



GEF-6 REQUEST FOR PROJECT ENDORSEMENT/APPROVAL

PROJECT TYPE: FULL-SIZED PROJECT

TYPE OF TRUST FUND: SPECIAL CLIMATE CHANGE FUND

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PART I: PROJECT INFORMATION

Project Title: Strengthening Capacities of Rural Aqueduct Associations' (ASADAS) to address climate change risks in water stressed communities of Northern Costa Rica			
Country(ies):	Costa Rica	GEF Project ID: ¹	6945
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5140
Other Executing Partner(s):	AyA, ASADAS, MINAET, MAG, Ministry of Health, IMN.	Submission Date:	21 December 2015
GEF Focal Area (s):	Climate Change	Project Duration (Months)	60
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>	Corporate Program: SGP <input type="checkbox"/>	
Name of Parent Program	n/a	Agency Fee (\$)	475,000

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
CCA-1	Outcome 1.1: Vulnerability of physical assets and natural systems reduced Outcome 1.3: Climate-resilient technologies and practices adopted and scaled up	SCCF-A	2,458,686	13,073,244
CCA-2	Outcome 2.1: Increased awareness of climate change impacts, vulnerability, and adaptation Outcome 2.2: Access to improved climate information and early-warning systems enhanced at regional, national, sub-national and local levels Outcome 2.3: Institutional and technical capacities and human skills strengthened to identify, prioritize, implement, monitor, and evaluate adaptation strategies and measures	SCCF-A	1,353,292	7,195,682
CCA-3	Outcome 3.2: Policies, plans, and associated processes developed and strengthened to identify, prioritize, and integrate adaptation strategies and measures	SCCF-A	963,022	5,120,549
Project Management Cost (PMC) (including Direct Project Cost: USD100,000)			225,000	1,269,474
Total project costs			5,000,000	26,658,949

B. PROJECT DESCRIPTION SUMMARY

Project Objective: To improve water supply and promote sustainable water practices of end users and productive sectors by advancing community- and ecosystem-based measures in rural aqueduct associations (ASADAS) to address projected climate-related hydrological vulnerability in northern Costa Rica

Project Components/Programs	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
1. Building	Inv	1.1. Infrastructure and	1.1.1. Strengthened metering	SCCF-A	3,275,000	18,589,475

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#).

³ Financing type can be either investment or technical assistance.

<p>community-based infrastructure and technical capacities to address projected changes in water availability.</p>		<p>technical capacity of ASADAS strengthened to cope with climate change impacts to aquifers in the target area.</p> <p>1.2. The capacities of ASADAS' end users to mainstream climate change adaptation into their livelihoods systems is strengthened.</p> <p>1.3. Hydrometeorological information integrated into land use and production practices, and planning processes</p>	<p>systems to track water supply to end-users (micro- and macro-meters) in the ASADAS network provide updated information on climate-related risks and vulnerability of project area water resources.</p> <p>1.1.2. Water catchment (well, spring, and/or rain), storage, and distribution systems in rural areas improved and resilient to climate change.</p> <p>1.1.3 Water-saving devices installed in homes.</p> <p>1.1.4. Pilot sanitation and purification measures (e.g., sludge management and dry composting toilets) and other adaptive technologies for wastewater management to improve water quality.</p> <p>1.1.5. Water sources and associated aquifer recharge areas protected and/or rehabilitated through reforestation, natural regeneration, and other protection and conservation measures.</p> <p>1.2.1. Community-based climate change training program with a gender focus and includes minority groups, such as indigenous communities.</p> <ul style="list-style-type: none"> - Training Toolkit on good practices for water-conscious consumer behavior and biodiversity monitoring in place. - At least 1,500 household members and producers, including women (35%) trained to maintain and improve the use of water and sanitation in a context of increased climate impacts - Extension services (i.e., community outreach) for land use and production practices include course and support material <p>1.3.1. Fifteen (15) new Automated Weather Stations (AWS) and/or Automated Flow Stations (AFS) installed to provide consistent and reliable environmental data in real time</p>			
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		to increase resilience of rural communities to address water variability.	in the selected SEMUs. 1.3.2. Vulnerability Index, Adaptive Capacity Index developed and supporting the climate early warning and information system, and the Risk Management Plan for Potable Water and Sanitation (RMPPS). 1.3.3. Information monitoring system for the AyA and the ASADAS' Management System (SAGA) to track the impact of adaptation measures with the aim to reduce the vulnerability of rural communities to address water variability due to climate change, and articulated to national-level information systems (National System of Water Resources and Hydrometeorological National System). 1.3.4. Climate early warning and information system on climate-related risks and vulnerability of project area water resources generated and disseminated to ASADAS, end users, and partners.			
2. Mainstreaming of ecosystem-based adaptation into public and private sector policy and investments in the targeted area.	TA	2.1 Ecosystem-based climate change adaptation measures are integrated into public and private sector policies, strategies and investments related to rural community water-sourcing infrastructure and services	2.1.1. Four (4) participatory RMPPS implemented within each target canton (SEMÚ 1: Guatuso, Upala, Los Chiles, and La Cruz; SEMÚ 2: Liberia and Cañas; SEMÚ 3: Santa Cruz, Nicoya, Hojancha, and Carrillo). 2.1.2. The AyA and the CNE investments for the prioritized project area integrate climate change risks. 2.1.3. Ten (10) livestock and agricultural producing companies adopt a voluntary fee system (Certified Agricultural Products and Voluntary Watershed Payments) to pay for the protection of water resources. 2.1.4. Valuation modeling of ecosystem-based adaptation measures (UNEP methodology) and economic valuation of ecosystem services (UNDP methodology) support the integration of water-related	SCCF-A	1,500,000	6,800,000

			risks and new ecosystems management practices within productive sectors (agriculture and livestock industry).			
		2.2 The purchasing and credit policies of at least 20 agricultural and livestock trading companies and five (5) financial institutions operating in the target region promote adoption of productive practices that help maintain ecosystem resilience to climate change.	2.2.1. Farmers incorporate ecosystem-based climate change adaptation measures into their production processes, making use of revised purchasing and credit policies of agricultural and livestock trading companies and financial institutions. 2.2.2. Knowledge management system allows disseminating data, information, and toolkits to foster and mainstream ecosystem-based adaptation practices in other water-intensive productive sectors across the country.			
Subtotal					4,775,000	25,389,475
Project Management Cost (PMC) ⁴ (including Direct Project Cost: USD100,000)				SCCF-A	225,000	1,269,474
Total project costs					5,000,000	26,658,949

C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
GEF Agency	UNDP	Grants	150,000
GEF Agency	UNDP	In-kind	300,000
Recipient Government	AyA	Grants	10,750,000
Recipient Government	AyA	In-kind	5,650,000
Recipient Government	AyA/IADB	Grants	1,573,051
Recipient Government	IMN	Grants	2,900,000
Recipient Government	IMN	In-kind	2,100,000
Donor Agency	CRUSA Foundation	Grants	1,385,898
Donor Agency	FUNDECOOPERACION Foundation	Grants	\$1,850,000
Total Co-financing			26,658,949

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES) AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee ^{a)} (b) ²	Total (c)=a+b
UNDP	SCCF-A	Costa Rica	Climate Change	NA	5,000,000	475,000	5,475,000
Total Grant Resources					5,000,000	475,000	5,475,000

a) Refer to the Fee Policy for GEF Partner Agencies

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁵

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	<i>metric tons</i>
5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries:</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries:</i>

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? NO

(If non-grant instruments are used, provide an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF Trust Fund) in Annex D.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF⁶

⁵ Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

⁶ For questions A.1 –A.7 in Part II, if there are no changes since PIF, no need to respond, please enter “NA” after the respective question.

A.1. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁷ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

A.1.1. *The global environmental and/or adaptation problem, root causes, and barriers that need to be addressed.*

1. Costa Rica has experienced the effects of climate change, principally in the northern region of the country; because of its location in an inter-tropical zone, evaporation and evapotranspiration are increasing the temperatures of the region. Based on climate change scenarios there is an expectation that by 2080 the annual area rainfall will be reduced by up to 65% in the northern Pacific region. In the short term, rainfall is predicted to decrease 15% by 2020 and 35% by 2050. These extreme conditions will exacerbate climate and water stress in some areas, such as the canton of La Cruz, where precipitation is expected to be less than 500 millimeters (mm) per year by 2080, recreating conditions that are typical of semi-arid areas. The region has already experienced multiple droughts; for example, between 1950 and 1999 the Province of Guanacaste reported 33 droughts.⁸ The aquifers in the region are also under stress because of over-consumption by the agriculture, tourism, and developmental sectors, which affects the availability and quality of water for human consumption.

2. The following barriers limit the establishment of a holistic approach to the long-term management of water supply and use that incorporates climate change mitigation measures to ensure its sustainability in Northern Costa Rica.

3. *Technical/technological barriers*: Among the principal barriers to overcome is insufficient infrastructure to effectively cope with water variability scenarios in the target region. For example, not all ASADAS that operate in northern Costa Rica have a proper metering system in place; both micro-meters (households) and macro-meters (water catchment points) are needed to effectively account for water demand and usage. Similarly, water catchment (well, spring, and/or rain), storage, and distribution systems are deficient (e.g., they have limited capacity and lack proper maintenance) and need to be improved to ensure their resiliency to climate change. In addition, the ASADAS and end users are unaware of climate change adaptation measures, including ways to maintain and improve the use of water and sanitation in a context of increasing climate-related impacts. Furthermore, the local authorities have limited capacity (limited knowledge and skills and a lack of the appropriate tools) to incorporate hydrometeorological information (i.e., climate scenarios, hydrometeorological data, and assessments of vulnerability and risk) into local management and planning systems. The network of hydroclimatological stations in the project target area is limited in terms of its ability to generate information and currently only provides partial data about the area's hydrometeorological conditions. More spatially detailed and timely information is needed to support local-level decision-making regarding climate-related hydrological vulnerability. A climate early warning and information system to signal climate-related risks and vulnerability is needed at the local level to support communities in implementing timely mitigation measures. The climate early warning and information system must also include dissemination mechanisms to reach local authorities, ASADAS, and end users in a timely manner so that they are able to make effective use of the warnings.

4. *Institutional/organizational barriers*: Decision-makers in public and private institutions are not sufficiently aware of the social and environmental implications of water variability and its impacts on the livelihoods of vulnerable populations and local agricultural activities in northern Costa Rica. Therefore, a principal barrier is the limited consideration of climate change risks and adaptation in their policies, strategies, and investments related to water management and the provision of water-related services. More specifically, Water Safety Plans (WSP) for ASADAS do not incorporate considerations for climate change and they lack holistic approaches to water management, including the

⁷ For biodiversity projects, in addition to explaining the project's consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving..

