



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Pre-Concept for a Regional Project

Countries/Region:	Costa Rica, Panama, Dominican Republic	
Project Title:	Multi-hazard impact-based forecasting and early warning services for increased climate change adaptation investments in Costa Rica, Panama, and the Dominican Republic	
Thematic focal area:	Disaster risk reduction and early warning systems	
Implementing Entity:	International Fund for Agricultural Development (IFAD)	
Executing Entities:	FAO	
AF Project ID:	AF00000390	
IE Project ID:		Requested Financing from Adaptation Fund (US Dollars): 14,000,000
Reviewer and contact person:	Hugo Remaury	Co-reviewer(s): Neranda Maurice-George
IE Contact Person(s):	Oliver Page	

Technical Summary	<p>The project “Multi-hazard impact-based forecasting and early warning services for increased climate change adaptation investments in Costa Rica, Panama, and the Dominican Republic” aims to improve the climate resilience of rural enterprises and producer organizations in agriculture, livestock, agroforestry and agrotourism activities in selected climate vulnerable areas in Costa Rica, Panama and Dominican Republic through the generation and use of climate information in decision-making and improved credit access and technical assistance to adopt climate change adaptation practices. This will be done through the three components below:</p> <p><u>Component 1:</u> Impact-based forecasting and climate information (USD 3,900,000)</p> <p><u>Component 2:</u> Rural communities’ resilience and climate change adaptation investments (USD 7,500,000)</p> <p><u>Component 3:</u> Knowledge Management and Monitoring (USD 277,426).</p> <p><u>Requested financing overview:</u> Project/Programme Execution Cost: USD 1,225,800 Total Project/Programme Cost: USD 12,903,226 Implementing Fee: USD 1,096,774 Financing Requested: USD 14,000,000</p>
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	<p>The proposal includes a request for a project formulation grant of USD 100,000.</p> <p>The initial technical review raises some issues, such as the need to reinforce the concreteness of the activities proposed under output 2.1 and to address discrepancies in implementation arrangements, as discussed in the number of Clarification Requests (CRs) and Corrective Action Request (CAR) raised in the review.</p>
Date	17 May 2024

Review Criteria	Questions	Comments	Response
Country Eligibility	1. Are all of the participating countries party to the Kyoto Protocol, or the Paris Agreement?	Yes.	
	2. Are all of the participating countries developing countries particularly vulnerable to the adverse effects of climate change?	<p>Yes.</p> <p>The three participating countries are in a region particularly vulnerable to the impacts of climate change, as evidenced by an increased frequency and intensity of droughts, and an increased frequency and severity of extreme rainfall events. These impacts are exacerbated by poor land management practices, which result in extensive environmental degradation and widespread poverty.</p>	
Project Eligibility	1. Have the designated government authorities for the Adaptation Fund from each of the participating countries endorsed the project/programme?	<p>Yes. As per the Endorsement letters dated 12 March 2024 (Costa Rica), 13 December 2023 (Panama) and 26 January 2024 (Dominican Republic).</p> <p>CAR 1: Please add the Implementing Entity Coordinator signature in the pre-concept note Part IV, section B</p>	CAR 1: yes thanks.

	<p>2. Has the pre-concept provided necessary information on the problem the proposed project/programme is aiming to solve, including both the regional and the country perspective?</p>	<p>Partly.</p> <p>CR 1: Please briefly reflect country-specific perspectives when describing context, challenges, and gaps that the project seeks to address in the “<i>Project/programme background and context</i>” section.</p>	<p>CR1: Information added to the PRE-CN in <i>Project/programme background and context</i>” section. Page 1: paragraphs 1-4</p>
	<p>3. Have the project/programme objectives, components and financing been clearly explained?</p>	<p>Partly.</p> <p>CR2: Please amend the IF, THEN, BECAUSE statement in paragraph 6 to reflect the full scope of the proposed project which goes beyond deployment of tailored CIPS.</p> <p>CAR 2: Project Formulation Grants are capped at USD 20,000 for pre-concept notes. Please kindly revise the pre-concept note accordingly on p.1 and in annex II.</p>	<p>CR2: Amended. Thanks.</p> <p>CAR2: Amended. Thanks.</p>
	<p>4. Has the project/programme been justified in terms of how:</p> <ul style="list-style-type: none"> - it supports concrete adaptation actions? - it builds added value through the regional approach? 	<p>Mostly.</p> <p>CR 3: Component 1 would support the expansion of hydrometeorological observation network systems and the establishment of multi-hazard early warning systems. Please briefly describe how the project would meet relevant international and national</p>	<p>CR3: To ensure the project meets international, regional, and national technical standards for expanding hydrometeorological observation networks and establishing multi-hazard early warning systems, it will adhere to WMO and ISO standards for equipment, data quality, and data sharing. It will also align with the UN Sendai Framework for Disaster Risk Reduction and ensure</p>

