



ADAPTATION FUND

AFB/EFC.5/7

June 8, 2011

---

Adaptation Fund Board  
Ethics and Finance Committee  
Fifth Meeting  
Bonn, Germany, June 20, 2011

Agenda item 6

## **REVIEW OF THE OPERATIONAL POLICIES AND GUIDELINES AND RELATED TEMPLATES**

## Background

1. The operational policies and guidelines for Parties to access resources of the Adaptation Fund (OPG) state in paragraph 65 that

*The Board shall keep these operational policies and guidelines under review and will amend them as deemed necessary.*

2. At its 12<sup>th</sup> meeting, the Board requested the secretariat to present a preliminary draft of the revisions that might be required of the operational policies and guidelines for consideration by the next Board meeting, incorporating any decisions and/or amendments thus far proposed by the PPRC, EFC and AP<sup>1</sup>.

3. At its 13<sup>th</sup> meeting the Board discussed the preliminary draft contained in the Annex to document AFB/EFC.4/9 and the recommendation by the EFC thereon. During the ensuing discussion, the Chair of the PPRC said that the PPRC had already identified a number of issues that should be considered when the OPG were reviewed and to that end it would be important to coordinate the work of the two committees to have a comprehensive review. Following the intervention by the Chair of the PPRC, the Board decided to:

(a) *Approve the proposed amendments to the operational policies and guidelines contained in the annex to document AFB/EFC.4/9, except for the deletion of the word “ministries” in footnote 12 of that annex, taking into account the comments made by the members of the Ethics and Finance Committee (EFC) at its fourth meeting. The secretariat will incorporate the agreed text into the draft revised operational policies and guidelines for the consideration of the Board at its fourteenth meeting;*

(b) *Establish an ad-hoc committee consisting of two members from the PPRC and the EFC, as well as either the Chair or the Vice-Chair of the Accreditation Panel and two other members at large, to consider the issues outlined in sections II b) and c) of document AFB/EFC.4/9, as well as any other issue that may be deemed relevant, including in looking at the issue of audit and notification. The ad-hoc committee, supported by the secretariat, should produce proposals for amending the operational policies and guidelines addressing the issues identified above.*

(c) *Name the following members and alternate members to the ad hoc committee:*

(i) *Ms. Kate Binns, Vice-Chair of the Accreditation Panel;*

(ii) *Mr. Hans Olav Ibrekk, Chair of the PPRC;*

(iii) *Mr. Mirza Shawkat Ali, Chair of the EFC*

(iv) *Mr. Amjad Abdulla (Maldives, Small-Island Developing States)*

*and*

---

<sup>1</sup> Decision 12/30, paragraph (a).

(v) *Mr. Zaheer Fakir (South Africa, Africa).*

(d) *Request the secretariat to present a consolidated draft of the revised operational policies and guidelines to the fifth meeting of the EFC, incorporating any decision taken at the present Board meeting that may require further amendments.*

**(Decision B.13/21)**

4. Following the mandate above, the ad-hoc committee discussed the issues outlined in sections II.b) and c) of document AFB/EFC.4/9 and made additional amendment proposals. The secretariat prepared a consolidated draft of the revised OPG, including the text already agreed at the 13<sup>th</sup> Board meeting, which is contained in the Annex to the present document for consideration by the EFC. Since some of the issues raised during the ad-hoc committee discussion may require further consideration by the EFC/Board, the relevant text has been bracketed.

**Recommendation**

5. Having considered the amendments proposed in the annex to document AFB/EFC.5/7 and any additional amendments the EFC may deem appropriate, the EFC may recommend the Board to

- a) Approve the proposed amendments to the OPG;
- b) Request the secretariat to present a consolidated draft of the revised OPG to the 15<sup>th</sup> Board meeting, incorporating any decision taken at the present Board meeting that may require further amendments.



ADAPTATION FUND

---

Adaptation Fund Board

**OPERATIONAL POLICIES AND GUIDELINES FOR PARTIES  
TO ACCESS RESOURCES FROM THE ADAPTATION FUND**

## INTRODUCTION

1. The Kyoto Protocol (KP), in its Article 12.8, states that “The Conference of the Parties serving as the meeting of the Parties to this Protocol shall ensure that a share of the proceeds from certified project activities is used to cover administrative expenses as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.”<sup>1</sup> This is the legal basis for the establishment of the Adaptation Fund.
2. At the seventh session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC), held in Marrakech, Morocco, from October 29 to November 10, 2001 (COP7), the Parties agreed to the establishment of the Adaptation Fund (the Fund).<sup>2</sup>
3. In Montreal, Canada in November 2005<sup>3</sup> and in Nairobi, Kenya in December 2006,<sup>4</sup> the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), decided on specific approaches, principles and modalities to be applied for the operationalization of the Fund.
4. In Bali, Indonesia, in December 2007, the CMP decided that the operating entity of the Fund would be the Adaptation Fund Board (the Board), serviced by a Secretariat and a Trustee.<sup>5</sup> Parties invited the Global Environment Facility to provide secretariat services to the ~~Adaptation Fund~~ Board (the Secretariat), and the World Bank to serve as the trustee (the Trustee) of the Fund, both on an interim basis.
5. In particular, Decision 1/CMP.3, paragraph 5(b), lists among the functions of the Board to develop and decide on specific operational policies and guidelines, including programming guidance and administrative and financial management guidelines, in accordance with decision 5/CMP.2, and to report to the CMP.
6. In Poznan, Poland, in December 2008, through Decision 1/CMP.4, the Parties adopted:
  - (a) the *Rules of Procedures of the Adaptation Fund Board*;
  - (b) the *Memorandum of Understanding between the Conference of the Parties serving as the meeting of the Parties of the Kyoto Protocol and Council of the Global Environmental Facility regarding secretariat services to the Adaptation Fund Board*, on an interim basis;

<sup>1</sup> See FCCC/KP/Kyoto Protocol.

<sup>2</sup> See Decision 10/CP.7, “Funding under the Kyoto Protocol”.

<sup>3</sup> See Decision 28/CMP.1, “Initial guidance to an entity entrusted with the operation of the financial system of the Convention, for the operation of the Adaptation Fund” in Annex I to this document.

<sup>4</sup> See Decision 5/CMP.2, “Adaptation Fund”, in Annex I to this document.

<sup>5</sup> See Decision 1/CMP.3, “Adaptation Fund”, in Annex I to this document.

- (c) the *Terms and Conditions of Services to be Provided by the International Bank for Reconstruction and Development (the World Bank) as Trustee for the Adaptation Fund*, on an interim basis; and
  - (d) the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund* (see Annex 1).
7. In Decision 1/CMP.4, paragraph 11, the CMP decided that the Adaptation Fund Board be conferred such legal capacity as necessary for the execution of its functions with regard to direct access by eligible developing country Parties. Further, in decision 4/CMP.4, paragraph 1, the Parties endorsed the Board decision to accept the offer of Germany to confer legal capacity on the Board. The German Act of Parliament which conferred legal capacity to the Board entered into force of February 8, 2011.
  8. This document (hereafter “the operational policies and guidelines”), in response to the above CMP decisions, outlines operational policies and guidelines for eligible developing country Parties to access resources from the Fund. The operational policies and guidelines are expected to evolve further based on experience acquired through the operationalization of the Fund, subsequent decisions of the Board and future guidance from the CMP.

#### **DEFINITIONS OF ADAPTATION PROJECTS AND PROGRAMMES**

9. The Adaptation Fund established under decision 10/CP.7 shall finance concrete adaptation projects and programmes.
10. [A concrete adaptation project/programme is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change. The activities shall aim at producing a tangible impact on the ground by reducing vulnerability and increasing the Party's adaptive capacity to respond to the impacts of climate change, including variability.] Adaptation projects can be implemented at the community, national and transboundary level. Projects concern discrete activities with a collective objective(s) and concrete outcomes and outputs that are more narrowly defined in scope, space and time.
11. An adaptation programme is a process, a plan or an approach for addressing climate change impacts that is broader than the scope of an individual project.

