



ADAPTATION FUND

AFB/PPRC.15/3
29 September 2014

Adaptation Fund Board
Project and Programme Review Committee
Fifteenth meeting
Bonn, Germany, 7-8 October 2014

Agenda Item 4

REPORT OF THE SECRETARIAT ON THE INTERSESSIONAL REVIEW CYCLE

I. BACKGROUND

1. In its twenty-first meeting, the Adaptation Fund Board (the Board) continued the discussion it had started in the seventeenth meeting, on reducing the number of meetings it would have per year and undertaking reviews of project and programme proposals intersessionally, and decided to:

(a) *Hold two Board meetings per year in accordance with the Rules of Procedure of the Board;*

(b) *Request the secretariat to present to the Project and Programme Review Committee (PPRC) at its thirteenth meeting a document presenting options for intersessional review of, recommendation on, and approval of, project and programme proposals by the secretariat, PPRC and Adaptation Fund Board, respectively;*

(c) *Continue considering the number of meetings per year on a periodic basis, in accordance with the Rules of Procedure of the Board, taking into account the expected workload of the Board and the need for discussing strategic issues at the Board level.*

(Decision B.21/27)

2. The PPRC discussed, in its thirteenth and fourteenth meetings, the topic of intersessional reviews of proposals, based on documents AFB/PPRC.13/13 and AFB/PPRC.14/13, respectively. After considering the conclusions and recommendation of the fourteenth meeting of the PPRC, the Board in its twenty-third meeting decided to:

(a) *Arrange one intersessional project/programme review cycle annually, during an intersessional period of 24 weeks or more between two consecutive Board meetings, as outlined in document AFB/PPRC.14/13;*

(b) *While recognizing that any proposal can be submitted to regular meetings of the Board, require that all first submissions of concepts and fully-developed project/programme documents continue to be considered in regular meetings of the PPRC;*

(c) *Request the secretariat to review, during such intersessional review cycles, resubmissions of project/programme concepts and fully-developed project/programme documents submitted on time by proponents for consideration during such intersessional review cycles;*

(d) *Request the PPRC to consider intersessionally the technical review of such proposals as prepared by the secretariat and to make intersessional recommendations to the Board;*

(e) *Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure;*

(f) *Inform implementing entities and other stakeholders about the new arrangement by sending a letter to this effect, and make the calendar of upcoming regular and intersessional review cycles available on the Adaptation Fund website and arrange the first such cycle between the twenty-third and twenty-fourth meetings of the Board;*

(g) *Request the PPRC to defer to the next Board meeting any matters related to the competencies of the Ethics and Finance Committee that may come up during the intersessional review of projects/programmes and to refrain from making a recommendation on such proposals until the relevant matters are addressed; and*

(h) *Request the secretariat to present, in the fifteenth meeting of the PPRC, and annually following each intersessional review cycle, an analysis of the intersessional review cycle.*

(Decision B.23/15)

3. In the twenty-third meeting, the Board also decided:

[...]

(b) *That the deadline for submissions for the intersessional project/programme proposal review cycle between the twenty-third and twenty-fourth meetings will be 14 April 2014.*

(Decision B.23/28)

4. Following the above decisions, the first intersessional project/programme review cycle was arranged during the intersessional period between the twenty-third and the twenty-fourth meetings. The current report has been prepared following the request in Decision B.23/15 (h).

II. OVERVIEW OF THE INTERSESSIONAL CYCLE

5. The intersessional cycle followed in principle the 13-week timeline presented in document AFB/PPRC.14/13, reproduced in Figure 1 below.

6. Promptly after the twenty-third meeting, the secretariat informed implementing entities of the submission deadline of 14 April 2014 decided upon in Decision B.23/28. This gave the entities with eligible previously submitted projects ca. 3 weeks to prepare for the submission.