	<ul style="list-style-type: none"> - it promotes new and innovative solutions to climate change adaptation? - it is cost-effective? - it is consistent with applicable strategies and plans? - it incorporates learning and knowledge management? - it will be developed through a consultative process with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund? - it will take into account sustainability? 	<p>technical standards for these investments.</p> <p>CR 4: Please add in the pre-concept note information on alignment of the project with National Meteorological and Hydrological Services' National Strategic Plans.</p> <p>CR 5: Please mention any relevant data sharing agreements that the project would build upon, including those which may exist within the framework of the Central American Integration System/SICA.</p> <p>CR 6: Please clarify whether the project would be expected to collaborate with Disaster Risk Reduction authorities to improve local communities' response to climate change.</p> <p>CR 7: Output 2.1 would receive most of the investment sought (i.e., USD 6,000,000). However, as currently described, activities under output 2.1 are soft interventions as they would consist in supporting the development of business plans for Rural Enterprises/Producer Organizations and building capacity of Local Financial Institutions. The pre-concept note should therefore either reinforce the concreteness (i.e., producing visible and tangible results on the ground) of</p>	<p>it is adherent to National Meteorological and Hydrological Services strategic plans. Page 4: paragraph 10</p> <p>CR4: Clarifications on alignment have been included, further information to be developed at concept stage.</p> <p>CR5: The project will coordinate with the Central American Integration System (SICA) and consider frameworks like the Central American Climate Change Strategy (ECCCA) and the Coordination Center for the Prevention of Natural Disasters in Central America (CEPREDENAC). Page 4: paragraph 10</p> <p>CR6: The project will build on to the existing systems and collaborate with Disaster Risk Reduction authorities to improve local communities' response to climate change. Page 5: paragraph 11</p> <p>CR 7: Information added to the PRE-CN in <i>PROJECT/PROGRAMME JUSTIFICATION</i> section. Specific eligibility windows will be proposed as a result of consultations at CN and FP. Page 5: paragraphs 12</p>
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		<p>the activities proposed under output 2.1 (for instance by confirming whether the project would provide seed funding to the RE/POs businesses), or consider reallocating financial resources towards more concrete outputs.</p> <p>CR 8: Under Component 3, the project would establish two regional communities of practice. Please kindly explain why it would establish two communities of practice as opposed as a single one.</p> <p>CR 9: The pre-concept note indicates that the development of the project M&E system and monitoring of compliance with the ESP and the Gender Policy would be done under Component 3. Such activities should be budgeted under the Implementing Entity fee and Executing Entity cost. Please revise the pre-concept note accordingly.</p> <p>CR 10: Through investments made in Component 1, the project would support the upgrade and expansion of hydrometeorological and agrometeorological monitoring networks in participating countries. Please include in the pre-concept note a commitment for these investments to comply with the WMO Global Basic Observing Network (GBON)</p>	<p>CR 8: amended as a single one.</p> <p>CR 9: amended, thanks.</p> <p>CR10: it will adhere to WMO and ISO standards for equipment, data quality, and data sharing. It will also align with the UN Sendai Framework for Disaster Risk Reduction and ensure it is adherent to National Meteorological and Hydrological Services strategic plans. Page 4: paragraph 10.</p>
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		<p>requirements, notably in terms of data sharing.</p> <p>CR 11: Given Component 1's focus on hydrometeorological investments, it appears critical that the project build on findings from any existing or upcoming countries' assessments of their hazard monitoring and forecasting capacity carried out at national level or through relevant international initiatives. These includes any Country Hydromet Diagnosis developed in the context of the Alliance for Hydromet Development, and/or any readiness support received in the context of the Systematic Observations Financing Facility (e.g., in Dominican Republic). Please indicate in the pre-concept note alignment of the project with such analyses, whenever relevant.</p> <p>CR 12: In light of the expected outcomes, particularly in component 2, key stakeholders such as local communities, Rural Enterprises and Producer Organizations, National Meteorological and Hydrological Services and Local Financial Institutions will have to be consulted at concept stage, and the results of these consultations directly reflected in the project design. Please revise paragraph 15 of the pre-concept note accordingly.</p>	<p>CR11: Upgrade and expand the hydrometeorological and agrometeorological monitoring network in selected vulnerable areas of each country. This output will, wherever possible, utilise low-cost field equipment that is easier and less costly to replace, especially for areas where climate observations can be supplemented by other more cost-effective means, at an equal or higher CIPS level. This also includes increasing coordination for data management and improving modelling capabilities to produce high-value products and services for users</p>
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		<p>CR 13: The Adaptation Fund distinguishes ESP-related risks from financial and project management-related risks. Please revise paragraph 21 of the pre-concept note accordingly.</p>	<p>CR12: The concept note will be developed in consultation with key stakeholders such as local communities, RE/PO's, National Meteorological and Hydrological Services and LFIs and the results of these consultations directly reflected in the project design. Page 6: paragraph 17</p> <p>CR13: During the concept note proposal phase, all project activities will be screened against the 15 AF principles, to identify potential environmental and social risks and impacts in accordance with both the Adaptation Fund and IFAD Procedures as well as gender policies and IPs consultation (if/where needed). Through a consultative process, measures to mitigate these risks for each intervention will be identified and included in the project document. With the information available, some risks identified at this stage include 1) Women may not have access to financial products because of gender based discrimination, and cultural bias; ii) Biodiversity Conservation: Project activities could expand the agricultural frontier and generate adverse ecosystem impacts; and iii) Indigenous Peoples: Structural asymmetries in the financial system may limit IP's participation (only applies to certain countries with presence of IPs) Page 6: paragraph 24</p>
	5. Does the pre-concept briefly explain which	Partly.	