#### **OPERATIONAL AND FINANCING PRIORITIES**

12. The overall goal of all adaptation projects and programmes financed under the Fund will be to support concrete adaptation activities that reduce ~~the adverse effects of climate change facing communities, countries, and sectors~~vulnerability and increase adaptive capacity to respond to the impacts of climate change, including variability at local and national levels.
13. Provision of funding under the Fund will be based on, and in accordance with, the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund* adopted by the CMP, attached as Annex 1.

14. Funding will be provided on full adaptation cost basis of projects and programmes to address *the adverse effects of climate change*.<sup>6</sup> *Full cost of adaptation* means the costs associated with implementing concrete adaptation activities that address the adverse effects of climate change. The Fund will finance projects and programmes whose principal and explicit aim is to adapt and increase climate resilience. The project/**programme** proponent is to provide justification of the extent to which the project contributes to adaptation and climate resilience. The Board may provide further guidance on financing priorities, including through the integration of information based on further research on the full costs of adaptation and on lessons learned.
15. In developing projects and programmes to be funded under the Fund, eligible developing country Parties may wish to consider the guidance provided in 5/CP.7. Parties may also consult information included in reports from the Intergovernmental Panel on Climate Change (IPCC) and information generated under the Nairobi Work Programme (NWP) on Impacts, Vulnerability and Adaptation to Climate Change.<sup>7</sup>
16. Decisions on the allocation of resources of the Fund shall take into account the criteria outlined in the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund*, adopted by the CMP, specifically:
  - (a) Level of vulnerability;
  - (b) Level of urgency and risks arising from delay;
  - (c) Ensuring access to the fund in a balanced and equitable manner;
  - (d) Lessons learned in project and programme design and implementation to be captured;
  - (e) Securing regional co-benefits to the extent possible, where applicable;
  - (f) Maximizing multi-sectoral or cross-sectoral benefits;
  - (g) Adaptive capacity to the adverse effects of climate change.
17. Resource allocation decisions will be guided by paragraphs 9 and 10 of the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund*.
18. The Board will review its procedures for allocating resources of the Fund among eligible Parties at least every three years, and/or as instructed by the CMP.

#### **PROJECT/ PROGRAMME PROPOSAL REQUIREMENTS**

19. To access Fund resources, a project /programme will have to be in compliance with the eligibility criteria contained in paragraph 15 of the *Strategic Priorities, Policies and*

<sup>6</sup> Decision 5/CMP.2, paragraph 1 (d).

<sup>7</sup> IPCC Assessment Report 4, see <http://www.ipcc.ch/ipccreports/assessments-reports.htm> and NWP see [http://unfccc.int/adaptation/sbsta\\_agenda\\_item\\_adaptation/items/3633.php](http://unfccc.int/adaptation/sbsta_agenda_item_adaptation/items/3633.php).

Guidelines of the Adaptation Fund and using the relevant templates (templates attached as Annex 2).

#### **COUNTRY ENDORSEMENT DESIGNATED AUTHORITY**

20. ~~Every proposal for funding must be endorsed by the requesting government.~~ Each Party shall designate and communicate to the secretariat the authority that will represent the government of such Party in its relations with the Board and its secretariat. [The Designated Authority shall be an officer within the Party's government administration.] The communication to the secretariat shall be made in writing and signed by either a Minister, an authority at cabinet level, or the Ambassador of the Party.
21. ~~Each Party shall designate and communicate to the Secretariat the authority that will~~ The main responsibility of the Designated Authority is the endorsement on behalf of the national government of: a) ~~endorse~~ accreditation applications as National Implementing Entities submitted by national entities; and b) ~~on behalf of the national government the~~ projects and programmes proposed by the implementing entities, either national or multilateral.
- 24-22. The Designated Authority shall confirm that the endorsed project/programme proposal is in accordance with the government's national or regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks posed by, climate change in the country or region

#### **FINANCING WINDOWS**

- 22-23. Parties may undertake adaptation activities under the following categories:
- (a) Small-size projects and programmes (proposals requesting up to \$1 million); and
  - (b) Regular projects and programmes (proposals requesting over \$1million).

#### **ELIGIBILITY CRITERIA**

##### **Country Eligibility**

- 23-24. The Fund shall finance concrete adaptation projects and programmes in developing country Parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change.
- 24-25. Paragraph 10 of the *Strategic Priorities, Policies and Guidelines of the Adaptation Fund* provides the country eligibility criteria.
- 25-26. A cap in resource allocation per eligible host country, project and programme will be agreed by the Board based on a periodic assessment of the overall status of resources in the ~~Adaptation Trust~~ Fund and with a view to ensuring equitable distribution.

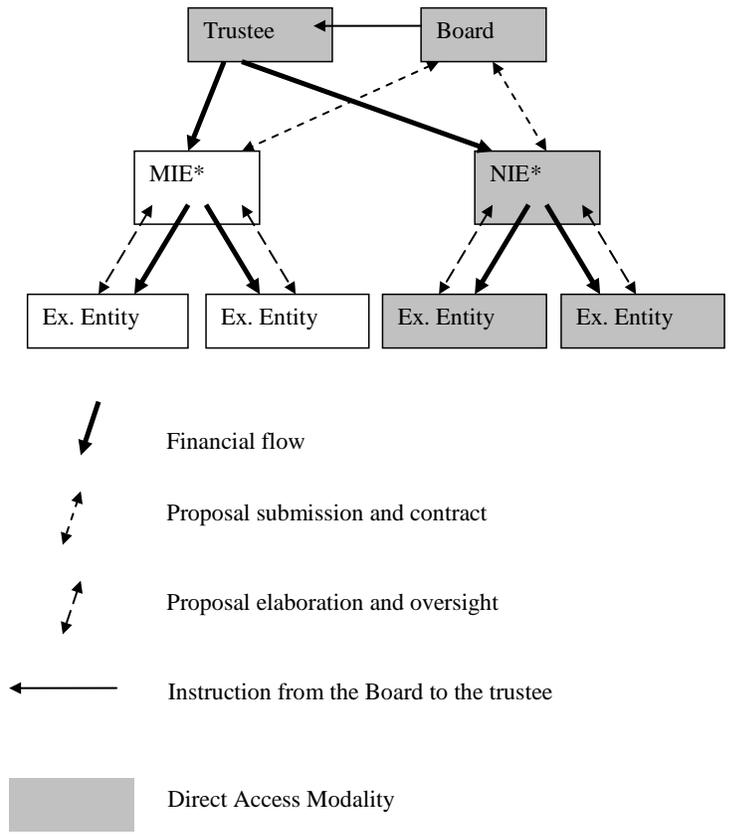
##### **Implementing and Executing Entities**

~~26-27.~~ Eligible Parties who seek financial resources from the Adaptation Fund shall submit proposals directly through their nominated National Implementing Entity (NIE).<sup>8</sup> They may, if they so wish, use the services of Multilateral Implementing Entities (MIE). The implementing entities shall obtain an endorsement from the government through the Designated Authority referred to in paragraph 20 above.<sup>9</sup> The options of submitting different projects/programmes through an NIE and through an MIE are not mutually exclusive. The modalities for accessing resources of the Adaptation Fund are outlined in Figure 1.

<sup>8</sup> They may include *inter alia*, ministries, inter-ministerial commissions, government cooperation agencies.

<sup>9</sup> ~~As laid out in paragraph 21: "Each Party shall designate and communicate the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities."~~

**Figure 1: Modalities for Accessing Resources of the Adaptation Fund**



\* A Party nominates a National Implementing Entity. May also nominate a Multilateral entity

27-28. National Implementing Entities (NIE) are those national legal entities nominated by Parties that are recognized by the Board as meeting the fiduciary standards **established approved** by the Board. The NIEs will bear the full responsibility for the overall management of the projects and programmes financed by the Adaptation Fund, and will bear all financial, monitoring and reporting responsibilities.

28-29. A group of Parties may also nominate regional and sub-regional entities as implementing entities (RIE/SRIE), and thereby provisions of paragraph 27-28 will apply. In addition to the nomination of an NIE an eligible Party may also nominate a RIE/SRIE and may submit project/programme proposals through an accredited RIE/SRIE that is operating in

their region or sub-region. The application for accreditation shall be endorsed by at least two country members of the organization.]

