate extremes, noting the uncertainty for the latter is higher. All information on climate projections should:

- Report the time period (e.g. 2040 - 2060), the scenario e.g. (RCP2.6), the climate models (ensemble mean, specific model) and the baseline (e.g. 1981-2000).
- Report the range of results, not just central values.

It is stressed that there is global and downscaled information available, and while downscaled information is preferable, it is most important to consider an ensemble of model runs (a group of parallel model simulations)[23].

Downscaled ensemble information is available from the ADB/World Bank Climate Risk profiles[24] (new), the World Bank Climate Portal[25], and from other portals, such as the KNMI

[21] https://www.adaptationcommunity.net/vulnerability-assessment/; https://www.adaptationcommunity.net/?wpfb_dl=203; https://www.adaptationcommunity.net/vulnerability-assessment/vulnerabilitysourcebook/.
[22] https://www.adb.org/publications/adb-climate-risk-assessments-information-sources.
[23] Global climate models provide a comprehensive representation of the global climate system. However, global models provide outputs at a high aggregation level. Therefore, to derive a finer resolution at local-scale, it is possible to use information from downscaling approaches are used. While downscaled climate information can be useful, it is not a substitute for global climate models. If using climate projections from a regional climate model (dynamical downscaling) or a point based / individual station (statistical downscaling), it is advisable to compare and reference the projections with the global climate model projections for that area. Furthermore, it is not recommended to use the information from a limited number of downscaled projections alone: while a regional model may have a good representation of the local climate, this does not mean it is any better at projecting future climate change. All the climate models have biases and it is important to look at the global climate projections.
[24] https://www.adb.org/publications/series/climate-risk-country-profiles
[25] https://climateknowledgeportal.worldbank.org/

Climate Change Atlas[26]. There may also be some downscaled information available in national communications and in the academic literature.

As with all previous sections, methods and data sources should be clearly documented and referenced. The analysis should include a description of climate data adequacy (availability, quality, applicability) and of the key assessment methodologies and tools used to document and analyse potential future climate changes.

Future climate change impacts (adaptation needs)

The next step is to consider how the future climate change projections lead to potential risks, i.e. to describe the baseline scenario (without the project).

This should use the climate projections, and additional sources of information from multiple sources, and build up a description of climate problem. These should be focused on the area or region of the project and the specific thematic issues of concern, as well as the impacts on poor and vulnerable populations, in line with the CRPP focus. It therefore should provide project specific information.

There is information on climate impacts available from existing datasets and portals and we recommend the *ADB Information Sources to Support ADB Climate Risk Assessments and Management: Technical Note* and the section on Climate Change Impacts and Adaptation Projects[27].
In some cases, this task may require additional analysis, i.e. to estimate the potential impacts for subsequent project design. Further guidance on some of the approaches that can be used are included in ADB guidance.

This work may need to be undertaken (or may benefit) from interaction with the main design team for the project, as this may already be commissioning detailed modelling analysis (e.g. hydrological studies, crop modelling).

Where possible, it is useful to identify the baseline economic cost of climate change, i.e. the e the additional costs incurred under business-as-usual development projections.
The section should include a description (availability, quality, applicability) and of the key assessment methodologies and tools used to document and analyse climate impacts.

With project scenario

The final section of the climate problem analysis is to document how the proposed project will address the climate problems above, i.e. to outline the potential benefits of the project in reducing the baseline impacts.

The description should underline the climate risks that the project will address. This should include some analysis of the potential level of benefits achieved. Supporting this analysis, this can consider alternative options, and to include analysis to demonstrate why the proposed measures are the most effective solutions to the climate problem. As above, this should focus on the benefits on poor and vulnerable populations, in line with the CRPP focus.

Again, this activity may require additional analysis, i.e. to estimate the potential benefits for subsequent project design, and should also link (and can integrate with) the main design team for the project, as this may already be commissioning such analysis.

Related projects/interventions

[26] http://climexp.knmi.nl/plot_atlas_form.py
[27] https://www.adb.org/publications/adb-climate-risk-assessments-information-sources

The final section should summarise related projects/interventions: and describe any recent or ongoing projects/interventions that are related to the proposal from other domestic or international sources of funding. This should include other Green Climate Fund projects[28], as well as projects funded by the Global Environment Facility[29], Adaptation Fund[30], and Climate Investment Funds (particularly PPCR activities[31]). Additional information on international climate funds by country is available at Climate Funds Update[32] and climate action tracker[33].