	<p>organizations would be involved in the proposed regional project/programme at the regional and national/sub-national level, and how coordination would be arranged? Does it explain how national institutions, and when possible, national implementing entities (NIEs) would be involved as partners in the project?</p>	<p>CAR 3: Discrepancies exist in the description of implementation arrangements between paragraph 22 of the pre-concept note and the endorsement letters received from the DAs. For instance, the letter from the Panama DA expresses the intention to execute the project through Fundación Natura in Panama. Similarly, the letter from the Costa Rica DA expresses the intention to execute the project through Fundecooperacion in Costa-Rica and Fundación Natura in Panama. Nevertheless, the pre-concept note affirms that initial discussions have led to the identification of FAO as potential EE. Please revise the pre-concept note to harmonize the information included in the letters from the DAs with those included in Part III of the pre-concept note.</p>	<p>CAR 3: The preliminary implementation arrangements are: i) Implementing Entity (IE): IFAD; ii) Executing Entities (EEs): Initial discussions has identified FAO as potential EE. Any requirements requested to IFAD as IE will be reflected in the specific agreement with FAO. Also, initial consultations have been conducted with National Implementing Agencies (NIEs) in each country to explore their possible role in project implementation. In Costa Rica with Fundecooperacion para el Desarrollo Sostenible; in Panama with Fundación Natura; and in the Dominican Republic with the Dominican Institute of Integral Development of Dominican Republic (IDDI) or Fundación Marena (a new NIE for accreditation). Further consultations will be conducted during the concept note/funding proposal development stage.</p> <p>23.26. Regional coordination will be articulated with a Programme Steering Committee that includes representatives of each country, IFAD, and selected EEs. In each country there will be a local project management unit (PMU) to ensure proper project implementation.</p> <p>Amended, thanks.</p>
Resource Availability	<p>6. Is the requested project / programme funding within the funding windows of the programme for regional projects/programmes?</p>	<p>Yes.</p>	
	<p>7. Are the administrative costs (Implementing Entity Management</p>	<p>Yes.</p>	

	<p>Fee and Project/ Programme Execution Costs) at or below 10 per cent of the project/programme for implementing entity (IE) fees and at or below 10 per cent of the project/programme cost for the execution costs?</p>		
<p>Eligibility of IE</p>	<p>8. Is the project/programme submitted through an eligible Implementing Entity that has been accredited by the Board?</p>	<p>Yes.</p>	



ADAPTATION FUND

PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme: Multi-hazard impact-based forecasting and early warning services for increased climate change adaptation investments in Costa Rica, Panama, and the Dominican Republic