~~29-30.~~ Multilateral Implementing Entities (MIE) are those Multilateral Institutions and Regional Development Banks invited by the Board that meet the fiduciary standards ~~provided~~ approved by the Board. The MIEs, chosen by eligible Parties to submit proposals to the Board, will bear the full responsibility for the overall management of the projects and programmes financed by the Adaptation Fund, and will bear all financial, monitoring and reporting responsibilities.

~~30-31.~~ In the case of regional (i.e., multi-country) projects and programmes, the proposal submitted to the Board should be endorsed by the ~~Designated~~ Authority of each participating Party.

~~31-32.~~ Executing Entities are organizations that execute adaptation projects and programmes supported by the Fund under the oversight of Implementing Entities.

## ACCREDITATION OF IMPLEMENTING ENTITIES

### Fiduciary Standards

~~32-33.~~ Among principles established for the ~~Adaptation~~ Fund (Decision 5/CMP.2) is “sound financial management, including the use of international fiduciary standards.” At its 7<sup>th</sup> meeting the Board adopted fiduciary standards governing the use, disbursement and reporting on funds issued by the Adaptation Fund covering the following broad areas (refer to Annex 2 for details):

(a) Financial Integrity and Management:

- (i) Accurately and regularly record transactions and balances in a manner that adheres to broadly accepted good practices, and are audited periodically by an independent firm or organization;
- (ii) Managing and disbursing funds efficiently and with safeguards to recipients on a timely basis;
- (iii) Produce forward-looking financial plans and budgets;
- (iv) Legal status to contract with the ~~Adaptation~~ Fund and third parties

(b) Institutional Capacity:

- (i) Procurement procedures which provide for transparent practices, including in competition;
- (ii) Capacity to undertake monitoring and evaluation;
- (iii) Ability to identify, develop and appraise project/programme;
- (iv) Competency to manage or oversee the execution of the project/programme including ability to manage sub-recipients and to support project /programme delivery and implementation.

- (c) Transparency and Self-investigative Powers: Competence to deal with financial mismanagement and other forms of malpractice.

#### Accreditation Process

~~33-34~~. Accreditation for the implementing entities would follow a transparent and systematic process through an Adaptation Fund Accreditation Panel (the Panel) supported by the Secretariat. The Accreditation Panel will consist of two Board Members and three experts. The different steps for accreditation are as follows:

- (a) The Board will invite Parties<sup>10</sup> to each nominate a National Implementing Entity (NIE); the Board will issue a call to -potential Multilateral Implementing Entities (MIE) to express interest in serving as an MIE;
- (b) Potential implementing entities will submit their accreditation applications to the Secretariat together with any supporting documentation to verify how they meet the fiduciary standards;
- (c) The Secretariat will review the documentation to ensure that all the necessary information is provided, and will follow-up with the potential implementing entities to ensure that the application package is complete. The Secretariat will forward the complete package to the Accreditation Panel [within 15 (fifteen) working days following receipt of a candidate implementing entity's submission];
- (d) The Panel will undertake a desk-review of the application and forward its recommendation to the Board; should the Panel require additional information prior to making its recommendation, a mission and/or a teleconference may be undertaken with regard to the country concerned.<sup>11</sup>The Board will provide further guidance on the required information in the future on the basis of lessons learned; and
- (e) The Board will make a decision and in writing will notify the entity of the outcome, which could fall into one of the following categories:
  - (i) Applicant meets requirements and accreditation is recommended; or
  - (ii) Applicant needs to address certain requirements prior to full accreditation.

~~34-35~~. In case the nominated NIE does not meet the criteria, an eligible Party may resubmit its application after addressing the requirements of the Board or submit an application nominating a new NIE. In the meantime, eligible Parties are encouraged to use the services of an accredited RIE/SRIE or MIE, if they so wish, to submit project/programme proposals for funding by the Adaptation-Fund. An applicant MIE that does not meet the

<sup>10</sup> The Designated Authority referred to in paragraph 21 above shall endorse the application for accreditation on behalf of the Party.

<sup>11</sup> The Panel will specify areas requiring further work to meet the requirements and may provide technical advice to address such areas. In exceptional circumstances, an external assessor may be used to help resolve especially difficult/contentious issues.

criteria for accreditation may also resubmit its application after addressing the requirements of the Board.

~~35-36.~~ Accreditation will be valid for a period of 5 years. The Board will develop guidelines for renewal of an implementing entity's accreditation based on simplified procedures that will be established at a later date.

~~36-37.~~ The Board reserves the right to review or evaluate the performance of implementing entities at any time during an implementing entity's accreditation period. [It also reserves the right to investigate the use of the Fund resources, if there is any indication of misappropriate allocations. [An investigation could include an independent audit of the use of the Fund resources.]] A minimum notification of ~~[6]~~ [3] ~~[1]~~ month[s] will be given to an implementing entity if they have been identified by the Board as being the object of ~~such a~~ review or evaluation.

~~37-38.~~ The Board may also consider suspending or cancelling the accreditation of an implementing entity if it made false statements or provided intentionally incomplete information to the Board both at the time of accreditation to the Board or in submitting a project or programme proposal.

~~38-39.~~ Before the Board makes its final decision on whether to suspend or cancel the accreditation of an implementing entity, the entity concerned will be given a fair chance to present its views to the Board.

#### **PROJECT/PROGRAMME CYCLE**

~~39-40.~~ The project/programme cycle of the Adaptation Fund [for any project or programme size] begins with a proposal submission to the Secretariat by the NIE/MIE chosen by the government of the recipient country/ies/Party/ies. The Designated Authority referred to in paragraph 20 above shall endorse the proposal submission. The submission is followed by an initial screening, project/programme review and approval.<sup>12</sup>

#### **[Review and Approval of Small-size Projects and Programmes**

~~40-41.~~ In order to expedite the process of approving projects/programmes and reduce unnecessary bureaucracy, ~~it is proposed that~~ small-size projects will undergo a one-step approval process by the Board. The proposed project cycle steps are as follows:

- (a) The project/programme proponent submits a fully developed project/programme document<sup>13</sup> based on a template approved by the Board (Annex 3, Appendix A). A disbursement schedule with time-bound milestones will be submitted together with the fully developed project/programme document. Proposals ~~can~~ shall be submitted to the Board through the Secretariat ~~three times per year or as may be decided at any time by the Board depending on the flow of requests and the available resources.~~ The timetable for the submission and review of proposals will be synchronized with the meetings of the Board to the extent possible.

<sup>12</sup> The ~~D~~esignated ~~A~~uthority referred to in paragraph 21 above shall endorse the proposal submission.

<sup>13</sup> A fully developed project/programme is one that has been appraised for technical and implementation feasibility and is ready for financial closure prior to implementation.

Project/programme proposals shall be submitted at least nine weeks before each Board meeting in order to be considered by the Board at its next meeting.

- (b) The Secretariat will screen all proposals for consistency and provide a technical review. It will then forward the proposals with the technical reviews to the Projects and Programmes Review Committee (PPRC) for review, based on the criteria approved by the Board (Annex 3). The secretariat will forward comments on the project/programme proposals and requests for clarification or further information to the implementing entities, as appropriate. The inputs received and the conclusions of the technical review by the secretariat will be incorporated to the review template.
- (c) The Secretariat will send all project/programme proposals received with technical reviews to the ~~Project and Programmes Review Committee (PPRC)~~ at least seven (7) days prior to the meeting. The ~~Project and Programmes Review Committee (PPRC)~~ will review the proposals and give its recommendation to the Board for a decision at the Meeting. The ~~Committee (PPRC)~~ may use services of independent adaptation experts to provide input into the review process if needed. The Board can approve, ~~not approve~~ or reject a proposal with a clear explanation to the implementing entities. Rejected proposals can~~not~~ be resubmitted ~~after consideration of the reasons for rejection~~.
- (d) The proposals approved by the Board will be posted on the Adaptation Fund website. Upon the decision, the Secretariat in writing will notify the proponent of the Board decision.]