⁸ Retana, J. y Solano J. (s.f.). Relación entre las inundaciones en la cuenca del Tempisque y el fenómeno de la Niña y los rendimientos de arroz seco.

use of ecosystem-based adaptation strategies that would allow the sustainable provision and use of water resources. In addition, livestock and agricultural production companies lack incentives for changes to be made in production practices and to become active participants in water usage and aquifer conservation. For example, programs such as voluntary payments under a PES scheme would incentive the willingness to pay for the full value of water resources and ecosystems services. Similarly, agricultural and livestock trading companies and financial institutions have not integrated incentives into their purchasing and credit policies that would serve to promote adoption of ecosystem-based climate change adaptation measures by farmers. Finally, the urgent need for adaptation to the growing severity of droughts in the northern region is not matched by appropriate scaling-up of climate-adaptive processes because of institutional weaknesses and lack of financial resources, both by ASADAS and political institutions. Thus it is not possible to replicate or mainstream successful ecosystem-based adaptation practices in other water-intensive productive sectors across the country.

A.1.2. The baseline scenario or any associated baseline projects.

5. The baseline projects that form the foundation of this proposed SCCF-financed proposal is valued at \$26,208,949 USD over 5 years. The AyA and the CNE designed a new investment plan in the target area to improve ASADAS' existing infrastructure. The total estimated investment to be implemented over the next 5 years for the target area is \$15,650,000. Likewise, the AyA is also planning to support ASADAS in the preparation and implementation of water security plans for improving local planning capacities and new infrastructure needs, while guaranteeing communities and end users with continuous access to water resources and their availability. In the target area, 10 plans are under preparation with an estimated value of \$750,000. The IMN is improving its meteorological information infrastructure and has already invested \$900,000 over the last 4 years and is planning a further investment of \$5,000,000, for increasing staff capacities and improving technologies at the central level. The CRUSA Foundation will invest \$1,385,898 to strengthen the capacity of the local stakeholders to cope with climate change by providing technical training to the ASADAS and municipalities, improving their capacity to gather and manage information on climate change (e.g., water flow data), and improving water infrastructure in selected communities. The Fundecooperacion for Sustainable Development will invest \$1,850,000 in education and awareness programs directed towards ASADAS, students, communities, and organizations to promote sustainable water management, including the development of sustainable management plans for coastal resources and the preservation of water sources and wetlands. The IADB, as part of a cooperation agreement with the AyA, will invest \$1,573,051.

A.1.3. The proposed alternative scenario, GEF focal area strategies, with a brief description of the outcomes and components of the project.

6. The project is also be aligned with CCA-3: Integrate climate change adaptation into relevant policies, plans and associated processes. More specifically, the project will be aligned with Outcome 3.2: Policies, plans, and associated processes developed and strengthened to identify, prioritize, and integrate adaptation strategies and measures (Indicator 13: Sub-national plans and processes developed and strengthened to identify, prioritize, and integrate adaptation strategies and measures; alignment with this outcome indicator has been included in the AMAT).

The project will deliver the adaptation alternative through the following outcomes

Outcome 1.1 - Infrastructure and technical capacity of ASADAs strengthened to cope with climate change impacts to aquifers in the target area.

7. SCCF resources will strengthen current infrastructure by installing proper metering systems (macro- and micro-meters) to track water supply to end users in the ASADAS network in the project area. The project will also directly support improvements of the rural aqueduct infrastructure through the establishment of enhanced water distribution systems as well as the construction of new and resilient aqueducts in isolated and rural areas, thus reducing overload on existing piping and potable water treatment systems. These investments towards strengthening and expanding metering infrastructure will serve relevant stakeholders, from government ministries to end users, in the pursuit of maintaining updated information on climate-related risks and vulnerability of project area water resources. Most importantly, the investments will improve ASADAS' ability to monitor water levels, track coverage, and collect appropriate user fees, which in return will facilitate the up scaling of rural aqueduct infrastructure investments. The investments in infrastructure will also provide accurate data on water-related ecosystems services, focusing on fostering data to the

Government and water-intensive productive sectors (agriculture and livestock) to support the economic valuation analysis of water resources and to develop Ecosystem-based Water Security Plans, which will be developed through Component 2.

Outcome 1.2 – The capacity of ASADAS’ end users to mainstream climate change adaptation into their livelihoods systems is strengthened.

8. SCCF resources will strengthen the capacity of ASADAS and end users to cope with climate change impacts on regional water sources. Currently, the AyA is the primary public entity responsible for training the ASADAS in the provision of water services, yet their training and capacity-building exercises do not include climate change adaptation or an emphasis on community-based responses that could be applied in the target area to improve resilience to climate change. Therefore, a community-based climate change training and monitoring system will be developed for the AyA, SENARA, MINAE, and ASADAS in the target area. A Training Toolkit on good practices for water-conscious consumer behavior and biodiversity monitoring will be developed based on analysis of local community-based practices such as organic and agroforestry certifications, community-planned nurseries, and drought proofing of wells. The toolkit will be accompanied by Training for Trainers toolkit for the ASADAS.

9. The education and training campaign for ASADAS end users will target high-vulnerability demographic groups as primary beneficiaries, particularly women, Maleku indigenous communities, and other minority groups. Similarly, at least 1,500 producers will be trained to maintain and raise their productivity in a context of increased climate impacts in topics such as: capacity development on making effective decisions between the amount of ecosystem services provided in a site and the alternative uses such as deforestation for agriculture, which deplete and unsustainably exploit area ecosystems; crop variety selection given knowledge of area biodiversity and climate-adaptive species; planting of live fences and the importance of micro-corridors; establishment of planning tools in cropping systems; and an increase of water storage systems developed through an ecosystem-based approach that would result in reduced pressure on weak existing aqueduct infrastructure.

Outcome 1.3 – Hydrometeorological information integrated into land use and production practices, and planning processes to increase resilience of rural communities to address water variability.

10. Monitoring as accurately as possible critical variables such as water levels, soil conditions, weather, and then using that data to make projections and provide information within the project area to relevant stakeholders will require installing more AWS and AFS. SCCF resources will strengthen Costa Rica’s Meteorological Network by acquiring 15 new stations to provide consistent and reliable environmental data in real time in the selected northern SEMUs. IMN will provide ASADAS and relevant government institutions timely and disaggregated information critical to the formulation of a Vulnerability Index, an Adaptive Capacity Index, and the Ecosystem-based Water Security Plans.

Outcome 2.1 – Ecosystem-based climate change adaptation measures are integrated into public and private sector policies, strategies, and investments related to rural community water-sourcing infrastructure and services (i.e., a national model of Risk Management Plan for Potable Water and Sanitation [RMPPS]) for the ASADAS is developed by the project and formally endorsed by national institutions.

11. SCCF resources will expand the model to incorporate ecosystem-based adaptation strategies in the face of climate variability by developing four ecosystem-based WSP (or RMPPS) to be implemented within each target canton. Plans in the target area will be developed through an inclusive consultation process ensuring the participation of highly vulnerable groups such as women and the Maleku indigenous groups. Inclusivity in the development of these plans is of top priority, as the plans will specifically dictate policies for all future investments in rural water-sourcing infrastructure and ecosystem-based adaptation systems by all public and private entities planning future developments. An ecosystem-based WSP model that will be developed with SCCF resources will be disseminated and shared through national workshops to allow national-level replication.

12. The project will identify 10 livestock and agricultural producing companies willing to pay for the improvement of local ecosystems to implement a voluntary fee system for water usage and aquifer conservation under the PES model. SCCF resources will support the use of two key voluntary fee systems that involve an expansion of the PES program: Certified Agricultural Products and Voluntary Watershed Payments. The development of these fee systems will also

take shape through inclusive consultations with area water users, taking into account their level of exploitation of ecosystem services. Large, small, and subsistence-level producers will all report on their consumption behavior and the extent to which they harm area ecosystems, and all will decide collectively how the deficit between water use and climate-resilient water security might be amended and funded through a progressive, though still productive, fee structure.

Outcome 2.2 – The purchasing and credit policies of at least 20 agricultural and livestock trading companies and five (5) financial institutions operating in the target region promote adoption of productive practices that help maintain ecosystem resilience to climate change.

13. SCCF resources will support agricultural and livestock trading companies and financial institutions to include in their purchasing and credit policies incentives to promote adoption of ecosystem-based climate change adaptation measures by farmers. For those producers willing to switch over to the ecosystem-based adaptation approach, a knowledge management system will be established to disseminate data, information, and toolkits to foster and mainstream these practices in other water-intensive productive sectors across the country. The communication strategy will be pointedly inclusive and creative and will avoid highly technical language in exchange for a marketing approach geared toward communicating solely economic gains. For large to medium scale producers and municipal governments the information will be socialized through technical papers for decision-makers.

A.1.4. Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF, LDCF, SCCF, and co-financing.

SCCF increment to generate global benefits

14. **Component 1:** The alternative SCCF scenario will **build community-based infrastructure and technical capacities to address projected changes in water availability**. Incremental financing will be in the amount of \$21,864,475 USD; \$3,275,000 USD will be provided by the SCCF and \$18,589,475 USD will be provided by co-financing sources. The SCCF alternative will include investments from the UNDP, AyA, IMN, CRUSA Foundation, IADB, and the FUNDECOOPERACION Foundation.

15. **Component 2:** The alternative SCCF scenario will also **mainstreaming ecosystem-based adaptation measures into public and private sector policies and investments in the target area**. The incremental financing expected for this component is \$8,300,000 USD; \$1,500,000 USD will be provided by the SCCF and \$6,800,000 USD will be provided by co-financing sources. The SCCF alternative will include investments from the UNDP, AyA, IMN, CRUSA Foundation, IADB, and the FUNDECOOPERACION Foundation. The adaptation benefits to be delivered to be delivered are outlined in Section A.1.5 below.

A.1.5. Global environmental benefits (GEFTF) and/or adaptation benefits (LDCF/SCCF).

16. The adaptation benefits are:

- a. Component 1: building community-based infrastructure and technical capacities to address projected changes in water availability.
 - Installation of proper metering systems (up to 5,000 macro- and micro-meters) allows to effectively track water supplied to end-users in the ASADAS network in the project area.
 - Updated information on climate-related risks and vulnerability of project area water resources available to decision-makers in the prioritized ASADAS and to the AyA.
 - 305 ASADAS with water catchment, storage, and distribution systems resilient to climate change.
 - Water conservation and improved water quality through the installation of water-saving devices in up to 4,000 households, the implementation of a pilot composting toilet program (150 composting toilets installed), and improved septic tanks for effective sludge management (160 septic tanks improved).
 - ASADAS and end-users increasingly aware about the importance of using water efficiently at all stages from capture to consumption and of adopting measures that improve water quality.