Countries: Costa Rica, Panama, Dominican Republic

Thematic Focal Area¹: Disaster risk reduction and early warning systems

Type of Implementing Entity: Multilateral Implementing Entity

Implementing Entity: International Fund for Agricultural Development (IFAD)

Executing Entities: Fundecooperacion para el Desarrollo Sostenible in Costa Rica, Fundación Natura in Paramá, and in the Dominican Republic to be determined

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Amount of Financing Requested: 14,000,000 (in U.S Dollars Equivalent)

Project Formulation Grant Request: Yes [x] No [] []

Amount of Requested financing for PFG: 20,000 (in U.S Dollars Equivalent)

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

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

Stage of Submission:

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

In case of a resubmission, please indicate the last submission date: April 23rd 2024

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

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

Project/Programme Background and Context:

1. Costa Rica, Panama and the Dominican Republic are located in one of the world's most vulnerable tropical regions to the impacts of climate change. They include areas that present increasing frequency and intensity of droughts, which have experienced an increasing frequency and intensity in the last three decades due to climate change, with severe impacts on agriculture and food security. The impacts of droughts are contrasted by an increase in the frequency and severity of extreme rainfall events. The resulting extreme rainfall leads to reductions in aquifer recharge, as well as increased surface runoff and soil erosion. Between 2000 and 2006, eight main flooding events contributed impacts on livelihoods and economic activities affecting approximately 62,678 people and producing damages in different sectors for up to \$8.8 million dollars in Panama (Cited in the National Plan for Water Security 2015-2050). An increase in sea level also poses a significant threat for all three countries, Panama for instance, has almost 3,000 km of coastline and 1,500 islands and the Dominican Republic is an island state. These impacts are exacerbated by poor land management practices, which result in extensive environmental degradation and widespread poverty.
2. Climate projections for the region indicate that, by the end of the century, temperatures will increase by 3–3.5°C under RCP4.5 and by 6–7°C under RCP8.5 (Lyra et al. 2017). At the same time, mean annual rainfall is projected to decrease by 11% on average. These changes will be compounded by prolonged droughts as well as more frequent and intense extreme rainfall. The duration of the 2014-2016 drought in Costa Rica was 2.4 times longer than the 2009 drought, and 1.8 times longer than the 1997 drought, which was considered to have a great productive impact (National Adaptation Plan 2022-2016). The impacts of future climate change will include decreases in maize, beans and coffee areas and yields, leading to increased poverty, food insecurity and migration from rural areas (Hannah et al. 2017). Because of climate change-related increases in temperature and drought frequency, the extent of dry and arid areas in the region is likely to expand from 64% of the municipalities in Central America to around 85% by 2050. The World Bank reports that that climate-induced GDP deviations could reach up to 16.7 % of GDP by 2050 in the Dominican Republic, of which than 80 % of the loss comes from reduced labor productivity caused by heat stress, more tropical storms, and reduced tourism demand.
3. In light these projected climatic changes and associated climate change adaptation (CCA) challenges, there is an urgent need to generate and utilize climate information in decision-making. This requires transitioning current climate services and early warning systems (EWS) from basic weather forecasting to a multi-hazard impact-based forecasting and early warning services (MH-EWS) to strengthen adaptive capacity and reduce exposure to climate risks. National meteorological agencies, responsible for steering and coordinating weather observations and forecasting activities, need the capacity to manage and deploy a MH-EWS linked to forecast-based early action in collaboration with national and local stakeholders (e.g. technical agroclimatic groups, or *mesas técnicas agroclimáticas*).
4. Although extensive information is available on the projected impacts of climate change on agriculture, assessments that specifically address the vulnerability of smallholder farmers to climate change remain limited. There is a demand for the adoption and use of climate information products and services (CIPS) for local, gender sensitive, community based EWS as real-time decision-support tools. These tools assist local governments and communities in anticipating the impacts of hydrometeorological multi-hazards. The information generated by these CIPS and EWSs reduces the climate risks faced by rural enterprises and producer organizations (RE/POs).
5. These climate-related issues and limitations of risk mitigation mechanisms are exacerbated by the limited credit access, due in part to the perceived high risk of RE/POs activities. The

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limited access to CIPS and community based EWS by RE/POs increases their risk and limits their credit access from local financial institutions (LFIs). Improved access to CIPS could reduce the perceived risk from LFIs, thereby improving credit access for RE/POs. Fostering investment in RE/POs and associated value chains can be determinant of the ability of vulnerable areas to achieve maximum potential. The financial sector can play a significant role, as project developers point to the need for debt financing, specifically long-term, with longer grace periods, flexible conditions and preferential interest rates. Improved credit access needs to be coupled with technical assistance to ensure that best CCA practices are correctly adopted and sustained by these RE/POs.