#### Review and Approval of Regular Projects and Programmes

42. Regular adaptation projects/programmes are those that request funding exceeding \$1 million. ~~It is proposed that t~~these proposals may undergo either a one-step or a two-step<sup>14</sup> approval process. In the one-step approval process the proponent shall submit a fully-developed project/programme document. In the two-step approval process a brief project/programme concept shall be submitted as first step followed by a fully-developed project/document<sup>15</sup> in the second-step. Funding will only be reserved for a project/programme after the approval of a fully-developed project document in the second step.

~~41.43. To reduce the time needed to get a project funded, proponents are encouraged to submit a fully-developed project document<sup>16</sup> for a one-step approval. The proposed~~

<sup>14</sup> ~~A brief project concept is approved in the first step followed by the review and approval of a fully-developed project/document in the second step.~~ A two-step process, while time consuming minimizes the risk that a proponent does not invest time and energy in fully developing a project or program document that fails to meet the criteria of the Fund. ~~Funding will only be reserved for a project after the approval of a fully-developed project document in the second step.~~

<sup>15</sup> ~~A fully developed project/programme is one that has been appraised for technical and implementation feasibility and is ready for financial closure prior to implementation.~~

<sup>16</sup> ~~A fully developed project/programme is one that has been appraised for technical and implementation feasibility and is ready for financial closure prior to implementation.~~

project/programme cycle steps for both a one-step approval concept and fully-developed project document are as follows:

- (a) The project/programme proponent submits a concept/fully-developed project document based on a template approved by the Board ((Annex 3, Appendix A). A disbursement schedule with time-bound milestones will be submitted together with the fully developed project/programme document. Proposals canshall be submitted to the Board through the Secretariat ~~three times per year or any other schedule to be decided by the Board~~. The timetable for the submission and review of proposals will be synchronized with the meetings of the Board as much as possible. Project/programme proposals shall be submitted at least nine weeks before each Board meeting in order to be considered by the Board at its next meeting.
- (b) The Secretariat will screen all proposals for consistency and provide a technical review based on the criteria approved by the Board (Annex 3). It will then forward the proposals and the technical reviews to the Projects and Programmes Review Committee (PPRC) for review ~~based on the criteria approved by the Board (Annex 3)~~. The Secretariat will forward comments on the project/programme proposals and requests for clarification or further information to the implementing entities, as appropriate. The inputs received and the conclusions of the technical review by the secretariat will be incorporated ~~to~~in the review template..
- (c) The Secretariat will send all project/programme proposals with technical reviews to the ~~Project and Programmes Review Committee~~PPRC at least seven (7) days before the meeting. The ~~Project and Programme Review Committee~~PPRC will review the proposals and give its recommendation to the Board for a decision at the ~~m~~Meeting. The ~~Committee~~PPRC may use services of independent adaptation experts to provide input into the review process if needed. In the case of concepts, the Board can endorse, not endorse or reject a proposal with a clear explanation to the implementing entities. In the case of fully-developed proposals, tThe Board can approve, not approve or reject a proposal with a clear explanation to the implementing entities. Rejected proposals can~~not~~ be resubmitted ~~after consideration of the reasons for rejection~~.
- (d) ~~All proposals approved by the Board will be posted on the Adaptation Fund website. Upon the decision, the Secretariat in writing will notify the proponent of the Board decision.~~

44. Proponents with endorsed concepts are expected to submit a fully developed proposal at subsequent Board meetings for approval and funding, following the steps described on paragraph 43 above.

45. All proposals approved by the Board will be posted on the Adaptation Fund website. Upon the decision, the Secretariat will notify the proponent of the Board decision in writing.

Project/Programme Formulation Grants

Formatted: Main Para no Chapter #, Indent: Left: 0"

~~42-46.~~ Project/programme proponents are eligible to submit a Request for a Project/Programme Formulation Grants (PFG) ~~can be made at the same time as the submission of together with~~ a project/programme concept ~~to the secretariat.~~, using the PFG form approved by the Board. The secretariat will review the request and forward it to the PPRC for a final recommendation to the Board. A PFG ~~could can~~ only be awarded when a project/programme concept ~~was is~~ presented and endorsed.

~~43-47.~~ Only activities related to country costs ~~will be~~ eligible for PFG funding ~~through a PFG.~~

~~44-48.~~ The project/programme proponent shall ~~return if the final project document is rejected,~~ any unused funds ~~shall be returned~~ to the Trust Fund ~~through the trustee, if the fully developed project/programme document is rejected.~~

~~45-49.~~ The project/programme proponent shall submit ~~Once a PFG is disbursed,~~ a fully developed project/programme document ~~should come to the Board for approval~~ within twelve (12) months ~~of the disbursement of the PFG.~~ No ~~additional PFG for other projects/programmes~~ can be ~~received by a country awarded~~ until the fully developed project/programme document has been submitted ~~to the Board.~~

#### **~~Disbursement-Transfer of funds~~**

~~46-50.~~ The Secretariat will draft a standard legal agreement between the Board and implementing entities using the template approved by the Board, and any other documents deemed necessary. The secretariat will provide these documents for signature by the Chair or any other Member designated to sign. The Board may, at its discretion, review any of the proposed agreements.

~~47-51.~~ The Trustee will ~~disburse-transfer~~ funds on the written instruction of the Board, signed by the Chair, or any other Board Member designated by the Chair, and report to the Board on the disbursement of funds.

~~48-52.~~ The Board will ensure a separation of functions between the review and verification of ~~disbursement-transfer~~ requests, and the issuance of instructions to the Trustee to ~~disburse-transfer funds.~~

~~49-53.~~ The Board will instruct the Trustee to ~~disburse-transfer~~ funds in tranches, based on the disbursement schedule with time bound milestones submitted with the fully developed project/programme document. The Board may require a progress review from the Implementing Entity prior to each tranche disbursement. ~~The Board may also suspend the transfer of funds if there is evidence that funds have been misappropriated.~~

~~50-54.~~ If an implementing entity does not sign the standard legal agreement within four (4) months from the date of notification of the approval of the project/programme proposal, the funds committed for that project/programme will be added to funds available for new commitments.

#### **Monitoring, Evaluation and Review**

~~54-55.~~ The Board is responsible for strategic oversight of projects and programmes implemented with resources from the Fund. The Ethics and Finance Committee (EFC),

with support of the Secretariat, will monitor the ~~Adaptation~~-Fund portfolio of projects and programmes.

~~52-56.~~ The ~~Adaptation Fund~~-Board ~~will develop a~~ has approved an overarching strategic results framework, a Strategic Results Framework for the Adaptation Fund and the Adaptation Fund Level Effectiveness and Efficiency Results Framework [add link here], to support the *Strategic Priorities, Policies, and Guidelines of the Adaptation Fund*. The framework will take into consideration existing good practice and lay out an approach that: (i) incorporates measuring results with widely recognized tools; (ii) assesses risk on an ongoing basis; and (iii) incorporates learning into strategies, project and programmes.

Formatted: Font: Italic

Formatted: Font: Italic

~~53-57.~~ The Board will oversee results at the fund-level. Implementing entities shall ensure that capacity exists to measure and monitor results of the executing entities at the country-level. The Board requires that projects and programmes under implementation submit annual status reports to the Ethics and Finance Committee (EFC). The ~~Committee~~-EFC with the support of the Secretariat shall provide an annual report to the Board on the overall status of the portfolio and progress towards results.

~~54-58.~~ All regular projects and programmes that complete implementation will be subject to terminal evaluation by an independent evaluator selected by the implementing entity. The Board reserves the right to submit small projects and programmes to terminal evaluation when deemed appropriate. Terminal evaluation reports will be submitted to the Board after a reasonable time after project termination, as stipulated in the project agreement.

~~55-59.~~ The ~~Adaptation Fund~~-Board requires all projects and programmes to align with the Fund's Strategic Results Framework. Each project/programme will embed relevant indicators from the strategic framework into its own results framework. Not all indicators will be applicable to all projects/programmes but at least one of the core outcome indicators should be embedded. ~~will consider the process for developing a results framework to support projects and programmes and outline its main components with the aim of ensuring that the framework is in place before projects are approved.~~

~~56-60.~~ The ~~Adaptation Fund~~-Board reserves the right to carry out independent reviews ~~or~~ evaluations [or investigations] of the projects and programmes as and when deemed necessary. The costs for such activities will be covered by the ~~Adaptation~~-Fund.