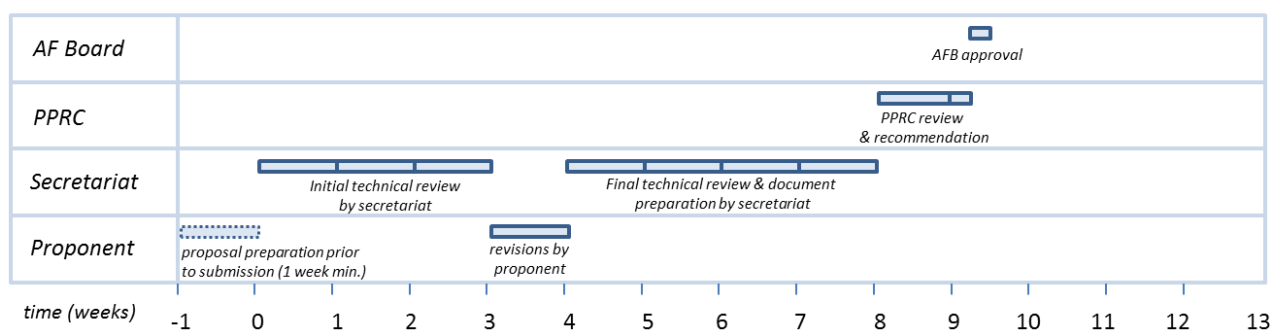
7. The secretariat received three proposals by the deadline, including two fully-developed project/programme documents and one project concept. The two fully-developed proposals were resubmissions of proposals that had been previously submitted as fully-developed proposals and were thus eligible for intersessional review in accordance with Decision B.23/15 (c). The received project concept, however, had not been submitted to the Board's consideration before, and thus was not eligible. The secretariat notified the proponent of this ineligibility, and did not review the proposal. Both eligible fully-developed proposals were submitted by Multilateral Implementing Entities (MIEs). Their details are provided in Table 1 below.

8. The secretariat conducted initial reviews of the proposals, and submitted the reviews to the proponents for an opportunity to amend and clarify their proposals. The proponents submitted revised versions of the proposals together with separate response sheets, and the secretariat conducted a final technical review. The secretariat then circulated its report of the initial screening and technical review (AFB/PPRC.14-15.1 and AFB/PPRC.14-15.1/Add.1) as well as the proposals and the reviews (AFB/PPRC.14-15.2 and AFB/PPRC.14-15.3) to the PPRC for intersessional commenting for a period of one week. During this time, only one comment on one

of the reviews was received, and incorporated to the draft recommendation as document AFB/PPRC.14-15.L.1, which was then circulated to the PPRC for a non-objection endorsement. After the draft recommendations were endorsed by the PPRC, they were submitted to the Board for intersessional approval as document AFB.PPRC.14-15.4 “Recommendations for Decisions on Intersessionally Reviewed Project and Programme Proposals”. No objections were raised and the decisions were thus approved as decisions B.23-24/12 and B.23-24/13, respectively. Both decisions, annexed to this document, were not to approve the proposals.

Figure 1: Comparison of the regular review process and the intersessional review process

Regular project review cycle (9.5 weeks from start of review to AF Board decision)



Proposed intersessional project review cycle (13 weeks from start of review to AF Board decision)