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Project/Programme Objectives:

6. The main **objective** of the programme is to improve climate resilience of RE/POs in agriculture, livestock, agroforestry and agrotourism activities in vulnerable areas in Costa Rica, Panama and Dominican Republic through the generation and use of climate information in decision-making and improved credit access and technical assistance to adopt CCA practices.
7. The Programme focuses on addressing some of the most critical barriers faced by RE/POs to encourage climate risk management and access to financing. While this approach may not respond to other technical and governance barriers and risks that are also relevant for the sustainable and inclusive development of RE/POs in the three countries, the Programme proposes that ***IF tailored CIPS are deployed, along with MH-EWS, technical assistance, climate adaptation investments and capacity-building initiatives THEN RE/POs in agriculture, livestock, agroforestry and agrotourism will improve their climate resilience and adaptation to climatic threats and become financially viable BECAUSE the reduced perceived risk of RE/POs will improve their credit access, knowledge on CCA practices will be adopted and disseminated, and better understanding of climate risks and behavioural change of local communities will be achieved.***

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Project/Programme Components and Financing:

8. The preliminary budget, which is equally distributed among countries within each output, is:

Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)
1. Impact-based forecasting and climate information	Improved impact-based forecasting and climate products and services	1.1. Hydrometeorological observation network system and modelling capacities enhanced	All three countries	3,000,000
		1.2. Multi-hazard early warning system established/improved	All three countries	900,000
2. Rural communities' improved resilience	Increased resilience against climate change of RE/POs businesses	2.1. Climate change adaptation investments in RE/POs increase	All three countries	6,000,000
		2.2. Climate change adaptation practices and technologies adopted by RE/POs	All three countries	900,000
		2.3. Improved community resilience through access and use of weather and climate information and agrometeorological information services	All three countries	600,000
3. Knowledge Management and Monitoring	Improved regional knowledge	3.1. Lessons learned and best practices documented, and key project indicators reported	All three countries	277,426
6. Project/Programme Execution cost				1,225,800

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Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)
7. Total Project/Programme Cost				12,903,226
8. Project/Programme Cycle Management Fee charged by IFAD				1,096,774
Amount of Financing Requested				14,000,000

Project Duration: 4 years

PART II: PROJECT/PROGRAMME JUSTIFICATION

9. The programme focuses on two main components: i) Impact-based forecasting and climate information; ii) Rural communities' resilience. A third component will focus on knowledge management and programme monitoring of the two main components.

10. **Component 1. Impact-based forecasting and climate information.** Under this Component, the main Outcome 1 is improved impact-based forecasting and climate information products and services. The project will coordinate with the Central American Integration System (SICA) and consider frameworks like the Central American Climate Change Strategy (ECCCA) and the Coordination Center for the Prevention of Natural Disasters in Central America (CEPREDENAC). To ensure the project meets international, regional, and national technical standards for expanding hydrometeorological observation networks and establishing multi-hazard early warning systems, it will adhere to WMO and ISO standards for equipment, data quality, and data sharing. It will also align with the UN Sendai Framework for Disaster Risk Reduction and ensure it is adherent to National Meteorological and Hydrological Services strategic plans. Comprehensive training for local staff, capacity building, and continuous performance monitoring and improvement will be crucial for sustaining the system's effectiveness.

11. There are two main Outputs, related to the hardware (observation network system) and CIPS, varying depending on each country's specific needs. The Outputs are:

i. Output 1.1. Hydrometeorological observation network system and modelling capacities enhanced. Upgrade and expand the hydrometeorological and agrometeorological monitoring network in selected vulnerable areas of each country. This output will, wherever possible, utilise low-cost field equipment that is easier and less costly to replace, especially for areas where climate observations can be supplemented by other more cost-effective means, at an equal or higher CIPS level. This also includes increasing coordination for data management and improving modelling capabilities to produce high-value products and services for users (e.g., forecasting, climate change scenarios).

ii. Output 1.2. Multi-hazard early warning system established/improved. This output includes the development and/or improvement of impact-based forecasting and risk-based warning services, CIPS, technological innovation, and the use of local knowledge to support the improvement of agroclimatic weather advisories, in coordination with Output 2.3. The project will build on to the existing systems and collaborate with Disaster Risk Reduction authorities to improve local communities' response to climate change.