The section should also outline how these existing projects and activities will be complemented by this project/programme (e.g. scaling up, replication, etc.).

It should identify current gaps and barriers regarding recent or ongoing projects and elaborate further how this project/programme complements or addresses these.

This section should also outline how the proposed programme aligns to the country's (Intended) Nationally Determined Contribution (NDC[34]), ideally from the most recent submission.

Summary

The combined information from all the sections above should be used to demonstrate the climate rationale, to show that a particular intervention goes beyond a country's development imperative and demonstrates that the proposed investment is truly an intervention needed as a result of a climate change. This information should also inform the theory of change for the project and the recommended interventions.

10. METHODOLOGY FOR IDENTIFYING DIRECT AND INDIRECT BENEFICIARIES

The following guidance has been developed to ensure a standardized framework for estimating direct and indirect beneficiaries across the CRPP IF sub-projects. This will support the project assessment and selection process through the assessment of impact potential, as well as the program and sub-project monitoring and evaluation efforts. The methodology is closely aligned to the GCF's guidance for measuring its Core Indicator 2 - *Direct and indirect beneficiaries reached,* which is described in the Draft Results Management Handbook. The methodology also incorporates elements from co-financing partners, such as the UK Government International Climate Finance related methodology[1], to provide one consistent and coordinated framework that satisfies the reporting requirements of all CRPP partners.

10.1 Identifying beneficiaries

In order to identify the adaptation beneficiary population, sub-projects must identify the population that is *targeted* by the intervention, and if the population receives an *adaptation benefit*.

Adaptation benefit: The identification of core expected *adaptation benefits* of an intervention is the starting point for estimating beneficiaries. An adaptation benefit is an outcome derived from an intervention which aims to increase resilience or reduce vulnerability of a specific target system (e.g. communities, ecosystems, local economy) against the adverse effects of climate change, when compared to a baseline scenario. Examples of a measurable adaptation benefit include: increased agricultural productivity and income of farmers, use of early warning information to take precautionary measures, or increased water availability.

[28] https://www.greenclimate.fund/countries
[29] https://www.thegef.org/country
[30] https://www.adaptation-fund.org/projects-programmes/
[31] https://www.climateinvestmentfunds.org/topics/climate-resilience
[32] https://climatefundsupdate.org/
[33] https://climateactiontracker.org/
[34] https://www4.unfccc.int/sites/ndcstaging/Pages/Home.aspx

Targeted support: In order to identify who is a *direct beneficiary* and who is an *indirect beneficiary*, and who should be excluded from being counted, sub-projects must differentiate between, targeted and non-target individuals. Targeted support refers to the support provided or delivered by an intervention and can be tracked in the actual project records as part of the regular project monitoring processes. Targeted individuals can thus be identified by the programme as receiving direct support, can be counted individually, and are aware they are receiving support in some form. This implies a high degree of attribution to the sub-project. The classification of the beneficiaries according to this is binary, i.e *targeted* or *not targeted*.

Keeping in mind these two key concepts:

- **Direct beneficiaries** are defined as individuals who receive both targeted support from a sub-project intervention *and* are expected to a have a measurable adaptation benefit from the intervention.

- **Indirect beneficiaries** are defined as individuals who *do not receive targeted support* from a CRPP sub-project intervention but are *likely to receive a measurable adaptation benefit* from CRPP sub-project intervention.

Intensity of support: With the aim of generating more nuanced information about beneficiaries, CRPP IF sub-projects must disaggregate beneficiaries by the level of support provided per person within the target system according to three classifications; *low intensity, medium intensity and high intensity.* Examples of each of these are described in Table 1 below.

Table 1: Examples of the three types of intensity of support*	
low intensity	People falling within the administrative area of an institution such as a ministry or local authority receiving climate adaptation capacity building support, or people within a catchment area of a river basin subject to a water resources management plan.
medium intensity	People receiving information services such as climate-modelled early flood warning or extreme weather forecast by text, or people within a catchment area with structural flood defenses.
high intensity	People benefitting from adaptive housing raised on plinths, project cash transfers, trainees (not “demonstration”) supported by agricultural extension services, or training of individuals in communities tasked to develop climate risk management plans.

*These categories are not exclusive. A certain amount of judgement needs to be exercised.