- 275 hectares of water sources and associated aquifer recharge areas resilient to climate change through their protection and ecological rehabilitation.
 - At least 1,500 household members and producers, including women and indigenous groups, trained to maintain and improve the use of water and sanitation in a context of increased climate impacts.
 - Improved hydrometeorological network (15 new automated weather stations [AWS] and/or automated weather stations [AFS]) supports decision-making regarding adaptation to climate change in northern Costa Rica.
 - Information monitoring system for the AyA and the ASADAS and climate early warning and information system (CEWS) reduce climate-related risks and vulnerability of project area.
- b. Component 2: mainstreaming ecosystem-based adaptation measures into public and private sector policies and investments in the target area.
- Four (4) participatory ecosystem-based WSP/RMPPS implemented within each of 10 target cantons in northern Costa Rica
 - At least one (1) investment of the AyA and one (1) investment of the CNE for the targeted area integrate climate change risks and ecosystem-based climate change adaptation measures
 - Up to five (5) PES/voluntary watershed payment systems for water usage and aquifer conservation provide funding for RMPPS implementation
 - Ecosystem services scenario (maps) and values of biodiversity and ecosystem services available support decision-making to implement ecosystem-based adaptation measures in the target area
 - At least 20 revised /adjusted purchasing and credit policies of agricultural and livestock trading companies and financial institutions provide incentives for the adoption of ecosystem-based climate change adaptation measures by farmers.
 - Lessons learnt and good practices documented for further improvement and for broader adoption in water-stressed areas.

A.1.6. Innovativeness, sustainability, and potential for scaling up.

17. Sustainability. To achieve sustainability of the proposed interventions, the SCCF project was structured to include strong participation of Government entities, communities and key stakeholders to address water scarcity in northern Costa Rica. The project will implement adaptation measures to improve the water supply and promote sustainable water use practices by end users, with the active participation of the ASADAS and local communities (including women and Maleku indigenous groups) building ownership of project actions, which is essential for their sustainability. In addition, the project will build business partnerships between the ASADAS and the private sector (agriculture and cattle ranching farms), which, through voluntary payments from the latter, will facilitate funding for the conservation of local ecosystems and the operation of upstream community-based water supply systems. The voluntary fee systems will be designed following guidelines of Costa Rica's PES program that recognizes the value of services provided by ecosystems, including hydrological services. The Costa Rican PES program, which is executed through the FONAFIFO, which was created in 1995 to finance small and medium producers to implement reforestation, forestation, greenhouses, and agroforestry systems, and for the recovery of deforested areas and the necessary technological changes in the use and industrialization of forest resources. FONAFIFO has proven to be a key player in the Costa Rica Climate Change Strategy and in reversing the process of deforestation in the country. Through PES-type contracts that will last up to 20 years, the ASADAS and local communities will rely on a sustainable flow of funds that will contribute to the sustainability of project outcomes beyond its completion. To this end, the project will rely on FONAFIFIO and other Costa Rican institutions that have extended experience in the implementation of PES schemes.

18. The sustainability of project actions will also be ensured through the development of a strong institutional framework that includes national, regional, and local government agencies, the private sector, and the ASADAS. The project has been designed so that project activities are implemented in close partnership between institutions at all levels, building strong working relationships and creating accountability among all participating interest groups. In addition, decision makers at the national and local level will be more aware about the need for mainstreaming climate

change adaptation into their policy development and planning processes, which will ensure institutional and public support of climate change adaptation after the project is completed. Through capacity building, technical assistance, and the availability of new and improved tools (e.g., information monitoring system, early warning system, AWS/AFS, and knowledge management system) the project will enhance the capacity of national-level decision makers to reduce risks and vulnerability of local communities to drought and flooding as well as for the replication and scaling-up of successful experience in other water-stressed areas around the country.

19. At the local level, the project will generate an attitude and behavioral change both at the supply and demand sides regarding water availability that includes strategic planning and management for a better provision of potable water and sanitation services and actions for water conservation. This change will be the basis for building a community-institutional partnership that will allow the exchange of knowledge, experiences, and dialogue among the ASADAS, end users/local communities, and local and authorities about climate change adaptation and vulnerability beyond project end. In addition, by knowledge and technical skills through targeted training local decision-makers will be empowered to be active participants in influencing the development of local policy for sustainable ecosystem and water management.

20. Finally, with the strong indication of commitment by the AyA and IMN cofinancing support for the ASADAS, the potential of scaling up relies on expanding this new partnership at the national level. In addition, MINAE and the AyA will ensure that interventions such as the ecosystem-based WSP model and actions implemented with agriculture and livestock commodities companies and financial institutions will serve as business cases to be disseminated and applied at the national level.

A.2. Child Project? If this is a child project under a program, describe how the components contribute to the overall program impact.

No.

A.3. Stakeholders. Elaborate on how the key stakeholders engagement, particularly with regard to [civil society](#) and [indigenous peoples](#), is factored in the preparation and implementation of the project.

21. At the national and regional levels, the agencies responsible for water management, hydrometeorological institutes, and climate change focal point in Costa Rica (AyA, MINAE, and IMN) and other environment-related agencies, were invited to participate in project preparation. On the local and municipal levels, the project identified key stakeholders during the project preparation phase in the three target SEMUs. The ASADAS (225) and municipal authorities consulted provided data and information requested during meetings, questionnaires, and workshops. Stakeholder meetings, workshops, and consultations were held during project preparation as follows:

- a. Northern Costa Rica visit & Field consultation - May 11/13, 2015
 - Meeting with Yamileth Astorga, Director of AyA
 - Meeting with Carlos Matamoros, AyA Regional Office in the canton of Guatuso, Province of Alajuela in Northern Costa Rica.
 - Consultation workshop with members of 35 ASADAS and municipal authorities (Guatuso, Upala, and Los Chiles), Northern Costa Rica. Share information with local and regional stakeholders on climate change and adaptation, and discuss aspects of the project and their views on water-related issues.
 - Meeting with leaders of the Maleku indigenous group (Margarita community, Guatuso). Consultation with the Maleku leadership on water-related issues and local priorities.
 - Meeting with AyA regional authorities in the canton of Liberia, Province of Guanacaste in Northern Costa Rica.
 - Consultation workshop with members of 32 ASADAS and municipal authorities (Cañas, La Cruz, Carrillo, and Liberia), Northern Costa Rica. Share information with local and regional stakeholders on climate change and adaptation, and discuss aspects of the project and their views on water-related issues.
 - Field visit to the ASADA in the locality of El Salto, Liberia. Learn about the day-to-day operation of and ASADA and consultation with the Board and administrative staff about water-related issues needs and project expectations.
- b. PPG National workshop May 15, 2015 – San Jose de Costa Rica.

The main objective of the workshop was to present the project to national-level public institutions, and confirm their support and commitment to the project. The complete list of participants is included in Annex 8.5 of the UNDP's Project Document.

- c. Consultation with 113 ASADAS of the target SEMUS (1, 2, and 3) of Northern Costa Rica – May/August, 2015.

This consultation allowed establishing baseline information regarding awareness activities at the community level related to climate change adaptation and water variability developed by the ASADAS. The information gathered was part of a wider study completed during the PPG: Census on Sources and Service Providers for rural water supply and sanitation in 305 ASADAS in the municipalities (cantons) of Guatuso, Upala, Los Chiles, La Cruz, Liberia, Cañas, Santa Cruz, Nicoya, Hojancha, and Carrillo.

22. In addition, a stakeholder involvement plan for project implementation was developed including information regarding the relevance of each stakeholder to the Project and the modality of the involvement. The complete stakeholder involvement plan is included in Annex 8.6 of the UNDP's Project Document.

A.4. Gender Considerations. Elaborate on how gender considerations were mainstreamed into the project preparation, taking into account the differences, needs, roles and priorities of men and women.

23. Gender considerations were mainstreamed into the project preparation following GEF and UNDP guidelines. How women will participate and will benefit from the project is outlined in Section 2.4: Outcomes/outputs and related activities of the UNDP Project Document. Women are very active in organizations related to local development, including the boards of the ASADAS where very often they represent the majority. This means that the capacity of end users who will be strengthened by this project will be particularly focused on increasing women’s access to opportunities for continued personal growth, increasing their leadership, and their capacity as agents of change to disseminate adaptive measures through the communities in which they live. This will include: a) sustained access to potable water and sanitation services under conditions of water-stress associated to climate change (e.g., drought and flooding); b) strengthened capacity through training to maintain and improve the use of water and sanitation measures in a context of increased climate impacts; c) access to extension services for sustainable land use and production practices; d) empowerment by their participation in water management–related planning processes (e.g., development and/or improved/updated ecosystem-based WSP; Project Board as member ASADAS representatives); and e) access to lines of credit and incentives to promote adoption of ecosystem-based climate change adaptation measures.

24. In addition, the project Results Framework includes indicators to ensure that women and men will participate and benefit equally from the project. Finally, in compliance with UNDP Safeguards Policies, the project-level Social and Environmental Procedure, which is a requirement for all proposed projects with a budget of \$500,000 or more (Annex 8.13 of the UNDP’s Project Document), includes strategies and indicators as to how to improve gender equality and women’s empowerment through the project.