~~57-61.~~ This project cycle will be kept under review by the Board.

#### Procurement

~~58-62.~~ Procurements by the implementing entities or any of their attached organizations shall be performed in accordance with internationally accepted procurement principles, good procurement practices and the procurement regulations as applicable to a given Party. Implementing entities shall observe the highest ethical standards during the procurement and execution of the concrete adaptation projects/programmes.

~~59-63.~~ The ~~project~~-project/programme proposal submitted to the Board shall contain adequate and effective means to punish and prevent malpractices. The implementing entities should promptly inform the Board of any instances of such malpractices. The Board

reserves the right to investigate any anomalies that may occur with respect to procurement.

### **Project Suspensions and Cancellations**

~~60-64.~~ At any stage of the project/programme cycle, either at its discretion or following an independent review-evaluation [or investigation], the ~~Ethics and Finance Committee~~EFC may recommend to the Board to suspend or cancel a project/programme for several reasons, notably:

- (a) financial irregularities in the implementation of the project/programme; and/or
- (b) material breach, and poor implementation performance leading to a conclusion that the project/programme can no longer meet its objectives.

~~64-65.~~ Before the Board makes its final decision whether to suspend or cancel a project/programme, or a programme, the concerned implementing entity will be given a fair chance to present its views to the Board.

~~62-66.~~ In accordance with their respective obligations, implementing entities suspending or cancelling projects/programmes and programmes must send detailed justification to the Board for the Board's information.

~~63-67.~~ The Secretariat will report to the Board on an annual basis on all approved projects and programmes that were suspended or cancelled during the preceding year.

### **Reservations**

~~64-68.~~ The Board reserves the right to reclaim all or parts of the financial resources allocated for the implementation of a project/or programme, or cancel projects/or programmes later found not to be satisfactorily accounted for. The implementing entity shall be given a fair chance to consult and present its point of view before the Board.

### **Dispute Settlement**

~~65-69.~~ In case of a dispute as to the interpretation, application or implementation of the project/programme, the implementing entity shall first approach the Secretariat with a written request seeking clarification. In case the issue is not resolved to the satisfaction of the implementing entity, the case may be put before the Board at its next meeting, to which a representative of the implementing entity could also be invited.

~~66-70.~~ Subject to development on the legal status of the Board, the Board will draw more comprehensive dispute settlement provisions. The provisions of the standard legal agreement between the Board and implementing entity on settlement of disputes shall apply to any disputes that may arise with regard to approved projects/programmes under implementation.

### **Administrative costs**

~~67-71.~~ Every project/programme proposal submitted to the Board shall state the management fee requested by the Implementing Entity if any. Fully developed proposals shall include

a budget on fee use. The reasonability of the fee will be reviewed on a case by case basis. The requested fee shall not exceed the cap established by the Board.

~~68-72.~~ Fully developed project/programme proposals shall include an explanation and a breakdown of all administrative costs associated with the project/programme, including the execution costs.

#### **Where to send a Request for Funding**

~~69-73.~~ All requests shall be sent to:

Adaptation Fund Board Secretariat  
Tel: +1 202 473 0508  
Fax: +1 202 522 3240/5  
Email: [secretariat@adaptation-fund.org](mailto:secretariat@adaptation-fund.org)

~~70-74.~~ Acknowledgment of the receipt shall be sent to the proposing implementing entities within a week of the receipt of the request for support. All project proposals submitted will be posted on the website of the Adaptation Fund Board. The Secretariat will provide facilities that will enable interested stakeholders to publicly submit comments about proposals.

#### **Review of the Operational Policies and Guidelines**

~~74-75.~~ The Board shall keep these operational policies and guidelines under review and will amend them as deemed necessary.

ANNEX 3: TEMPLATES APPROVED BY THE ADAPTATION FUND BOARD  
**Approval and operations procedures**

1. **Adaptation Fund project/programme approval process:** There are two approval processes under the Adaptation Fund project<sup>1</sup> cycle: (i) a one-step approval process; and (ii) a two-step approval process. Eligible developing country Parties to the Kyoto Protocol may submit project/[programme](#) proposals directly to the Adaptation Fund Board Secretariat (AFBSEC) via their National Implementing Entities (NIEs) or via Multilateral Implementing Entities (MIEs). NIEs/MIEs have to be accredited by the Adaptation Fund Board (AFB) to be eligible as an implementing entity for the purpose of submitting projects to the Adaptation Fund. They should also meet the fiduciary standards and other qualifications provided by the Board. All small-size projects/[programmes](#) will follow the one-step approval process, while regular projects/[programmes](#) may follow either the one-step approval or the two-step approval process, depending on the stage of project/[programme](#) preparation, and at the discretion of the project/[programme](#) proponent. The following section outlines the steps of the approval processes.

2. **Single-step approval process:** This process may be used for small-size projects/[programmes](#) or regular projects/[programmes](#) with proposals that are already fully-prepared. Approval process includes the following steps:

- (a) Eligible Parties submit a fully-prepared project/[programmes](#) document to the AFBSEC ~~seven at least nine~~ weeks before the next AFB meeting.
- (b) The AFBSEC will screen all proposals and prepare a [Technical Review](#) for each project/programme. The AFBSEC will submit a collection of proposals consisting of technical reviews for all projects/[programmes](#) to the Project and Program Review Committee (PPRC) ~~4 weeks at least seven (7) days~~ prior to the next AFB meeting.
- (c) The PPRC will review and prepare recommendations for the Board using a [Recommendation Template](#). The PPRC will convene back-to-back to the Adaptation Fund Board (AFB) meeting to finalize its recommendation and submit its recommendation the next day to the AFB.
- (d) AFB approves/~~does not approve~~/rejects the recommendations during the meeting.
- (e) All approved projects will be posted on the AF website following the conclusion of its meeting.

3. **Two-step approval process:** The two-step approval process may be used for regular projects/[programmes](#) if it is so decided by the proponent Party: (i) project concept approval; and (ii) ~~final fully developed~~ project document approval. Each of these steps is subject to the same approval process as the single approval process, i.e., the project/[programme](#) is subjected to the single approval process twice. The rationale for choosing such a process is for a country

<sup>1</sup> In what follows the term project will refer to both programmes and projects unless otherwise stated.

to receive feedback or guidance from the AFB upstream before a project has been fully prepared. The following two documentations are required to be submitted at each step following the same procedures as the single approval process:

- (a) 1<sup>st</sup> step: Regular Project/Programme Concept.
- (b) 2<sup>nd</sup> step: Regular ~~Project Final Fully Developed~~ Project/Programme Document.

4. **Documentation required in the submission:**

- (a) ~~Regular~~ *Project/Programme Concept*: used for the first step of the two-step approval process (only for regular projects that have not been fully developed);
- ~~(b) Small-sized Project/Programme Document Template: for use when submitting small-sized projects;~~
- ~~(c) Regular Project/Programme Document Template: for use when submitting regular projects (for regular projects that have been fully developed);~~
- ~~(d)~~(b) *Fully Developed* Project/Programme Document prepared by NIEs/MIEs for both small-sized and regular projects;
- ~~(e)~~(c) Endorsement ~~Template-Letter endorsed signed~~ by the country's Dedesignated Authority for Adaptation Fund.<sup>2</sup>

5. **Categories of projects under the Adaptation Fund:**

- (a) Small-Sized projects and programmes (SPs): defined as project proposals requesting up to \$1.0 million.
- (b) Regular-Sized projects and programmes (RPs): project proposals requesting more than \$1.0 million<sup>1</sup>

6. **Definitions of Terms:**

- (a) Project: A concrete adaptation project is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change.
- (b) Programme: An adaptation programme is a process, a plan or an approach for addressing climate change impacts which are broader than the scope of an individual project. Further guidance on how to present programmes for approval can be found in the 'Instructions for presenting a request for funding from the Adaptation Fund'.