12. **Component 2. Rural communities' improved resilience.** The Outcome under this component is Outcome 2 increased resilience against climate change of RE/POs businesses. This includes the following three outputs:

i. Output 2.1. Climate change adaptation investments in RE/POs increased. This includes:

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- Development of business plans for RE/POs (aimed at women and young people) for improved credit access with LFIs and grant fund. Specific eligibility windows will be proposed as a result of consultations at CN and FP.
 - Capacity building of LFIs to develop green loan products in line with the business plans for CCA investments, and technological solutions from third-party service providers that use climate data and information generated under Component 1 to conduct a comprehensive assessment of climate risks for RE/POs investments. The identified risks will be mitigated through dedicated green loan products, following the taxonomy for sustainable financing in [Costa Rica](#), [Panama](#), and the [Dominican Republic](#).
 - A competitive CCA matching grant fund will be structured to support RE/POs in reducing exposure and sensitivity of production system to hazardous events and implement climate resilient agro technology. This will include new climate adapted seed varieties, climate smart irrigation, use of digital technology & practices, capacity building to transition to agroforestry and agroecological production systems, and renewable energies for production systems; investments will be accompanied by technical assistance.
- ii. Output 2.2. Climate change adaptation solutions adopted by RE/POs. The provision of technical assistance and training for RE/POs (aimed at women and young people) for the adoption of CCA practices and improvement of climate resilience.
- iii. Output 2.3. Improved local resilience through access and use of weather and climate information and agrometeorological information services. Activities include training and “last mile” communication solutions to achieve better understanding of climate risks and behavioural change of local communities in prioritized territories and complement Outputs 2.1 and 2.2, including the technical agroclimatic groups and local knowledge.
13. **Component 3. Knowledge Management and Monitoring.** Under this component, the Outcome will be the improved exchange of knowledge and lessons learned from the project activities under the first two main Components. The Output and activities include:
- i. Output 3.1. Strengthened knowledge sharing and management and programme monitoring. This will include the development of Knowledge Management Strategy, the design and sharing of knowledge products, the establishment of one regional communities of practice to exchange knowledge and lessons learned, innovation in CCA technologies and best practices, and the design and implementation of tools and methodologies to capture, assess, and document lessons learned and best practices.
14. Due to the limited programme funds, areas where interventions could have the greatest potential will be **prioritized** during the concept note development stage through a participatory process with main stakeholders in each country. The scope of analysis will use a set of criteria including vulnerable communities, existence of agriculture, livestock, agroforestry and agrotourism activities with high or very high risks of droughts and high climate vulnerability, and social, economic, and environmental factors. Priority would be given to areas with the best enabling conditions for initiating programme interventions and potential for scaling up.
15. The programme **innovation** is that it provides a linkage between the CIPS with improved credit access and adoption of CCA technologies and best practices, such as the technical agroclimatic groups. This will allow to promote new and innovative solutions to CCA by using technologies that use the climate information products as an input into the credit cycle of LFIs. The regional approach would provide a **cost-effective** intervention in the context of the regional hydrometeorological observation network system and its coordination through the

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Central American Integration System (SICA). The regional approach would support cost-effectiveness by allowing for regional climate services to be improved and acquired, reducing the cost for all participating countries. The regional approach will also allow for sharing of best practices and knowledge regarding the implementation of sustainable financing taxonomy.