A.5 Risk. Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

Risk	Rating*	Risk Mitigation Strategy
Staff changes among implementing partners taking into account the uncertainties of the current administration represent delays in project implementation.	L	The project team will continuously socialize the project among the staff of the implementing partners (AyA, ASADAS, MINAE, MAG, Ministry of Health, and IMN) to ensure that they are aware about their roles in the project and its progress and outcomes, including the socioeconomic and environmental benefits. To ensure awareness about the project, inter-institutional coordination mechanisms have been defined (e.g., inter-institutional agreements, multiple training events, knowledge management system, and Project Board meetings).
Coordination among stakeholders regarding climate change, including the private sector, could be limited.	M	Consultations were carried out during the project design with all of the key ministries and stakeholders, including the AyA, ASADAS, MINAE, and MAG to establish sustained ownership and support for the project. It is fully recognized that for the successful implementation of project activities, effective

		coordination among all interested parties is necessary. They are also aware of the fact that robust integration of climate change considerations into their agendas is needed. The project will further promote support and networking with high-level leadership to prioritize climate change adaptation and build awareness on the direct and indirect project benefits at the local, subnational, and national levels.
Decision and policy-makers do not appreciate the need to mainstream ecosystem-based adaptation considerations into public and private sector policies and investments.	M	The project aims to strengthen climate change awareness among the public and private sectors, including ecosystem-based adaptation and ecosystem services and their socioeconomic benefits. Economic valuation of ecosystem services will allow decision makers in the public and private sectors to better understand the economic advantage of adopting ecosystem-based adaptation approach to production over the BAU alternative. The project also aims to build capacity among decision-makers in selected companies and financial institutions regarding climate change to facilitate decision-making processes.
The guarantors of rights may not have the capacity to fulfill their obligations with the project	M	The ASADAS are responsible for guaranteeing the continued provision of potable water to the end users; this guarantee depends on the technical and organizational capacity of the ASADAS to meet their obligations. The project gives special attention to strengthening the technical, operational, and management capacity of the ASADAS to ensure that they can provide high quality services to the end users.
Conflicts between at the local level (ASADAS, communities, and end users) could result in claims or disputes regarding management of water resources	M	Some proposals for improving access and quality of water services could include the merging of smaller ASADAS with larger ones, which may lead to local claims or disputes. The project will adopt a conciliatory approach and will guarantee access to clean drinking water for all beneficiaries and their participation in all decision-making processes. In case agreement cannot be reached, the project will seek alternatives approaches that will satisfy all interested parties.
The project could affect land tenure and/or community property rights, and/or customary rights to land or resources	L	During the project preparation phase the ASADAS expressed the importance of owning the land surrounding the water sources and associated aquifer recharge areas. Access to water sources could generate conflict with the current owners of the surrounding lands. The project will follow all procedures outlined in Costa Rican legislation related to these issues to avoid any conflicts regarding land property rights and waters resources use rights, including community and/or customary rights.
Local stakeholders (ASADAS, farmers, and municipal authorities) do not agree to adopt adaptation strategies at the ecosystem/watershed level.	M	During project preparation, local meetings were held with the majority of the beneficiary ASADAS in the prioritized region (northern Costa Rica: SEMUs 1, 2, and 3) to discuss the project and gain support for project implementation. During implementation the project will raise awareness and provide technical support and training to ASADAS, farmers, and municipal authorities to advance collaborative mechanisms throughout selected watersheds for the implementation of ecosystem/watershed-level adaptation actions.

*L = low; M = medium; H = high

A.6. Institutional Arrangement and Coordination. Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

A.6.1. Institutional Arrangement

25. The Project will be executed under the Direct Implementing Modality (DIM) as requested by the Government of Costa Rica (GoCR) (Annex 8.2. Agreements) and according to the standards and regulations of the UNDP. This modality of implementation will facilitate communication between sector institutions and in coordination with other UNDP projects, and is also based on UNDP's comparative advantages which include: country presence and relationship between the project and UNDP's country assistance strategies, especially as refers to capacity building, policy development and consensus-building; and UNDP's experience in the implementation of projects of similar scope. In addition, the project will have an advisory committee to ensure a focus on gender and human rights, as well as other cross-cutting issues. The UNDP has identified partners responsible for carrying out project activities.

26. UNDP's role in this Project is twofold:

- As Implementing Agency (IA) for the GEF, UNDP will provide project cycle management services as defined by the GEF Council (Annex 8.14).
- At the request of the Government of Costa Rica (as mentioned above), UNDP will serve as Implementing Partner for this project. UNDP will be responsible for the execution of the proposed project in collaboration with national stakeholders, which requires the administration and delivery of financial inputs as detailed in section 4. Total Budget. Any inputs related to Project Management (which covers the costs of project management staff for the duration of the project; costs for project inception, Project Board and coordination meetings; costs of office space/supplies; costs of independent external evaluations; and costs for monitoring/evaluation-related travel of project staff to the field sites) have been costed and apportioned.
- Project execution will be managed by Project Management Unit, while the Country Office will provide project oversight and assurance through a designated programme officer who will supervise the Project Coordinator.

27. The duration of the project will be 5 years. Implementation of the project will be carried out under the general guidance of a Project Board, specifically formed for this purpose. According to UNDP policy, each project must install a Project Board as the highest body responsible for making management decisions and advising the Project Manager or Coordinator when guidance is required, including approval of revisions to the budget. The project assurance reviews conducted by this group are carried out according to designated decision points during the development of the project or, as necessary, when the Project Manager or Coordinator deems necessary. The Project Board is consulted by the Project Manager or Coordinator when it comes to making decisions in the event that the project limits have been exceeded.

28. The above group includes the following two extensive functions: a) Executive Agency: Represents the tenure of the project and chairs the Board; and b) Senior Provider: An individual or group representing the interests of parties who provide funding and/or technical assistance to the project. Their main function on the Board is to provide guidance on the technical feasibility of the project.

29. The main responsibilities of the Project Board are:

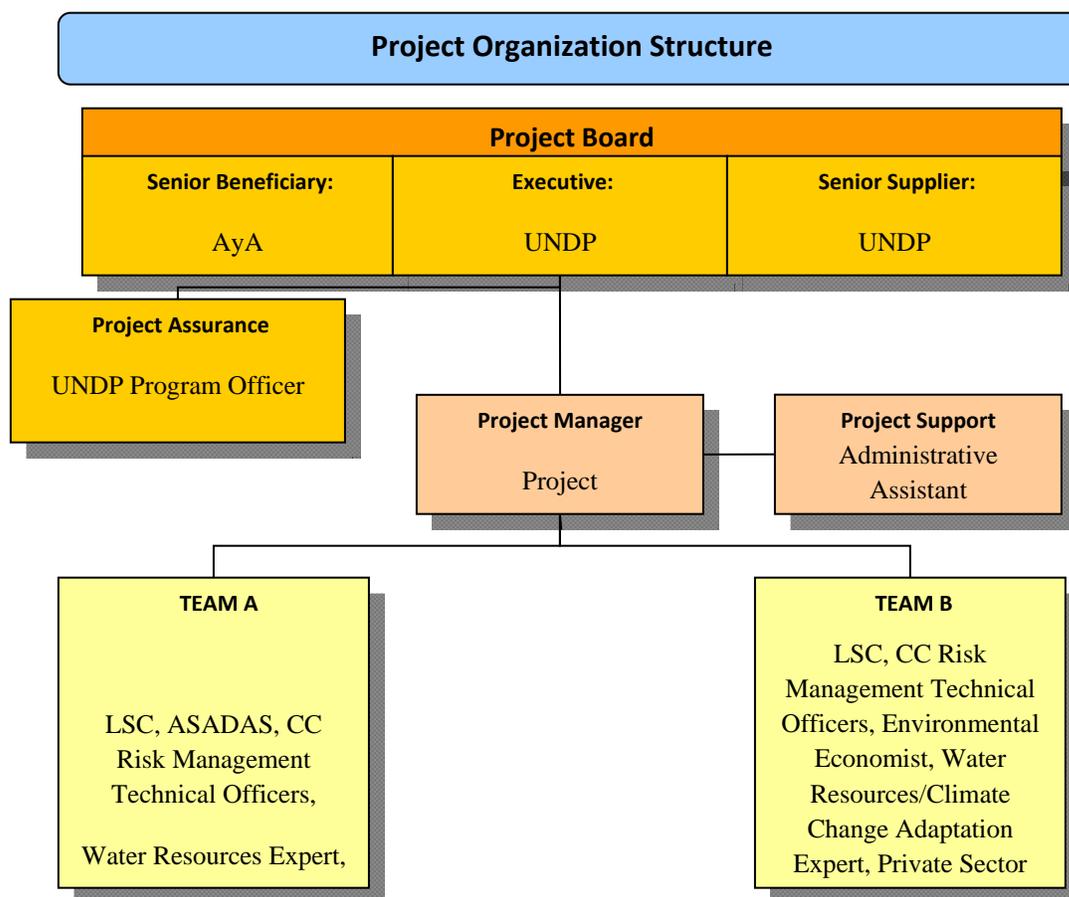
- Approve the project work plan;
- Make decisions regarding the milestones defined in the Annual Operational Plan;
- Monitor project development; ensure that activities are contextualized in the strategies and objectives of the Project;
- Approve budget and substantial project revisions and address issues relating to the Project Manager's report; and
- Approve the project plans and technical reports and financial progress.

30. The Project Board will be composed as follows:

- The UNDP, who will assume the role of Executive Agency.
- AyA, who will assume the role of the Senior Beneficiary.
- The Project Board shall meet regularly every six months and in extraordinary sessions when convened by the Executive Agency.
- Project Assurance: The UNDP will assign a Program Officer at the Costa Rica Country Office to support the Project Board in overseeing and monitoring the project in an objective and independent way.

31. Local stakeholders will have an additional mechanism to influence the project through a Local Steering Committee (LSC), which will consist of appointed members, and whose composition, responsibilities, and function will be determined by the stakeholders themselves. The LSC will meet regularly to discuss the project's progress and to communicate interests and concerns to the Project Coordinator. The LSC may also have a seat on the Project Board. Subject to confirmation at project inception, the LSC may also designate sub-committees to discuss specific issues such as the mainstreaming of gender considerations into project operations.

32. The organizational chart for the Project is as follows:



33. Project implementation will be the responsibility of the *Project Implementation Unit* (PIU). The PIU will be led by a *Project Coordinator* (PC) who will be the signing authority of requests to UNDP for disbursements of project funds. The PC will lead a team composed of an Administrative Assistant based in San Jose and three (3) field-based CC Risk Management Technical Officers for the target SEMUs in Northern Costa Rica. The project Administrative Assistant will have as his/her principal role to ensure the fluidity of administrative procedures and budget disbursements from UNDP to the PIU. At the community level, Climate Change Risk Management Technical Officers will be contracted to provide technical support and follow up to initiatives promoted by the project.

34. In addition to the specific positions underlined above, a series of sub-contracts will be necessary in order to ensure and complement the technical capacity of the members of the PIU. These contracts will be entered into in accordance with the guidelines of the UNDP and the terms of reference defined by the PC during the first month of the implementation phase or annually, in accordance with the project's work plan.

35. Moreover, the project's financial management will be supported by the UNDP office in Costa Rica. To this end, in the first 45 days after the start of the project, a guide should be made that will define levels of financial authority, responsibility, and accountability. Among others, the guide will include the following:

- Guidelines for recording all expenses in the combined delivery report (CDR).
- Establishment of a project accounting system to maintain updated information on the financial situation.
- Mechanisms for expenditure control and segregation of duties.
- A system for the management of unliquidated obligations.
- Procedures for making payments and monitoring of contractor performance.
- Financial regulations, policies, and procedures applicable to UNDP DIM projects.