10.2 Calculating beneficiaries

The calculation of beneficiaries will be done at the sub-project concept stage, and direct and indirect beneficiaries are to be included in the application form for access to CRPP IF resources. The definitions presented in this section provide a framework from which each sub-project will calculate its beneficiaries as part of the impact potential. The specific methodologies for calculating indirect beneficiaries will require assumptions that are specific to each project context. These assumptions must be presented along with the beneficiary figures. Guidance for identifying direct and indirect beneficiaries for GCF Adaptation Result Areas (ARAs) is provided in table 2 below.

An individual can only be counted as a beneficiary if the adaptation benefit is expected to persist at least for the duration of the funded activity implementation period and preferably

during the lifespan of an adaptation technology, asset, or measure that is introduced as part of a CRPP supported intervention.

If any individual ‘counts’ as a direct beneficiary by any part of the programme, that person should be counted only one time, and as a direct beneficiary. If that person is also an indirect beneficiary under another component of the programme, they should not be counted again.

Household data can be converted into total number of people if only household-level data has been collected. Estimate the total number of beneficiaries based on typical household size in the target area. If local data is not available, then national-level data on household size can be used to estimate total number of beneficiaries.

In cases where a sub-project activity does not interact directly with a population, for example: institutional strengthening in climate risk management or extreme weather forecasts broadcast on radios. Population estimates can be used for their target area, using whatever data source is recognized to be most accurate.

Beneficiary data must be disaggregating by sex, disability, age, and geography, and intensity of support as described in Table 2.

This methodology applies to those outputs which are explicitly linked to climate change adaptation, in sub-projects where there are outputs that are not directly related to climate adaptation, only those that are, should be counted towards the CRPP results framework.

Table 2: Guidance for Identifying Beneficiaries for GCF Core 2 Indicators

GCF ARA	Direct Beneficiaries	Beneficiary Numbers	Indirect Beneficiaries	Beneficiary Numbers
ARA 1: Most Vulnerable People and Communities	All people targeted by the CRPP Program sub-project activities are poor and vulnerable people. Therefore, the direct beneficiaries under ARA 1 are the sum of the direct beneficiaries of the other ARAs detailed below, plus those people that are directly targeted by the program activities and are expected to have an adaptation benefit, but are not counted under the other ARA Core Indictor 2. For example, these maybe people that receive cash transfers through improved adaptive social protection systems, people who receive early warning messages from improved systems supported by the CRPP, people that enroll on TVET courses that promote skills and technologies related to climate resilient livelihood practices, or people that participate in identifying and prioritizing local government investments in climate change adaptation measures as part of improved decentralization processes.	**Total: 3,219,400 (Male: 1,609,700 Female: 1,609,700)** **Cambodia: 1,300,000** No. people adopting new skills/technologies = 1,300,000 **Indonesia: 1,200,000** No. people with reduced exposure (ARA 3) = 150,000 + 1,050,000 from other potential project (TBC) **Lao PDR: 141,000** No. people adopting new skills/technologies = 30,000 + No. people benefiting from ecosystem services = 20,000 + No. people benefiting from improved adaptive social protection systems = 91,000 **Pakistan: 488,000** No. people benefiting from reduced exposure (ARA 4) = 488,000	Each sub-project will have to estimate the number of indirect beneficiaries based on key assumptions that are specific to that project context. For example, indirect beneficiaries of a project that increases coverage of early warning systems may be those who are not covered under the mobile phone network of the early warning system due to not having mobile phones or residing in hospitals and residential institutions etc. But are taking precautionary measures (as they may be receiving the information indirectly within the target geographical area). Indirect beneficiaries for decentralization projects for example may be calculated by dividing the total population of the local administration by the area's poverty rate. All assumptions must be clearly stated, and coherence across similar projects will be ensured. A measurable adaptation benefit must be identified. Unlike the direct beneficiaries, not all indirect beneficiaries that receive an adaptation benefit from CRPP projects will be poor and vulnerable. Therefore, the figures presented here are not simply the sum of the indirect beneficiaries from the other ARAs and will differ from the total number of indirect beneficiaries from CRPP.	**Total: 2,316,000 (Male: 1,158,250 Female: 1,158,250)** **Cambodia:** 1,365,000 **Indonesia:** 90,000 **Lao PDR:** 311,500 **Pakistan:** 420,000 **Papua New Guinea:** 15,000 **Timor-Leste:** 90,000 **Vanuatu:** 25,000