7. **Financing and ~~Disbursement~~Transfer of funds:**

- (a) Financing: funding for projects and programs will be on a full adaptation cost basis to address the adverse effects of climate change.<sup>3</sup>

<sup>2</sup> The Dedesignated Authority referred to in paragraph 24-20 of the "Operational policies and guidelines for Parties to access resources from the Adaptation Fund" (OPG).

Formatted: Font: Italic

- (b) ~~Disbursement~~Transfer of funds: The Trustee will ~~disburse-transfer~~ funds on the written instruction of the Board, signed by the Chair, the Vice-Chair, or any other Board Member designated by the Chair, and report to the Board on the ~~disbursement-transfer~~ of funds.

<sup>3</sup> Para. 14 of the "~~Provisional Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund~~" OPG, and para. 12 of the "~~Strategic Priorities, Policies, and Guidelines of the Adaptation Fund~~."

## Adaptation Fund Project/Programme Review Criteria

1. The following review criteria for adaptation fund projects/programmes are applicable to both the small-size projects/programmes and regular projects/programmes under the single-approval process. For regular projects/programmes using the two-step approval process, only the first four criteria will be applied when reviewing the 1<sup>st</sup> step for regular project/programme concept. In addition, the information provided in the 1<sup>st</sup> step approval process with respect to the review criteria for the regular project/programme concept could be less detailed than the information in the request for approval template submitted at the 2<sup>nd</sup> step approval process. Furthermore, a final project/programme document is required for regular projects/programmes for the 2<sup>nd</sup> step approval, in addition to the approval template.

Review Criteria	
1. Country Eligibility	<ul style="list-style-type: none"> <li>• Is the country party to the Kyoto Protocol?</li> <li>• Is the country a developing country particularly vulnerable to the adverse effects of climate change?<sup>4</sup></li> </ul>
2. Project Eligibility	<ul style="list-style-type: none"> <li>• Has the government endorsed the project <u>through its Designated Authority</u>?<sup>5</sup></li> <li>• Does the project / programme support concrete adaptation actions to assist the country in addressing the adverse effects of climate change <u>and build in climate change resilience</u>?</li> <li>• Does the project / <u>programme</u> provide economic, social and environmental benefits, with particular reference to the most vulnerable communities, <u>including gender groups</u>?</li> <li>• Is the project / <u>programme</u> cost-effective?</li> <li>• Is the project / <u>programme</u> consistent with national sustainable development strategies, national development plans, poverty reduction strategies, national communications or adaptation programs of action, or other relevant instruments?</li> <li>• Does the project / <u>programme</u> meet the relevant national technical standards, where applicable?</li> <li>• Is there duplication of project with other funding sources?</li> <li>• Does the project / <u>programme</u> have a learning and knowledge management component to capture and feedback lessons?</li> <li>• <u>Has the project / <u>programme</u> provided justification for the funding requested on the basis of the full cost of adaptation?</u></li> <li>• <u>Does the project / programme align with the AF</u></li> </ul>

<sup>4</sup> Further reference to the eligibility of country can be found in the document: "Strategic Priorities, Policies, and Guidelines of the Adaptation Fund"

<sup>5</sup> ~~Each Party shall designate and communicate to the Secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities~~The Designated Authority referred to in paragraph 20 of the OPG.

	<p><u>results framework?</u></p> <ul style="list-style-type: none"> <li>• <u>Has the sustainability of the project/programme outcomes been taken into account when designing the project?</u></li> </ul>
3. Resource Availability	<ul style="list-style-type: none"> <li>• <u>Is the requested project funding in accordance with the funding allocation decisions of the Adaptation Fund Board per country/project within the cap of the country?</u></li> <li>• <u>Is the Implementing Entity management fee at or below 8.5 per cent of the total project/programme budget before the fee?</u></li> <li>• <u>Are the project/programme execution costs at or below 9.5 per cent of the total project/programme budget before the fee?</u></li> </ul>
4. Eligibility of NIE/MIE	<ul style="list-style-type: none"> <li>• Is the project submitted through an eligible NIE/MIE that has been accredited by the Board?</li> </ul>
5. Implementation Arrangement	<ul style="list-style-type: none"> <li>• Is there adequate arrangement for project management?</li> <li>• Are there measures for financial and project risk management?</li> <li>• Are arrangements for monitoring and evaluation clearly defined, including a budgeted M&amp;E plan?</li> <li>• Is a project results framework included? <u>Are relevant targets and indicators disaggregated by sex?</u></li> </ul>

Formatted: Font: 11 pt

Attached with this note are the following:

Appendix A: Request for Project/Programme Funding from Adaptation Fund

Appendix B: Government Endorsement Letter Template (submitted through NIEs/MIEs)

Appendix C: Adaptation Fund Secretariat Technical Review for Adaptation Fund Projects

~~Appendix D: PPRC Recommendation for Project Approval~~

**Appendix A**

**REQUEST FOR PROJECT/PROGRAMME FUNDING  
FROM ADAPTATION FUND**

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to

The Adaptation Fund Board Secretariat  
4818 H Street NW  
MSN G6-602  
Washington, DC. 20433  
U.S.A  
Fax: +1 (202) 522-3240/5  
Email: [secretariat@adaptation-fund.org](mailto:secretariat@adaptation-fund.org)



ADAPTATION FUND

DATE OF RECEIPT:  
ADAPTATION FUND  
PROJECT/PROGRAMME ID:  
(For Adaptation Fund Board Secretariat  
Use Only)

Formatted: Position: Horizontal: 4.46",  
Relative to: Page, Vertical: 0.16", Relative to:  
Page

## PROJECT/PROGRAMME PROPOSAL

### ■ PART I: PROJECT/PROGRAMME INFORMATION

PROJECT/PROGRAMME CATEGORY:

COUNTRY/IES:

SECTOR/S:

TITLE OF PROJECT/PROGRAMME:

TYPE OF IMPLEMENTING ENTITY:

IMPLEMENTING ENTITY:

EXECUTING ENTITY/IES:

AMOUNT OF FINANCING REQUESTED: (in U.S Dollars Equivalent)

### ■ PROJECT / PROGRAMME BACKGROUND AND CONTEXT:

Provide brief information on the problem the proposed project/programme is aiming to solve. Outline relevant climate change scenarios according to best available scientific information. Outline the economic social, development and environmental context in which the project/programme would operate.

### ■ PROJECT / PROGRAMME OBJECTIVES:

List the main objectives of the project/programme.

### ■ PROJECT / PROGRAMME COMPONENTS AND FINANCING:

Fill in the table presenting the relationships among project/programme components, activities, expected concrete outputs, and the corresponding budgets. If necessary, please refer to the attached instructions for a detailed description of each term.

For the case of a programme, individual components are likely to refer to specific sub-sets of stakeholders, regions and/or sectors that can be addressed through a set of well defined interventions / projects.

<b>PROJECT/<u>PROGRAMME</u> COMPONENTS</b>	<b>EXPECTED CONCRETE OUTPUTS</b>	<b>EXPECTED OUTCOMES</b>	<b>AMOUNT (US\$)</b>
1.			
2.			
3.			
4.			
5.			
6. Project/Programme Execution cost			
7. Total Project/Programme Cost			
8. Project/ <u>programme</u> Cycle Management Fee charged by the Implementing Entity (if applicable)			
<b>Amount of Financing Requested</b>			

**PROJECTED CALENDAR:**

*Indicate the dates of the following milestones for the proposed project/programme*

<b>MILESTONES</b>	<b>EXPECTED DATES</b>
Start of Project/Programme Implementation	
Mid-term Review (if planned)	
Project/Programme Closing	
Terminal Evaluation	

**PART II: PROJECT / PROGRAMME JUSTIFICATION**

- A. Describe the project / programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.
- B. Describe how the project / programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities, and groups within communities, including gender groups.
- C. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme.

- D. Describe how the project / programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, sector strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist.
- E. Describe how the project / programme meets relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc.
- F. Describe if there is duplication of project / programme with other funding sources, if any.
- G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.
- H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation, with particular reference to vulnerable groups, including gender groups.
- I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.
- I.J. Describe how the sustainability of the project/programme outcomes been taken into account when designing the project.