- Procedures for approving budgets.
- Implementing the internal control framework

A.6.2. Coordination

36. In addition to coordination with other relevant GEF-financed projects and other initiatives outlined on the PIF, the project will also seek coordination with the following initiatives.

37. The project proposed herein will integrate knowledge and lessons learned from the implementation of the Coastal Marine Biodiversity and Climate Change Adaptation (BIOMARCC) project funded by the German Development Cooperation Agency (GIZ). The BIOMARCC project aims to increase the adaptation capacity of marine and coastal ecosystems in Costa Rica by strengthening institutional management capacities for marine and coastal conservation areas, developing financial mechanisms to secure adaptation of marine and coastal protected areas with the participation of relevant stakeholders; and developing Clearing House Mechanism about climate change adaptation and coastal/marine ecosystem management exchange and transfer of knowledge and experiences. In particular, the project will incorporate lessons learned from the implementation of climate change adaptation activities for building resilience of wetland ecosystems to climate change in the Guanacaste province in northern Costa Rica.

38. In addition, the project proposed herein will incorporate knowledge and lessons learned from the project “Low Emission Development Costa Rica – Supporting the national climate neutrality strategy in Costa Rica,” as a model for low carbon development, which is also being supported by the GIZ. This initiative will provide support at the political and institutional levels to develop strategies and design framework policies as well as for programs and action plans directed at reducing greenhouse gas emissions. In addition, industrial companies and small- and medium-sized enterprises will receive support on how to plan and implement measures for reducing emissions and adopt environmentally and climate-friendly technologies. In particular, knowledge and lessons learned to enhance awareness and implement informational campaigns on climate change among the general public, as well as working with the private sector on implementing incentives to mainstream climate change, will be considered.

39. Similarly, the project will coordinate actions with the National Adaptation Fund (NAF), Climate Change Office (DCC) of the MINAE. The NAF funds adaptation projects and programs aimed at addressing the adverse effects of climate change. The project will coordinate actions and exchange knowledge and lessons learned regarding risk reduction and water management by the ASADAS and issues of importance for the NAF. The Fundcooperacion Foundation is the accredited National Implementing Entity in Costa Rica of the Adaptation Fund and is a project cofinancier; thus, cooperation between the NAF and the project proposed herein will be facilitated.

40. Finally, the project will coordinate with the project “Water for human consumption, communities and climate change: expected impacts and adaptation in Central America” implemented by Tropical Agricultural Research and Higher Education Center (CATIE) and funded by the International Development Research Centre (IDRC). This goal of this research project is to obtain primary data from a representative sample of community-based drinking water organizations in Guatemala, Nicaragua, and Costa Rica, which are located in areas where major negative changes in the availability of water are expected due to climate change, in addition to other non-climatic disturbances

Additional Information not well elaborated at PIF Stage:

A.7 Benefits. Describe the socioeconomic benefits to be delivered by the project at the national and local levels. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCAF/SCCF)? NA

A.8 Knowledge Management. Elaborate on the knowledge management approach for the project, including, if any, plans for the project to learn from other relevant projects and initiatives (e.g. participate in trainings, conferences, stakeholder exchanges, virtual networks, project twinning) and plans for the project to assess and document in a user-friendly form (e.g. lessons learned briefs, engaging websites, guidebooks based on experience) and share these experiences and expertise (e.g. participate in community of practices, organize seminars, trainings and conferences) with relevant stakeholders.

41. The project will rely on a Knowledge Management System (Project Output 2.2.2) to synthesize and communicate lessons learned and experiences that will result from project implementation so that these can be replicated/scaled-up in other water-stressed regions in the country. The project will identify and/or develop information sharing platforms, such as existing electronic (e.g., websites, webinars, and digital publications) or traditional (e.g., hard copy publications, and seminars and conferences) platforms for knowledge sharing and codify information related to climate change and ecosystem-based adaptation practices for easier access and dissemination. Information and knowledge will be made available to local, regional, and national interest groups through local and national forums (e.g., project web page, web pages of the AyA, the Climate Change Division/MINAE, and the IMN; Red RANA, national climate change portals [e.g., School of Agricultural Engineering/University of Costa Rica, and the National University]) and regionally (e.g., Regional Forum of Central America), and internationally recognized knowledge networks (e.g. UNDP/ Emission Reductions Payment Agreement - ERPA). A platform for dialogue will be established for the exchange of community- and sectoral-based and scientific sources of climate and ecosystem management information, helping inform community- and sectoral-level decision-making.

42. In addition, the project's monitoring and evaluation plan (Section C below) includes a strategy for sharing best practices and generating knowledge products that will also contribute to communicating results, lessons learned, and best practices identified during the project.

– B. Description of the consistency of the project with:

B.1 *Consistency with National Priorities*. Describe the consistency of the project with national strategies and plans or reports and assessments under relevant conventions such as NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, etc.

43. In addition to the consistency of the project with national strategies and plans outlined in the PIF, the project is consistent with the National Development Plan NDP 2015-2018, Section 4.9: Risk Management and Adaptation to Climate Change, which calls for the reduced vulnerability of public services including the provision of water and sanitation and for promoting sustainable production practices (soil conservation, water management, and community-based forestry) as a strategy to reduce risks. In addition, Program 9.1: National Program to Supply Potable Water to the Population of the NDP has as its objective to ensure the supply of quality drinking water to urban and rural populations. Thus, the project proposed herein will contribute to the implementation of the NDP in northern Costa Rica.

C. DESCRIBE THE BUDGETED M & E PLAN:

44. Project M&E will be conducted in accordance with the established UNDP and GEF procedures and will be provided by the project team and the UNDP-CO with support from the UNDP/GEF RCU in Panama City. The Project Results Framework in Section 3 provides performance and impact indicators for project implementation along with their corresponding means of verification. The M&E plan includes an inception report, project implementation reviews, quarterly and annual review reports, and mid-term and final evaluations. The following sections outline the principle components of the M&E plan and indicative cost estimates related to M&E activities. The project's M&E plan will be presented and finalized in the Project Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities. The M&E budget is provided in the table below.

Project Inception Phase

45. A **Project Inception Workshop (IW)** will be held within the first three (3) months of project start-up with the full project team, relevant GoCR counterparts, co-financing partners, the UNDP-CO, and representation from the UNDP-GEF RCU, as well as UNDP-GEF headquarters (HQ) as appropriate.

46. A fundamental objective of this IW will be to help the project team to understand and take ownership of the project's goal and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the Project Results Framework and the AMAT. This will include reviewing the results framework (indicators, means of verification, and risks and assumptions), imparting additional detail as needed, and on the basis of this exercise, finalizing the AWP with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

47. Additionally, the purpose and objective of the IW will be to: a) introduce project staff to the UNDP-GEF team that will support the project during its implementation, namely the CO and responsible RCU staff; b) detail the roles, support services, and complementary responsibilities of UNDP-CO and RCU staff in relation to the project team; c) provide a detailed overview of UNDP-GEF reporting and M&E requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project-related budgetary planning, budget reviews including arrangements for annual audit, and mandatory budget re-phrasings.

48. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines and conflict resolution mechanisms. The ToR for project staff and decision-making structures will be discussed again, as needed, in order to clarify each party's responsibilities during the project's implementation phase.

Monitoring Responsibilities and Events

49. A detailed schedule of project review meetings will be developed by the project management in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: a) tentative timeframes for Project Board meetings (or relevant advisory and/or coordination mechanisms); and b) project-related M&E activities.

50. **Day-to-day monitoring** of implementation progress will be the responsibility of the Project Manager based on the project's AWP and its indicators. The Project Manager will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The Project Manager will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the IW with support from UNDP-CO and assisted by the UNDP-GEF RCU. Specific targets for the first-year implementation progress indicators together with their means of verification will be developed at this workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the AWP. Targets and indicators for subsequent years will be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

51. **Periodic monitoring** of implementation progress will be undertaken by the UNDP CO through quarterly meetings with the project implementation team, or more frequently as deemed necessary. This will allow parties to take stock of and to troubleshoot any problems pertaining to the project in a timely fashion to ensure the timely implementation of project activities. The UNDP CO and UNDP-GEF RCU, as appropriate, will conduct yearly visits to the project's field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report/AWP to assess first-hand project progress. Any other member of the project Board can also take part in these trips, as decided by the Project Board. A Field Visit Report will be prepared by the UNDP CO and circulated no less than one month after the visit to the project team, all Project Board members, and UNDP-GEF.

Project Monitoring Reporting

52. The Project Manager, in conjunction with the UNDP-GEF extended team, will be responsible for the preparation and submission of the following reports that form part of the monitoring process and that are mandatory.

53. A **Project Inception Report (IR)** will be prepared immediately following the IW. It will include a detailed First Year/AWP divided in quarterly timeframes detailing the activities and progress indicators that will guide implementation during the first year of the project. This work plan will include the dates of specific field visits, support missions from the UNDP CO or the RCU or consultants, as well as timeframes for meetings of the project's decision-making structures. The IR will also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and including any M&E requirements to effectively measure project performance during the targeted 12-month timeframe. The IR will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions, and feedback mechanisms of project-related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized, the IR will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to the IR's circulation, the UNDP CO and UNDP-GEF's RCU will review the document.

54. The **Annual Project Report (APR)** is a UNDP requirement and part of UNDP CO central oversight, monitoring, and project management. It is a self-assessment report by the project management to the CO and provides input to the country office reporting process and the Results-Oriented Annual Report (ROAR). An APR will be prepared on an annual basis, to reflect progress achieved in meeting the project's AWP and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format of the APR is flexible but should include the following sections: a) project risks, issues, and adaptive management; b) project progress against pre-defined indicators and targets, c) outcome performance; and d) lessons learned and best practices.

55. The **Project Implementation Review (PIR)** is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for one year, a PIR must be completed by the CO together with the project management. The individual PIRs are collected, reviewed, and analyzed by the RCU prior to sending them to the focal area clusters at the UNDP-GEF headquarters. In light of the similarities of both APR and PIR, UNDP-GEF has prepared a harmonized format for reference.

56. **Quarterly Progress Reports** outlining main updates in project progress will be provided quarterly to the local UNDP CO and the UNDP-GEF RCU by the project team. Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform and the risk log should be regularly updated in ATLAS based on the initial risk analysis included in Annex 8.1 of UNDP's Project Document.

57. **Specific Thematic Reports** focusing on specific issues or areas of activity will be prepared by the project team when requested by UNDP, UNDP-GEF, or the Implementing Partner. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learned exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

58. A **Project Terminal Report** will be prepared by the project team during the last three (3) months of the project. This comprehensive report will summarize all activities, achievements, and outputs of the project; lessons learned; objectives met or not achieved; structures and systems implemented, etc.; and will be the definitive statement of the project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's activities.