16. **Consistency with regional and national priorities.** The proposed programme is consistent with regional and national priorities, including National Determined Contributions (NDCs) and National Adaptation Plans. At the regional level it aligns with the Central American Strategy of Territorial Rural Development 2010-2030, the [Central American Policy of Comprehensive Risk Management](#) 2015-2030, and the [Strategy of Sustainable Agriculture Adapted to Climate for the SICA Region](#) 2018-2030. The NDCs of all three countries include EWSs, improved agroclimatic information, and financial mechanisms to implement CCA in the targeted sectors.
17. **Stakeholder participation and consultation during project preparation.** The pre-concept note has been developed in consultations with the Ministries of Agriculture and Ministries of Environment of all three countries. The concept note will be developed in consultation with key stakeholders such as local communities, RE/PO's, National Meteorological and Hydrological Services and LFIs and the results of these consultations directly reflected in the project design. A Stakeholder Engagement Plan will be developed to engage key stakeholders, including vulnerable groups in rural communities (women, youth, afro-descendants, indigenous people (IP)), identifying their roles to specific project outcomes. An Inception Workshop will engage different actors and stakeholders and set out a work plan. The consultation process will be documented, including gender and IPs indicators.
18. **Programme sustainability during project design.** The programme will incorporate elements to ensure its long-term sustainability, including coordination with the Meteorological organizations in each country of the operation and maintenance (O&M) plans for the new/updated hydrometeorological stations, and capacity building and technical assistance to RE/POs and local communities to sustain results beyond project completion.
19. **Economic, social and environmental benefits.** Economic: improvement of local economy and livelihoods through better economic opportunities and reduced economic losses from extreme climate events; Social: reduced poverty-related problems such as malnutrition and food insecurity. Environmental: reduced surface runoff, soil erosion and environmental degradation. Gender sensitive approaches will be mainstreamed during programme implementation, identifying gender and IPs disaggregated indicators.
20. **Social and Environmental Safeguards.** During the concept note phase, an Environmental and Climate Assessment will be conducted to determine the risk level of the programme and identify mitigation measures following IFAD's [Social, Environmental and Climate Assessment Procedures](#) (SECAP) and [Enhanced Complaints Procedure](#), in accordance with AF's [Environmental and Social Policy](#) and [Gender Policies](#).
21. **Duplication of programme with other funding sources.** An initial project mapping at the national and regional level to avoid duplication of the programme with other funding sources has been developed. During concept note design, and through a participatory national and regional consultation process, the programme will further identify funding sources and account for lessons learned from previous relevant AF projects implemented in each country.
22. **Justification for funding requested.** The programme will provide access to public goods (e.g., hydrometeorological observation network system) that will support CCA activities, as well as the adoption of CCA best practices for RE/POs coupled with improved financial instruments tailored to the CCA needs that otherwise they would not have had access to.

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23. **Risks.** The programme will provide a ESCMF including a draft ESMP, during concept note development.

24. During the concept note proposal phase, all project activities will be screened against the 15 AF principles, to identify potential environmental and social risks and impacts in accordance with both the Adaptation Fund and IFAD Procedures as well as gender policies and FPIC. Through a consultative process, measures to mitigate these risks for each intervention will be identified and included in the project document. With the information available, some risks identified at this stage include 1) Women may not have access to financial products because of gender based discrimination, and cultural bias; ii) Biodiversity Conservation: Project activities could expand the agricultural frontier and generate adverse ecosystem impacts; and iii) Indigenous Peoples: Structural asymmetries in the financial system may limit IP's participation (only applies to certain countries with presence of IPs)

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Deleted: A preliminary assessment of potential risks include: i) Gender Equality: Women may not have access to financial products because of gender based discrimination, and cultural bias; ii) Biodiversity Conservation: Project activities could expand the agricultural frontier and generate adverse ecosystem impacts; and iii) Indigenous Peoples: Structural asymmetries in the financial system may limit IP's participation (only applies to certain countries with presence of IPs)

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PART III: IMPLEMENTATION ARRANGEMENTS

25. The preliminary implementation arrangements are: i) Implementing Entity (IE): IFAD; ii) Executing Entities (EEs): Initial consultations have been conducted with National Implementing Agencies (NIEs) in each country to explore their possible role in project implementation. In Costa Rica with Fundecooperacion para el Desarrollo Sostenible; in Panama with Fundación Natura; and in the Dominican Republic with the Dominican Institute of Integral Development of Dominican Republic (IDDI) or Fundación Marena (a new NIE for accreditation). Further consultations will be conducted during the concept note/funding proposal development stage.

26. Regional coordination will be articulated with a Programme Steering Committee that includes representatives of each country, IFAD, and selected EEs. In each country there will be a local project management unit (PMU) to ensure proper project implementation.