GCF ARA	Direct Beneficiaries	Beneficiary Numbers	Indirect Beneficiaries	Beneficiary Numbers
		Papua New Guinea: 10,000 No. people adopting new skills/technologies = 10,000 **Timor-Leste: 60,000** No. people adopting new skills/technologies = 30,000 + No. people benefiting from reduced exposure (ARA3) 30,000 **Vanuatu: 20,400** No. people benefiting from reduced exposure (ARA3) = 400 + No. people benefiting from improved adaptive social protection systems = 20,000		
ARA 2: Health, Well-being, Food and Water Security	These are the people that are targeted by the activities under output 5 of the CRPP program, and are likely to receive the measurable adaptation benefit of improved food security. This number is estimated according to the following steps and assumptions: 1 – Identify the number of individuals to be directly reached by the activity (e.g. farmers that receive financial and capacity building support).	**Total: 959,000 (Male: 479,500 Female: 479,500)** **Cambodia** 1. No. people reached = 325,0000 2. No. people adopting new skills/technologies = 1,300,000	Each sub-project will have to estimate the number of indirect beneficiaries based on key assumptions that are specific to that project. An example of an indirect beneficiary from activities such as financial and capacity building support to farmers to use climate resilient production practices that seek to achieve the adaptation benefit of improved food security, would be those people that are expected to adopt the practices based on skills passed on from direct beneficiaries.	**Total: 1,438,500 (Male: 719,000 Female: 719,000)** **Cambodia:** 1,365,000 **Lao PDR:** 31,500 **Papua New Guinea:** 10,500 **Timor-Leste:** 31,500

GCF ARA	Direct Beneficiaries	Beneficiary Numbers	Indirect Beneficiaries	Beneficiary Numbers
	2 - Assume 40% of those individuals reached adopt the new skills/technologies promoted by the activity over the medium to long-term. 3 - Assume 70% of those that adopt the activities have improved food security that can be measured.	3. No. people with improved food security = 910,000 **Lao PDR** 1. No. people reached = 75,000 2. No. people adopting new skills/technologies = 30,000 3. No. people with improved food security = 21,000 **Papua New Guinea** 1. No. people reached = 25,000 2. No. people adopting new skills/technologies = 10,000 3. No. people with improved food security = 7,000 **Timor-Leste** 1. No. people reached = 75,000 2. No. people adopting new skills/technologies = 30,000 3. No. people with improved food security = 21,000		
ARA 3: Infrastructure and the Built Environment	This is the estimated population that lives, works, or studies in the area that has reduced exposure, and has been targeted by supporting awareness campaigns,	**Total: 180,400 (Male: 90,200 Female: 90,200)**	These are the people that live, work, or study within the area expected to receive improved protection or other adaptation benefits from the new infrastructure but	**Total: 585,000 (Male: 292,500 Female: 292,500)**

GCF ARA	Direct Beneficiaries	Beneficiary Numbers	Indirect Beneficiaries	Beneficiary Numbers
	capacity building etc. These may also include people that receive cash for work or are involved in the training for operation and maintenance, management committees etc. In the case of safe shelters, this is the number of people that have used the shelter during the project lifespan. In the case that there has been no need for use during that time, it is the total capacity of the shelters.	**Indonesia:** 150,000 **Timor-Leste:** 30,000 **Vanuatu:** 400	do not receive targeted support through awareness raising, capacity building, participatory decision-making etc. In the case of safe shelter, it is the population residing in the reasonable distance that have access to the shelters, but have not used them.	**Indonesia:** 450,000 **Timor-Leste:** 120,000 **Vanuatu:** 15,000
ARA 4: Ecosystems and Ecosystems Services	These are the people that receive targeted support related to the ecosystem-based intervention. These may include people that receive capacity building and skills development for harnessing the provisioning services of the ecosystem that is restored and/or brought under improved management. For example, restored coastal mangrove ecosystems may provide opportunities for sustainable fishing, or vegetation restoration in river catchments may provide opportunities for sustainable forestry. They will also include people who receive cash for work, such as planting of tree saplings or reforestation, as well as trainings on maintenance and conservation etc.	**Total: 508,000 (Male: 254,000 Female: 254,000)** **Lao PDR** 20,000 **Pakistan** 488,000	These are the people that live within the geographical area expected to receive regulating services provided by the improved ecosystem, but are not explicitly targeted by the intervention, i.e do not receive financial or capacity building support. For example, restoration of coastal mangroves forests can reduce erosion and coastal flooding in vulnerable coastal areas, protecting the lives and livelihoods of large numbers of people residing in those areas.	**Total: 2,000,000 (Male: 1,000,000 Female:1,000,000)** **Lao PDR:** 800,000 **Pakistan:** 1,200,000

[1] More information can be found here