59. **Technical Reports** are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List detailing the technical reports that are expected to be prepared on key areas of activity during the course of the project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive and specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national, and international levels. Technical Reports have a broader function and the frequency and nature is project-specific.

60. **Project Publications** will form a key method of crystallizing and disseminating the results and achievements of the project. These publications may be scientific or informational texts on the activities and achievements of the project in the form of journal articles or multimedia publications. These publications can be based on Technical Reports, depending upon the relevance and scientific worth of these reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and (in consultation with UNDP, the GoCR, and other relevant stakeholder groups) will also plan and produce these publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent Evaluation

61. The project will be subjected to at least two independent external evaluations as follows:

62. An independent **Mid-Term Evaluation** will be undertaken at exactly the mid-point of the project lifetime. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency, and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation, and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, ToR, and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The ToR for this Mid-Term Evaluation will be prepared by the UNDP-CO based on guidance from the UNDP-GEF RCU and UNDP-Energy and Environment Group (EEG). The management response of the evaluation will be uploaded to the UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC). The AMAT for the project will also be completed during the mid-term evaluation cycle.

63. An independent **Final Evaluation** will take place three months prior to the end date of the project, and will focus on the same issues as the Mid-Term Evaluation. The Final Evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities and requires a management response, which should be uploaded to PIMS and to the UNDP ERC. The ToR for this evaluation will be prepared by the UNDP-CO based on guidance from the UNDP-GEF RCU and UNDP-EEG. The AMAT will also be completed during the final evaluation.

Audit Clause

64. According to UNDP's general corporate audit regulations, internal and external audits will be carried out individually to each responsible party, and these costs will be covered by the project. The audit should be performed in accordance with the UNDP financial regulations and rules applicable to audit policies on UNDP projects.

65. As a part of its oversight function, UNDP will conduct audit spot checks at least two times a year. UNDP shall have the right, at its own expense, to audit or review such Project-related books and records as it may require. The audit will be conducted according to UNDP's financial regulations, rules, and audit policies by the legally recognized auditor by the GoCR, or by a commercial auditor engaged by the GoCR.

Learning and Knowledge Sharing

66. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP-GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP-GEF RCU has established an electronic platform for sharing lessons between the project managers. The project will identify and participate, as relevant and appropriate, in scientific, policy-based, and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an ongoing process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every twelve (12) months. UNDP-GEF shall provide a format and assist the project team in categorizing, documenting, and reporting on lessons learned. Specifically, the project will ensure coordination in terms of avoiding overlap, sharing best practices, and generating knowledge products of best practices in the area of adaptation to climate change with the current projects of Costa Rica's portfolio.

Communications and visibility requirements

67. Full compliance is required with UNDP's Branding Guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects need to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo needs to be used alongside the GEF logo. The GEF logo can be accessed at: http://www.thegef.org/gef/GEF_logo. The UNDP logo can be accessed at <http://intra.undp.org/coa/branding.shtml>.

68. Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf. Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

69. Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

M&E work plan and budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> ▪ Project Manager ▪ UNDP CO, UNDP CCA 	Indicative cost: 7,000	Within first two months of project start up
Measurement of Means of Verification of project results	<ul style="list-style-type: none"> ▪ UNDP CCA RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. 	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on output and implementation	<ul style="list-style-type: none"> ▪ Oversight by Project Manager ▪ Project team 	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RTA ▪ UNDP EEG 	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ Project manager and team 	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team) 	Indicative cost: 40,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> ▪ Project manager and team, ▪ UNDP CO ▪ UNDP RCU ▪ External Consultants (i.e. evaluation team) 	Indicative cost: 40,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ Local consultant 	None	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP CO ▪ Project manager and team 	Indicative cost per year: 3,000 (15,000 total)	Yearly
Visits to field sites	<ul style="list-style-type: none"> ▪ UNDP CO ▪ UNDP RCU (as appropriate) ▪ Government representatives 	For GEF supported projects, paid from IA fees and operational budget	Yearly
Learning and Knowledge Sharing	<ul style="list-style-type: none"> ▪ Project manager and team ▪ UNDP CO ▪ UNDP RCU 	None	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		US\$ 102,000 (+/- 5% of total budget)	

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies⁹ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Adriana Dinu Executive Coordinator UNDP - GEF		12/21/2015	Gabor Vereczi Regional Specialist, Climate Change Adaptation UNDP-GEF Panama Regional Hub		gabor.vereczi@undp.org

⁹ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, and SCCF
GEF6 CEO Endorsement /Approval Template-Sept2015

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

This project will contribute to achieving the following Country Programme Outcome as defined in CPAP/CPD or UNDAF:						
Country Programme and/or UNDAF Outcome Indicators:						
Primary applicable UNDP Strategic Plan Outcomes: Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.						
Applicable SCCF Strategic Objective: CCA-1: Reduce the vulnerability of people, livelihoods, physical assets and natural systems to the adverse effects of climate change; CCA-2: Strengthen institutional and technical capacities for effective climate change; CCA-3: Integrate climate change adaptation into relevant policies, plans, and associated processes.						
Applicable SOF (e.g., GEF) Expected Outcomes: Outcome 1.1: Vulnerability of physical assets and natural systems reduced; Outcome 1.3: Climate-resilient technologies and practices adopted and scaled up; Outcome 2.1: Increased awareness of climate change impacts, vulnerability, and adaptation; Outcome 2.2: Access to improved climate information and early-warning systems enhanced at regional, national, sub-national and local levels; Outcome 2.3: Institutional and technical capacities and human skills strengthened to identify, prioritize, implement, monitor, and evaluate adaptation strategies and measures; Outcome 3.2: Policies, plans, and associated processes developed and strengthened to identify, prioritize, and integrate adaptation strategies and measures.						
Applicable SOF (e.g., GEF) Outcome Indicators: Indicator 1: Number of direct beneficiaries; Indicator 2: Type and extent of assets strengthened and/or better managed to withstand the effects of climate change; Indicator 4: Extent of adoption of climate-resilient technologies/ practices; Indicator 5: Public awareness activities carried out and population reached; Indicator 7: Number of people/geographical areas with access to improved climate information services; Indicator 8: Number of people/geographical areas with access to improved, climate-related early warning information; Indicator 9: Number of people trained to identify, prioritize, implement, monitor, and evaluate adaptation strategies and measures; Indicator 13: Sub-national plans and processes developed and strengthened to identify, prioritize, and integrate adaptation strategies and measures.						
	Indicator	Baseline		Targets End of Project	Source of verification	Risks and Assumptions
Project Objective: Improve water supply and promote sustainable water practices of end users and productive sectors by advancing community- and	Proportion of ASADAS with continued water availability for different time periods	12 months	83%	- The continued water availability for all the ASADAS is at least 5 months	- Updated CCA survey for ASADAS - AyA and ASADAS annual reports - Project annual reports, and mid-term and final evaluation reports	Risk: weak participation and coordination by national, regional and local water management authorities (including ASADAS) and the
		9-11 months	3%			
		6-8 months	4%			
		3-5 months	2%			
		< 3 months	9%			

ecosystem-based measures in rural ASADAS to address projected climate-related hydrological vulnerability in northern Costa Rica.	Water availability per capita (water intake [volume at source]/number of people served by ASADA)	Range (L/person/day)	ASADAS	- Water availability per capita is maintained or improved		private sector in mainstreaming climate change adaptation measures Risk rating: low-medium Assumption: national, regional and local water management authorities (including ASADAS) and the private sector understand importance of climate change-induced drought and flood risk management and implementing climate change adaptation measures
		< 200	5%			
		201-500	10%			
		501-1,500	23%			
		1,501-5,000	10%			
		5,001-10,000	3%			
		>10,000	5%			
Outcome 1.1: Infrastructure and technical capacity of ASADAs strengthened to cope with climate change impacts to aquifers in the target area.	Installed water storage capacity (days) to supply water (storage capacity/total average consumption per day)	Storage capacity	ASADAS	- The water storage capacity of all the ASADAS is at least 5 days	- Updated CCA survey for ASADAS - ASADAS annual reports	Risk: weak participation by ASADAS in mainstreaming climate change adaptation measures Risk rating: low Assumption: ASADAS understand importance of climate change-induced drought and flood
		< 1 day	47%			
		1-2 days	9%			
		2-5 days	5%			
		5-15 days	5%			
		15-30 days	2%			
		> 30 days	0%			
		31% of the ASADAS do not have				

		information on storage capacity			risk management and integrate climate change adaptation into planning
	Condition of the water supply system (evaluation index for system components)	<ul style="list-style-type: none"> - Poor: 50% (index score: 60%) - Needs improvement: 40% (index score: 61% - 84% score) - Good: 10% (index score: 85%) 	<ul style="list-style-type: none"> - Poor: 0% (index score: 60%) - Needs improvement: 50% (index score: 61% - 84% score) - Good: 50% (index score: 85%) 	- Updated CCA survey for ASADAS	
Outcome 1.2: The capacity of ASADAS' end users to mainstream climate change adaptation into their livelihoods systems is strengthened.	Number of household members and producers (differentiated by gender) trained to mainstream climate change adaptation into their livelihoods (AMAT: CCA-2)	- 0	- 1,500 (men 50%; women 50%)	<ul style="list-style-type: none"> - Updated CCA survey for ASADAS - Databases and reports about training events 	- No risks identified
	Proportion use of hydrometeorological information by ASADAS in planning processes (by type of plan)	<ul style="list-style-type: none"> - Strategic plan: 52% - Annual/monthly operation plan: 8% - Maintenance plan: 25% - Seasonal contingency plan: 4% - Emergency/disasters plan: 2% - CC adaptation plan: 3% - Local communities communication/information plan: 6% 	<ul style="list-style-type: none"> - Strategic plan: At least 50% - Annual/monthly operation plan: At least 50% - Maintenance plan: At least 50% - Seasonal contingency plan: At least 50% - Emergency/disasters plan: At least 50% - Climate change adaptation plan: At least 50% - Local communities communication/information plan: At least 50% 		
	Measures undertaken to reduce risks to climate change	<ul style="list-style-type: none"> - Increase micro-metering: 8% - Protection of water sources: 14% - Protection of pipes and other system components: 2% - Increase efficiency of maintenance: 10% 	<ul style="list-style-type: none"> - Increase micro-metering: 100% - Protection of water sources: At least 25% - Protection of pipes and other system components: At least 40% 	- Updated CCA survey for ASADAS	Risk: weak participation by ASADAS in mainstreaming climate change adaptation measures