Formatted: Font: Arial

Formatted: Normal, No bullets or numbering, Tab stops: Not at 0.5"

### PART III: IMPLEMENTATION ARRANGEMENTS

- A. Describe the arrangements for project / programme implementation.
- B. Describe the measures for financial and project / programme risk management.

C. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan. Include break-down of how Implementing Entity's fees will be utilized in the supervision of the monitoring and evaluation function.

D. Include a results framework for the project proposal, including milestones, targets and indicators and sex-disaggregate targets and indicators, as appropriate. The project or programme results framework should align with the goal and impact of the Adaptation Fund and should include at least one of the core outcome indicators from the AF's results framework that are applicable<sup>6</sup>.

E. Include a detailed budget with budget notes, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.

D.F. Include a disbursement schedule with time-bound milestones.

Formatted: Not Small caps

Formatted: Indent: Left: 0.25", No bullets or numbering, Tab stops: Not at 0.5"

Formatted: Font: 12 pt

Formatted: List Paragraph, No bullets or numbering, Tab stops: Not at 0.5"

Formatted: Font: 12 pt

## **PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY**

**A. RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT<sup>7</sup>** *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

(Enter Name, Position, Ministry)

Date: (Month, day, year)

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

<sup>6</sup> Please refer to the [Project level results framework and baseline guidance for the Adaptation Fund's results framework and guidance on developing a results framework and establishing a baseline \[add link here\]](#).

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

Formatted: Font: Italic

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (.....list here.....) and subject to the approval by the Adaptation Fund Board, understands that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.

*Name & Signature*  
Implementing Entity Coordinator

Date: *(Month, Day, Year)*

Tel. and email:

Project Contact Person:

Tel. And Email:

## INSTRUCTIONS FOR PREPARING A REQUEST FOR PROJECT OR PROGRAMME FUNDING FROM THE ADAPTATION FUND

Project and programme applications must be clear on the problem to be addressed, the objective(s), what the project/programme will deliver when, how and by whom. Clear baselines, milestones, targets and indicators should be included to ensure progress and results can be measured. Programmes will generally be more complex and will require greater oversight and management which should be properly explained under Implementation Arrangements for programmes.

**DATE OF RECEIPT.** Please leave this space on the top right of the page blank. The Adaptation Fund Board Secretariat will fill in the date on which the proposal is received at the Secretariat.

**ADAPTATION FUND PROJECT/PROGRAMME ID.** Please leave this space on the top right of the page blank. The Adaptation Fund Board Secretariat will assign a number to your project internally.

### **PART I: PROJECT / PROGRAMME INFORMATION**

**CATEGORY:** Please specify which type of project you are proposing. The two options are:

- A) SMALL-SIZED PROJECT/PROGRAMME.** Proposals requesting grants up to \$1 million.
- B) REGULAR PROJECT/PROGRAMME.** Proposals requesting grants of more than \$1 million.

A programme will generally fulfil the following criteria: A series of projects which could include small-size projects or regular projects aimed at achieving an outcome that is otherwise not achievable by a single project. Projects under a programme would have synergies in their objectives and implementation. A programme may also cover more than one sector and cross borders. Programmes usually engage multiple partners / stakeholders.

**COUNTRY/IES:** Please insert the name of the country requesting the grant. Please note that regional projects / programmes should mention all the participating countries.

**SECTOR(S):** Please insert the sector in which the proposed project/programme mainly operates.

**TITLE OF PROJECT / PROGRAMME:** Please enter the title of the proposed project / programme.

**TYPE OF REQUESTING ENTITY:** Please specify which type of Implementing Entity the project will be managed by. The two options are:

- A) NATIONAL IMPLEMENTING ENTITY
- B) MULTILATERAL IMPLEMENTING ENTITY

**NAME OF IMPLEMENTING ENTITY:** Please specify the name of the Implementing Entity

**EXECUTING ENTITY(IES).** Please specify the name of the organisation(s) that will execute(s) the project funded by the Adaptation Fund under the oversight of the Implementing Entity.

**AMOUNT OF FINANCING REQUESTED.** Please fill the grant amount (in US Dollars equivalent) requested from the Adaptation Fund for this proposal.

**PROJECT / PROGRAMME BACKGROUND AND CONTEXT.** Provide brief information on the problem the proposed project/programme is aiming to solve. Outline relevant climate change scenarios according to best available scientific information. Outline the economic, environmental and social development context in which the project would operate. For the case of a programme, the analysis will be more complex, focusing on how climate change is expected to affect multiple stakeholders, sectoral and/or economic activities within a well defined region.

**PROJECT / PROGRAMME OBJECTIVES.** List the main objectives of the project. For the case of a programme, this is likely to involve multiple objectives by stakeholder / sector / region, based on an overall strategic plan at the regional, national or local level.

**PROJECT / PROGRAMMES COMPONENTS AND FINANCING.** Please fill out the table presenting the relationships among project components, activities, expected concrete outputs, and their corresponding budgets to accomplish them. For the case of a programme, individual components are likely to refer to specific sub-sets of stakeholders, regions and/or sectors that can be addressed through a set of well defined interventions / projects.

The aforementioned terms are defined below to facilitate the process of completing the table:

**PROJECT / PROGRAMME COMPONENTS AND SUB-COMPONENTS.** The division of the project/programme into its major parts; an aggregation of set of activities

**ACTIVITIES.** Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs. For the case of programmes, list the likely types and number of projects that the programme will support

~~**MILESTONES / TARGETS.** Milestones help with regular monitoring of progress towards the target. Targets indicate the desired result at the end of the project.~~

~~**INDICATORS** – What is going to be measured?~~

**EXPECTED CONCRETE OUTPUTS.** The product, capital goods and services which result from a development intervention relevant to the achievement of outcomes.

**EXPECTED OUTCOMES.** The change in conditions, or intended effects of an intervention, usually brought about by the collective efforts of partners. Outcomes are achieved in the short to medium term.

**AMOUNT (\$).** Indicate grant amounts in US dollars by project/programme components.

**PROJECT / PROGRAMME EXECUTION COST.** The main items supported by the Adaptation Fund for project management including consultant services, travel and office facilities, etc.

**TOTAL PROJECT / PROGRAMME COST.** This is the sum of all project/programme components requesting Adaptation Fund Board approval.

**IMPLEMENTING ENTITY PROJECT CYCLE MANAGEMENT FEE.** This is the fee that is requested by an Implementing Entity for project cycle management services.

**AMOUNT OF FINANCING REQUESTED.** This amount includes the total project cost plus the project cycle management fee.

**PROJECTED CALENDAR.** Please indicate the dates of the following milestones for the proposed project.

**START OF PROJECT / PROGRAMME IMPLEMENTATION** The date on which project becomes effective and disbursement can be requested. This is also the trigger date for the Adaptation Fund Trustee to allow the Implementing Entities to request for disbursement

**MID-TERM REVIEW.** The date on which the Implementing Entity completes its mid-term review of the project.

**PROJECT / PROGRAMME CLOSING.** Project closing is set as six months after Project Completion. This is the date on which Implementing Entity completes disbursement from the grant and may cancel any undisbursed balance in the grant account.

**TERMINAL EVALUATION.** The date on which the Implementing Entity completes the terminal evaluation report, normally two months after project completion but in any case, no later than twelve months after project completion.

## **PART II: PROJECT / PROGRAMME JUSTIFICATION**

- A.** Describe the project / programme components, including details of activities in each component, regarding how the components will meet project objectives. Describe how the activities will help with adaptation to climate change and improve climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience
- B.** Describe how the outputs and outcomes of the project / programme will provide economic, social and environmental benefits, particularly to the most vulnerable

communities in the targeted area. Specify how typically marginalized groups, such as women, will be involved in and benefit from the project/programme.

- C. How is the project / programme cost-effective. Compare to other possible interventions that could have been taken to achieve similar project objectives.
- D. Describe how the project / programme is located in the framework of national or sub-national sustainable development strategies, ~~plans, action plans, etenational development strategies, including, where appropriate, national or sub-national comunicos development plans, poverty reduction strategies, sector strategies, national communications, or national adaptation programmes of action, or any other relevant instruments where they exist.~~
- E. Describe how the project / programme design meets national technical standards, such as standards for environmental assessment, building codes, etc.
- F. Describe if the project / programme overlaps or duplicates similar activities from other funding sources.
- G. Describe the activities included in the project / programme to gather lessons learned from project design and implementation and for their dissemination.
- H. Describe the consultative process undertaken during project design. List the stakeholders consulted, including vulnerable communities and gender groups, and the methods of consultation. The consultative process shall be concluded before the fully developed project / programme is submitted.
- I. Provide the full cost of adaptation reasoning for the funding requested for the project / programme.
- J. Describe how the sustainability of the project/programme outcomes been taken into account when designing the project.