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

A. Record of endorsement on behalf of the government³

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

Milciades Conception, Minister of Environment, Ministry of Environment, Panama	December, 13, 2023
Milagros De Camps, Deputy Minister of Climate Change and Sustainability, Ministry of Environment and Natural Resources, Dominican Republic	January, 01, 2024

³Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

Carlos Isaac Perez Mejia, Vice Minister of Strategic Affairs, Ministry of Environment and Energy	March, 12, 2024
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B. Implementing Entity certification

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

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans and subject to the approval by the Adaptation Fund Board, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
Implementing Entity coordinator: Ms Janie Rioux Senior Climate Finance Specialist ECG Division	email: j.rioux@ifad.org
Mr Juan Carlos Mendoza Casadiegos Director Environment, Climate, Gender and Social Inclusion Division	
Date: 23 July 2024	e-mail: ecgmailbox@ifad.org
Project contact persons:	
Mr Oliver Page Regional Climate and Environment Specialist	e-mail: o.page@ifad.org



MINISTERIO DE
AMBIENTE Y ENERGÍA

GOBIERNO
DE COSTA RICA

Viceministerio de Gestión Estratégica

San José, 12 de marzo del 2024
DVGE-049-2024

The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: +202 522 3240-5

Subject: Endorsement for The Multi-hazard Impact-based forecasting and early warning services for increased climate adaptation investments in Costa Rica, Panama, and the Dominican Republic Project.

Dear sirs

In my capacity as designated authority for the Adaptation Fund in Costa Rica, I confirm that the above regional project proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the country.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by International Fund for Agricultural Development (IFAD) and executed by FAD.

Sincerely,

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

Cc: Archivo > Consecutivo



VCCyS-0015-2024

26/01/2024

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for multi-hazard early warning and forecasting services to increase investments in climate adaptation in Costa Rica, Panama, and the Dominican Republic.

In my capacity as designated authority for the Adaptation Fund in Dominican Republic, I confirm that the above regional project/programme proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the Dominican Republic.

Accordingly, I am pleased to endorse the above project/programme proposal with support from the Adaptation Fund. If approved, the project/programme will be implemented by International Fund for Agricultural Development (IFAD) and executed by FAO, Fundecooperacion para el Desarrollo Sostenible (Costa Rica), Fundación Natura (Panama) and (To be confirmed) (Dominican Republic).

Sincerely,

Milagros De La Cruz
Deputy Minister of Climate Change and Sustainability



Annex 1 Letters of Endorsement.



MINISTERIO DE
AMBIENTE

December 13, 2023.
DM-2532-2023

The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for the proposal **"Multi-hazard early warning and forecasting services to increase investments in climate adaptation in Costa Rica, Panama and the Dominican Republic"**

In my capacity as designated authority for the Adaptation Fund in Panama, I confirm that the above regional project proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the region.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by International Fund for Agricultural Development (IFAD) and executed by NIE Fundación Natura.

Sincerely,


MILCIADES CONCEPCIÓN
Minister of Environment, Ministry of Environment



MC/AGA/IT
cc: IFAD

Albrook, Calle Broberg, Edificio 804
República de Panamá
Tel.: (507) 500-0855
www.mambiente.gob.pa

Annex II: Project Formulation Grant (PFG)

Submission Date: 23 July 2024

Adaptation Fund Project ID:

Country/ies: Panama, Costa Rica, Dominican Republic

Title of Project/Programme: Multi-hazard impact-based forecasting and early warning services for increased climate change adaptation investments in Costa Rica, Panama, and the Dominican Republic

Type of IE (NIE/MIE): MIE

Implementing Entity: IFAD

Executing Entity/ies: Fundecooperacion para el Desarrollo Sostenible in Costa Rica, Fundación Natura in Paramá, and in the Dominican Republic to be determined

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A. Project Preparation Timeframe

Start date of PFG	June 2024
Completion date of PFG	June 2025

B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
Detailed design of project activities/outputs/outcomes	Funding Proposal finalized with all technical requirements and validation by stakeholders	<u>9 000</u>
Participatory consultations with stakeholders	Stakeholder consultation documented and stakeholder inputs incorporated into design	<u>6 000</u>
Preparation of safeguard studies and report	Safeguard studies and report, including Targeted Adaptation Assessment, ESCMP and Stakeholder Engagement Plan	<u>40 000</u>
Preparation of M&E plan	M&E Plan finalized and validated	<u>1 000</u>
Total Project Formulation Grant		<u>20 000</u>

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C. Implementing Entity

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

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Email Address
<u>Janie Rioux</u>	<u>Janie Rioux</u>	<u>23 July 2024</u>	<u>Oliver Page</u>	<u>o.page@ifad.org</u>

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