		<ul style="list-style-type: none"> - Promote water-saving measures among users: 11% - None: 39% - Other: 17% 	<ul style="list-style-type: none"> - Increase efficiency of maintenance: At least 40% - Promote water-saving measures among users: At least 40% - None: 0% - Other: 17% 		<p>Risk rating: low</p> <p>Assumption: ASADAS understand importance of climate change-induced drought and flood risk management and implement climate change adaptation in to planning</p>
<p>Outcome 2.1: Ecosystem-based climate change adaptation measures are integrated into public and private sector policies, strategies and investments related to rural community water-sourcing infrastructure and services</p>	<p>Number of RMPPWS that incorporate ecosystem-based climate change adaptation, including gender considerations</p> <p>(AMAT: CCA-3)</p>	<ul style="list-style-type: none"> - 0 	<ul style="list-style-type: none"> - At least 40 RMPPWS developed with gender considerations integrated 	<ul style="list-style-type: none"> - Approved RMPPWS - Project annual reports, and mid-term and final evaluation reports 	<p>Risk: weak participation by ASADAS in mainstreaming climate change adaptation measures</p> <p>Risk rating: low</p> <p>Assumption: ASADAS understand importance of climate change-induced drought and flood risk management and implement climate change adaptation in to planning</p>

	<p>Number of AyA and CNE investments for the prioritized project area that integrate climate change risks</p> <p>(AMAT: CCA-3)</p>	<ul style="list-style-type: none"> - AyA and CNE investments lack integration of climate change risks in the project area 	<ul style="list-style-type: none"> - AyA: at least three (one per target SEMU) - CNE: at least three (one per target SEMU) 	<ul style="list-style-type: none"> - Approved investment documents 	<p>Risk: climate change adaptation is no longer a priority for the national government</p> <p>Risk rating: medium</p> <p>Assumption: New administration elected in 2014 considers climate change adaptation a priority policy</p>
	<p>Number of adaptation-related voluntary fee systems (expanded PES) implemented</p>	<ul style="list-style-type: none"> - Voluntary Watershed Payment: 0 	<ul style="list-style-type: none"> - Voluntary Watershed Payment: at least 5 	<ul style="list-style-type: none"> - PES/voluntary payment contract agreements - PES/ Environmental Services Certificate contract agreements - Certificates issued by FONAFIFO - Project annual reports, mid-term evaluation, final report 	<p>Risk: Lack of coordination amongst stakeholders regarding climate change, including the private sector</p> <p>Risk rating: medium</p> <p>Assumption: Private sector willing to participate in climate change-related voluntary programs</p>
<p>Outcome 2.2: The purchasing and credit policies of at least 20 agricultural and livestock trading companies and five</p>	<p>Number of purchasing and credit policies of agricultural and livestock trading companies and financial institutions revised</p>	<ul style="list-style-type: none"> - 0 	<ul style="list-style-type: none"> - At least 20 	<ul style="list-style-type: none"> - Approved purchasing and credit policies of agricultural and livestock trading companies and 	<p>Risk: limited interest from agricultural and livestock trading companies and financial institutions to revise /adjust their</p>

financial institutions operating in the target region promote adoption of productive practices that help maintain ecosystem resilience to climate change.	/adjusted (AMAT: CCA-3)			financial institutions – Purchasing and credit receipts and contracts	policies to and mainstream climate change adaptation Risk rating: medium
	Number of climate change-related initiatives making use revised purchasing and credit policies of agricultural and livestock trading companies and financial institutions	– 0	– At least 10 (one per target municipality)		Assumption: agricultural and livestock trading companies willing to mainstream climate change adaptation

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Response Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Reviewer's comments	Responses	References
Secretariat Comment at PIF (PFD)/Work Program Inclusion: Update 8/21/2014		
<p>4. <i>Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives?</i></p> <p>By CEO Endorsement, please consider how this project can ensure alignment with CCA-3 as well.</p>	<p>As suggested, the project will also be aligned with CCA-3: Integrate climate change adaptation into relevant policies, plans and associated processes. More specifically, the project will be aligned with Outcome 3.2: Policies, plans, and associated processes developed and strengthened to identify, prioritize, and integrate adaptation strategies and measures (Indicator 13: Sub-national plans and processes developed and strengthened to identify, prioritize, and integrate adaptation strategies and measures; alignment with this outcome indicator has been included in the AMAT).</p> <p>The project will mainstream climate change adaptation into plans and policies, including: a) four (4) participatory Risk Management Plans for Potable Water and Sanitation (RMPPS) within each target canton (SEMU 1: Guatuso, Upala, Los Chiles, and La Cruz; SEMU 2: Liberia and Cañas; SEMU 3: Santa Cruz, Nicoya, Hojanca, and Carrillo); b) Water Safety Plans for 40 ASADAS; and c) up to three (3) AyA and CNE investments for the target area in northern Costa Rica.</p>	<p>CEO Endorsement Request: PAR A.1.3. The project alternative scenarios GEF focal strategies, with brief descriptions of the outcomes components of the project</p> <p>ProDoc: Section 2.4 Project rationale and policy conformity</p>
<p>8. (a) <i>Are global environmental/ adaptation benefits identified? (b) Is the description of the incremental/ additional reasoning sound and appropriate?</i></p> <p>By CEO Endorsement, please provide a more comprehensive analysis of the adaptation benefits, and the additional reasoning.</p>	<p>A more comprehensive analysis of the adaptation benefits and the additional reasoning is provided in the text of UNDP's Project Document. Please refer to Section 2.4: Project Objective, Outcomes, and Outputs/Activities for details.</p>	<p>CEO Endorsement Request: PAR A.1.5. Global environmental benefits (G) and/or adaptation benefits (LDCF/SCCF)</p> <p>ProDoc: Section 2.4 Project objectives, outcomes, and outputs/activities</p>
<p>13. <i>Comment on the project's innovative aspects, sustainability, and potential for scaling up.</i></p> <p><input type="checkbox"/> <i>Assess whether the project is innovative and if so, how, and if not, why not.</i></p> <p><input type="checkbox"/> <i>Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency</i></p> <p>By CEO Endorsement, it is recommended to strengthen the project design as it relates to sustainability (for instance, regarding voluntary payments) and scale-up.</p>	<p>The project will build business partnerships between the ASADAS and the private sector (agriculture and cattle ranching farms), which, through voluntary payments from the latter, will facilitate funding for the conservation of local ecosystems and the operation of upstream community-based water supply systems. The voluntary fee systems will be designed following guidelines of Costa Rica's PES program that recognizes the value of services provided by ecosystems, including hydrological services. The Costa Rican PES program is executed through the National Forest Financing Fund (FONAFIFO), which was created in 1995 to finance small and medium producers to implement reforestation, forestation, greenhouses, and agroforestry systems, and for the recovery of deforested areas and the necessary technological changes in the use and industrialization of forest resources. FONAFIFO has proven to be a key player in the Costa Rica Climate Change Strategy and in reversing the process of deforestation in the country. Through PES-type contracts that will last up to 20 years, the ASADAS and local communities will rely on a sustainable flow of funds that will contribute to the sustainability of project outcomes beyond its completion. Thus, the project will rely on FONAFIFO and other Costa Rican institutions that have extended experience in the implementation of voluntary payments and PES schemes. Details on how voluntary payments will operate are provided in Section 2.4 (Output 2.1.3).</p> <p>The project will rely on a Knowledge Management System (Section 2.4, Output 2.2.2) to synthesize lessons learned and experiences that will</p>	<p>CEO Endorsement Request: PAR A.1.6. Innovativeness, sustainability, potential for scaling up.</p> <p>ProDoc: Section 2.4 Sustainability; Section 2.4: Project objective, outcomes, and outputs/activities</p>

	result from project implementation, including the implementation of voluntary payments and PES schemes, and for sharing information related to climate change and ecosystem-based adaptation practices so that these can be replicated/scaled-up in other water-stressed regions in the country. In addition, the project's monitoring and evaluation plan includes a strategy for sharing best practices and generating knowledge products that will also contribute to scaling up.	
STAP Scientific and Technical screening of the Project Identification Form (PIF). Date of screening: September 24, 2014		
No comments from STAP.	NA	NA
Compilation of Comments Submitted by Council Members on the joint LDCF/SCCF October 2014 Work Program		
Germany's Comments		
1. Germany appreciates that the PIF refers to the currently developed Third National Communication to the UNFCCC. Nevertheless, the proposal does not make any reference to the national development plan (Plan Nacional de Desarrollo 2015-2018), which adaptation in the water sector, nor to the newly established national Adaptation Fund. Furthermore, the national climate change secretariat seems to be unaware of the project proposal. Germany therefore asks to consider these highly relevant national policy processes as well as to coordinate the proposal with the national climate change secretariat and with the new leadership of the MINAE	<p>The project has considered the National Development Plan (NDP) 2015-2018, more specifically Section 4.9: Risk Management and Adaptation to Climate Change, which calls for reduced vulnerability of public services, including the provision of water and sanitation and for promoting sustainable production practices (soil conservation, water management, and community-based forestry) as a strategy to reduce risks; and Program 9.1: National Program to Supply Potable Water to the Population, which has as its objective to ensure the supply of quality drinking water to urban and rural populations.</p> <p>Similarly, the project has considered the National Adaptation Fund (NAF) and joint efforts for the implementation of the project were discussed during project preparation with the GIZ and the Fundecooperacion Foundation, which have received funding from the NAF. The Fundecooperacion Foundation is the accredited National Implementing Entity in Costa Rica of the Adaptation Fund and is a project cofinancier.</p> <p>The proposal was coordinated with the national climate change secretariat within the MINAE, including Mr. Ivan Pitty, Coordinator of the National Climate Change Strategy (encc2021@gmail.com).</p>	<p>CEO Endorsement Request: PART II: A.6.2. Coordination; B.1 Consistency with National Priorities</p> <p>ProDoc: Section 1.3. Policy and institutional framework for climate change adaptation and water resources management; Section 2.2. Project rationale and policy conformity</p>
2. Germany appreciates that the project aims to establish financial incentives and builds upon the Payment for Ecosystem Services (PES) programme FONAFIFO. We believe it is very important to work on the demand side of water use since Ecosystem-based Adaptation approaches alone are unlikely to resolve the projected water scarcity. Germany therefore welcomes the investments in metering systems and recommends that the project further promotes water saving and water efficiency	In addition to investing in metering systems (up to 5,000 micro- and macro-meters will be installed), the project will also invest in the demand side of water use, including: a) the installation of water-saving devices (high-efficiency toilets, toilet-tank displacement devices/toilet dams; and low-flow faucet aerators and showerheads) in up to 4,000 households; b) implementation of a pilot composting toilet program that use little to no water as an alternative to flush toilets (150 composting toilets will be installed); c) the development of a septic tank and drainfield maintenance program, emphasizing the efficient use of water (e.g., checking toilets and facets regularly to detect leaks) and the use of household-water-saving devices (e.g., high-efficiency toilets); and d) the implementation of a water conservation awareness (WCA) campaign in the three target areas in northern Costa Rica (SEMUs 1, 2, and 3) emphasizing the importance of using water efficiently at all stages from capture to consumption in order to promote change in attitudes and behavior with regard to water management and use.	ProDoc: Section 2.4: Project objective, outcomes, and outputs/activities