Formatted: Font: Bold, Small caps  
Formatted: List Paragraph, Left, No bullets or numbering

**PART III: IMPLEMENTATION ARRANGEMENTS.** Describe the various elements of project implementation as enumerated below:

- A. Adequacy of project / programme management arrangements. For the case of a programme, explain how the programme strategy will be managed and evaluated, and how individual projects will be identified, designed, appraised, approved, implemented and evaluated against programme's strategic objectives. Provide a full organogramme of the executing agents and how they report to each other.
- B. Measures for financial and project / programme risk management. For the case of a programme, provide detailed information to illustrate how risk will be managed.
- C. Monitoring and evaluation arrangements including budgeted M&E plan and sex-disaggregated targets and indicators. Include break-down of how Implementing

Entity fees will be utilized in the supervision of the monitoring and evaluation function.

~~D. Procurement arrangements including standards and safeguards.~~

~~D. Results framework. Guidance and a template for a Results Framework will be provided. The results framework should include at least one of the core outcome indicators of the Adaptation Fund's results framework. Please refer to the *Project level results framework and baseline guidance* for the AF's results framework and for further assistance on how to develop a project/programme results framework and baseline.~~

~~E. A detailed budget with budget notes, a budget on the Implementing Entity management fee use, and an explanation and a break-down of the execution costs.~~

~~E-F. A disbursement schedule with time-bound milestones.~~

Formatted: Font: Italic

Formatted: Font: (Default) Arial

Formatted: Indent: Left: 0.5", Space After: 10 pt, Line spacing: Multiple 1.15 li, No bullets or numbering

Formatted: Font: (Default) Arial

Formatted: Indent: Left: 0.5", Space After: 10 pt, Line spacing: Multiple 1.15 li, No bullets or numbering

#### **PART IV: ENDORSEMENT BY THE DESIGNATED ~~GOVERNMENT~~ AUTHORITY FOR ADAPTATION FUND AND CERTIFICATION BY THE IMPLEMENTING ENTITY**

**9. RECORD OF ENDORSEMENT BY DESIGNATED ~~GOVERNMENT~~ AUTHORITY.** Provide the name, position, and government office of the designated government authority and indicate date of endorsement. If this is a regional project/programme, list the designated government authorities of all participating countries endorsing the project. The endorsement letter(s) should be attached as an annex to the project proposal.

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



ADAPTATION FUND

**Letter of Endorsement by Government**

[Government Letter Head]

[Date of Endorsement Letter]

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

Subject: Endorsement for [Title of Project]

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

Accordingly, I am pleased to endorse the above project/programme proposal with support from the Adaptation Fund. If approved, the proposal will be coordinated and implemented [National or Multilateral Implementing Entity] and executed by [national or local executing entity].

Sincerely,

[Name of Designated Government Official]  
[Position/Title in Government]



ADAPTATION FUND

Appendix C

### ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: (select)

Country/Region:

Project/Programme Title:

AF Project ID:

NIE/MIE Project/Programme ID:

Regular Project/Programme Concept Approval Date (if applicable):

AFB Secretariat Screening Manager:

Requested Financing from Adaptation Fund (US Dollars):

Anticipated Submission of final RP document (if applicable):

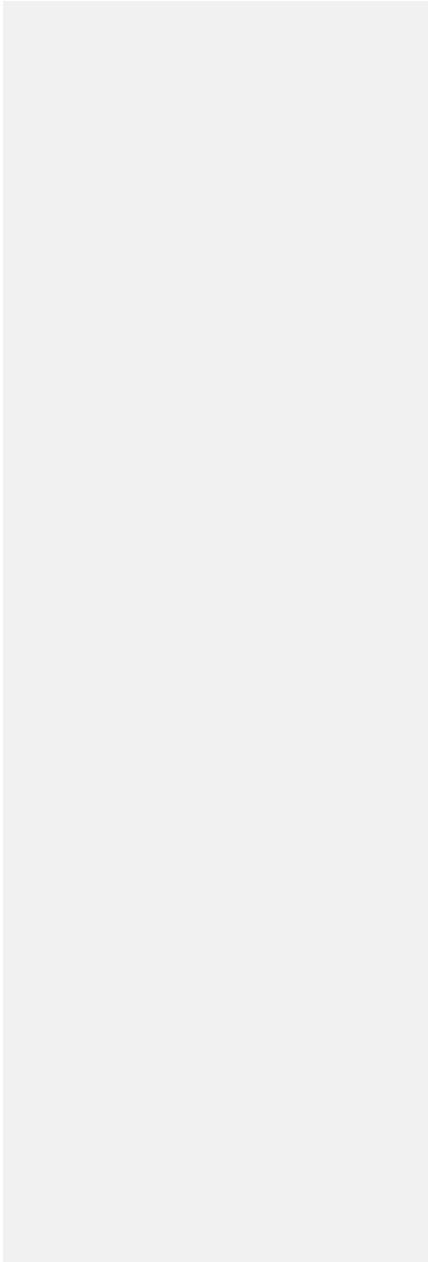
NIE/MIE Contact Person:

Review Criteria	Questions	Comments
Country Eligibility	1. Is the country party to the Kyoto Protocol?	
	2. Is the country a developing country particularly vulnerable to the adverse effects of climate change?	
Project Eligibility	1. Has the designated government authority for the Adaptation Fund endorsed the project/ <u>programme</u> ?	
	2. Does the project / programme support concrete adaptation actions to assist the country in addressing adaptive capacity to the adverse effects of climate change and build in climate resilience?	
	3. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, <u>including gender groups</u> ?	
	4. Is the project / programme cost effective?	

	5. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments?	
	6. Does the project / programme meet the relevant national technical standards, where applicable?	
	7. Is there duplication of project / programme with other funding sources?	
	8. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	
	9. <u>Has a consultative process taken place, and has it involved all key stakeholders, including vulnerable and gender groups?</u>	
	10. Is the requested financing justified on the basis of full cost of adaptation reasoning?	
	<u>11. Is the project / program aligned with AF's results framework?</u>	
	<u>12. Has the sustainability of the project/programme outcomes been taken into account when designing the project?</u>	
Resource Availability	1. Is the requested project / programme funding within the cap of the country?	
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the	

	fee?	
	3. Are the Project/ <u>Programme</u> Execution Costs at or below 9.5 per cent of the total project/programme budget (including the fee)?	
Eligibility of NIE/MIE	4. Is the project/ <u>programme</u> submitted through an eligible NIE/MIE that has been accredited by the Board?	
Implementation Arrangement	1. Is there adequate arrangement for project / programme management?	
	2. Are there measures for financial and project/ <u>programme</u> risk management?	
	3. Is a budget on the Implementing Entity Management Fee use included?	
	4. Is an explanation and a breakdown of the execution costs included?	
	5. Is a detailed budget including budget notes included?	
	6. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans <u>and sex-disaggregated data, targets and indicators</u> ?	
	7. <u>Does the M&amp;E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&amp;E function?</u>	
	8. <u>Is a results framework included? Does the project/programme's results framework align with the AF's results framework? Does it include at least one core outcome indicator from the Fund's results framework?</u>	
	9. Is a disbursement schedule with time-bound milestones included?	

Technical Summary	
Date:	





ADAPTATION FUND

Appendix D

**Project and Programme Review Committee**

**Recommendation for Projects and Programmes Submitted for the  
[DATE] AFB Meeting**

Project/Programme Title	AF Grant Amount (\$)	Implementing Entity project/programme cycle-management fee	Total AF Resources Used (\$)	Recommendation		Justification
				Yes	No	
1-						
2-						
Subtotal						
Total AF Resources Approved						