measures.		
<p>3. Germany welcomes the significant amount of co-funding from government agencies. Part C of the PIF also lists a grant from GIZ over USD 5,000,000 for the Biodiversity Partnership Mesoamerica (BPM). However, this project and the stated amount are determined for eight countries in the region and therefore cannot be fully attributed to activities in Costa Rica. Germany therefore requests to correct the stated co-funding accordingly to approximately USD 500,000 (i.e. 10% of the previous amount).</p>	<p>The final project co-financing established during the PPG phase does not include funding from the GIZ/ BPM.</p>	<p>CEO Endorsement Request: PART I: C. Confirmed sources of co-financing for the project by name and by type</p> <p>ProDoc: Section 4. Total budget and work plan</p>
<p>4. Similar projects on ecosystem-based adaptation and water funded by Germany are currently being implemented in Costa Rica and the region and could provide valuable experiences and lessons learned. Germany therefore recommends integrating knowledge generated in these initiatives in the design and implementation of the project.</p>	<p>The project proposed herein will integrate knowledge and lessons learned from the implementation of the Coastal Marine Biodiversity and Climate Change Adaptation (BIOMARCC) project funded by the German Development Cooperation Agency (GIZ). The BIOMARCC project aims to increase the adaptation capacity of marine and coastal ecosystems in Costa Rica by strengthening institutional management capacities for marine and coastal conservation areas, developing financial mechanisms to secure adaptation of marine and coastal protected areas with the participation of relevant stakeholders; and developing Clearing House Mechanism about climate change adaptation and coastal/marine ecosystem management exchange and transfer of knowledge and experiences. In particular, the project will incorporate lessons learned from the implementation of climate change adaptation activities for building resilience of wetland ecosystems to climate change in the Guanacaste province in northern Costa Rica.</p> <p>In addition, the project proposed herein will incorporate knowledge and lessons learned from the project “Low Emission Development Costa Rica – Supporting the national climate neutrality strategy in Costa Rica,” as a model for low carbon development, which is also being supported by the GIZ. This initiative will provide support at the political and institutional levels to develop strategies and design framework policies as well as for programs and action plans directed at reducing greenhouse gas emissions. In addition, industrial companies and small- and medium-sized enterprises will receive support on how to plan and implement measures for reducing emissions and adopt environmentally and climate-friendly technologies. In particular, knowledge and lessons learned to enhance awareness and implement informational campaigns on climate change among the general public, as well as working with the private sector on implementing incentives to mainstream climate change, will be considered.</p>	<p>CEO Endorsement Request: PART II: A.6.2. Coordination</p> <p>ProDoc: Section 2.3.3. Coordination with other relevant GEF-financed and other initiatives</p>
USA’s Comments:		
<p>1. Clarify how it plans to promote coordination between relevant stakeholders and national</p>	<p>Coordination between relevant stakeholders and national and local governments during project development was done through field visits in Northern Costa Rica completed during PPG where representatives from 67 ASADAS, municipal authorities, AyA regional and national</p>	<p>ProDoc: Section 2.4: Project objective, outcomes, and outputs/activities;</p>

<p>and local governments, throughout the development and implementation of this project.</p>	<p>officers, and UNDP shared information on climate change and adaptation, and discuss aspects of the project design and participation/coordination mechanism, and their views on water-related issues. Specific information regarding the PPG consultation process is presented in Annex 8.5 of the UNDP's Project Document.</p> <p>Coordination between relevant stakeholders and national and local governments during project implementation will be achieved through specific actions outlined in Section 2.4 of the UNDP's Project Document, where the projects outcomes/outputs and related activities are detailed. In addition, a Stakeholder Participation Plan for the project (UNDP's Project Document Annex 8.6) has been developed that also outlines participation and coordination mechanisms during project implementation. Finally, project management arrangements include a Project Board, which will be composed of AyA, ASADAS, MINAE, MAG, MINSALUD, IMN, and UNDP that will allow the implementation of the project between relevant stakeholders and national and local governments in a coordinated manner, including the approval of annual work plans, approve budget and monitor project development.</p>	<p>Annex 8.5. Stakeholder meetings, workshops and consultations held during project preparation; Annex 8.6. Stakeholder involvement plan</p>
<p>2. Explain the role of the Vulnerability and Adaptive Capacity Indices outlined in paragraph 12. Please provide greater detail on how these indicators will be collected and used during the implementation of the project.</p>	<p>The Vulnerability and Adaptive Capacity Indices will provide information about the vulnerability (exposure) and adaptive capacity in the target SEMUs. Indices will be developed considering multiple, social, economic, environmental, and policy/governance factors, which will include: a) exposure to climate-related events (drought, floods, etc.); b) human sensitivity, in terms of population patterns, development, availability of natural resources, agricultural dependency, and conflicts; and c) future vulnerability by considering the adaptive capacity within the targeted SEMUS (e.g., local governments, AyA, and ASADAS) and water supply infrastructure to combat climate change. This approach follows the guidelines of the Climate Change Vulnerability Index (CCVI) released by global risks advisory firm Maplecroft (http://maplecroft.com/about/news/ccvi.html) and the NatureServe Climate Change Vulnerability Index (NatureServe, 2015; http://www.natureserve.org/conservation-tools/climate-change-vulnerability-index) and existing methodologies developed in Costa Rica and included in official documents such as the National Communications to the UNFCCC, rescaled and adjusted to reflect ecosystem, aquifers, socioeconomic, and sectoral conditions specific to the target areas.</p>	<p>ProDoc: Section 2.4: Project objective, outcomes, and outputs/activities (Output 1.3.2)</p>
<p>3. Provide more information on how beneficiaries, including women, have been involved in the development of the project proposal and will benefit from this project.</p>	<p>Gender considerations were mainstreamed into the project preparation following GEF and UNDP guidelines. How women will participate and will benefit from the project is outlined in Section 2.4 (Outcomes/outputs and related activities) and Section 2.3.4 (Gender considerations). Women are very active in organizations related to local development, including the boards of the ASADAS where very often they represent the majority. This means that the capacity of end users who will be strengthened by this project will be particularly focused on increasing women's access to opportunities for continued personal growth, increasing their leadership, and their capacity as agents of change to disseminate adaptive measures through the communities in which they live. This will include: a) sustained access to potable water and sanitation services under conditions of water-stress associated to climate change (e.g., drought and flooding); b) strengthened capacity through training to maintain and improve the use of water and sanitation measures in a context of increased climate impacts; c) access to extension services for sustainable land use and production practices; d) empowerment by their participation in water management-related</p>	<p>CEO Endorsement Request: A.4. Gender Considerations</p> <p>ProDoc: Section 2.3.4: Gender considerations; Section 2.4: Project objective, outcomes, and outputs/activities; Section 2.10. Compliance with UNDP Safeguards Policies</p>

	<p>planning processes (e.g., development and/or improved/updated ecosystem-based WSP; Project Board as member ASADAS representatives); and e) access to lines of credit and incentives to promote adoption of ecosystem-based climate change adaptation measures.</p> <p>In addition, the project Results Framework includes indicators to ensure that women and men will participate and benefit equally from the project. Finally, in compliance with UNDP Safeguards Policies, the project-level Social and Environmental Procedure, which is a requirement for all proposed projects with a budget of \$500,000 or more (UNDP's Project Document Annex 8.13), includes strategies and indicators as to how to improve gender equality and women's empowerment through the project.</p>	
<p>4. Expand on how the implementing agency and its partners will ensure the sustainability of climate change adaptation education for decision makers at the national and local level.</p>	<p>The sustainability of climate change adaptation education for decision makers at the national and local level will be ensured by increasing awareness their about the need for mainstreaming climate change adaption into their policy development and planning processes, which will ensure institutional and public support of climate change adaptation after the project is completed. Through capacity building, technical assistance, and the availability of new and improved tools (e.g., information monitoring system, early warning system, AWS/AFS, and knowledge management system) the project will enhance the capacity of national-level decision makers to reduce risks and vulnerability of local communities to drought and flooding as well as for the replication and scaling-up of successful experience in other water-stressed areas around the country.</p> <p>At the local level, the project will generate an attitude and behavioral change both at the supply and demand sides regarding water availability that includes strategic planning and management for a better provision of potable water and sanitation services and actions for water conservation. This change will be the basis for building a community-institutional partnership that will allow the exchange of knowledge, experiences, and dialogue among the ASADAS, end users/local communities, and local and authorities about climate change adaptation and vulnerability beyond project end. In addition, by knowledge and technical skills though targeted training local decision-makers will be empowered to be active participants in influencing the development of local policy for sustainable ecosystem and water management.</p>	<p>CEO Endorsement Request: PART II: A.1.6.</p> <p>Innovativeness, sustainability, and potential for scaling up</p> <p>ProDoc: Section 2.7. Sustainability</p>
<p>5. Clarify how the implementing agency and its partners will communicate results, lessons learned and best practices identified throughout the project to the various stakeholders both during and after the project.</p>	<p>The project will rely on a Knowledge Management System (Section 2.4, Output 2.2.2) to synthesize and communicate lessons learned and experiences that will result from project implementation so that these can be replicated/scaled-up in other water-stressed regions in the country.</p> <p>In addition, the project's monitoring and evaluation plan includes a strategy for sharing best practices and generating knowledge products that will also contribute to communicating results, lessons learned, and best practices identified during the project.</p>	<p>CEO Endorsement Request: PART II: A.8 Knowledge Management.</p> <p>ProDoc: Section 2.4: Project objective, outcomes, and outputs/activities (Output 2.2.2); Section 6. Monitoring Framework and Evaluation</p>

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁰

A. Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: 150,000			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Component A: Technical review	105,000	86,229	18,771
Component B: Institutional arrangements, monitoring and evaluation	22,700	8,664	14,036
Component C: Financial planning and co-financing investments	17,300	6,770	10,530
Component D: Validation workshop	5,000	3,500	1,500
Total	150,000	105,163	44,837

¹⁰ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities. Agencies should also report closing of PPG to Trustee in its Quarterly Report.