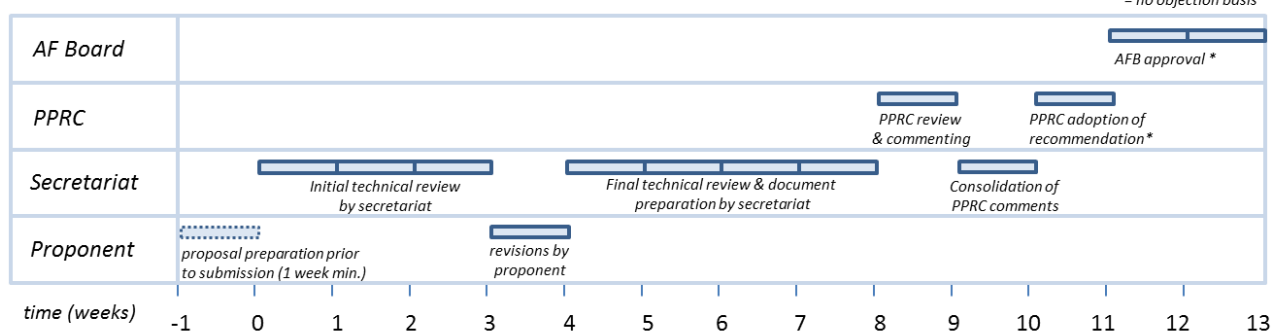


Table 1: Eligible project proposals submitted to the intersessional review cycle between the twenty-third and twenty-fourth Adaptation Fund Board meetings

Country	IE	Financing requested (USD)	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
Fiji	UNDP	\$5,728,800	Fully developed project document	\$448,800	8.50%	\$499,000	9.45%
Mauritania	WMO	\$2,160,050	Fully developed project document	\$169,216	8.50%	\$187,750	9.43%
Total		\$7,888,850		\$618,016	8.50%	\$686,750	9.45%

III. ANALYSIS OF THE INTERSESSIONAL CYCLE

9. In this report, the intersessional cycle is analyzed in comparison to regular review cycles, with a view to themes such as added value and effectiveness that were mentioned during the PPRC's discussion in its fourteenth meeting as recorded in the report of that meeting (AFB/PPRC.14/15). The analysis relies on the secretariat's observations, and general feedback from implementing entities, Board members and other stakeholders. The analysis does not touch upon the content or technical merit of the individual proposals.

Added value

10. The main benefit of arranging an intersessional review cycle was that it allowed the proponents of eligible projects to submit their proposals during the nearly six-month time between the twenty-third and twenty-fourth meetings. Having proposals reviewed during the intersessional period enabled the proponents to get the review results ca. 3.5 months earlier than if there had not been such a cycle. The results of the intersessional review were promptly communicated to the proponents, which gave them ca. 3 weeks to consider submitting revised versions to the twenty-fourth meeting, whose submission deadline was 4 August 2014. However, neither of the two proponents resubmitted their proposals to the twenty-fourth meeting.

11. The number (2) of eligible proposals submitted to the intersessional review cycle was somewhat lower than the secretariat had expected. Although it is too premature to draw lessons or conclusions, the reasons for this low number of proposals could be a combination of a number of factors, including, 1) MIEs having collectively reached the 50 percent cap since December 2012, which has significantly reduced their overall appetite to submit new proposals, 2) the fact that National Implementing Entities (NIEs) and Regional Implementing Entities (RIEs), had only few eligible, previously submitted concepts or fully-developed proposals, and 3) based on exchanges with some implementing entities, also chance factors and common delays in the proponents' individual proposal development processes had an effect: some proponents were working on previously submitted proposals but were not ready to submit them by the deadline for the intersessional cycle and instead needed more time. It is worth noting that in the secretariat's few exchanges with those NIEs and RIEs that would have been eligible to submit proposals for intersessional review but did not do so, none of these agencies referred to the intersessionality of the review as a reason for not submitting proposals.

12. The existence of a third review cycle per year evens out the workload of the PPRC and the secretariat, which may help reduce workflow problems caused by accumulation of proposals.

Effectiveness

13. For the proponents, the interactive part of the review cycle, i.e. submitting the proposal, receiving initial review feedback from the secretariat, having an opportunity to discuss the initial findings with the secretariat, and submitting the revised proposal, was exactly similar to that in a regular review cycle, so no difference in effectiveness is likely to exist. The differences between the two cycles occur after the secretariat has completed its final technical review, when there is no further interaction with the proponent in either type of cycle.

14. For the secretariat, the above part of the intersessional review cycle was also similar as in the regular review cycle. The later part of the process, i.e. circulating the proposal and the technical review for PPRC review, sourcing comments from the PPRC, and compiling comments

for a recommendation to the Board, was different as in the regular review cycle but was not seen as reducing effectiveness or as otherwise problematic.

15. For members of the PPRC, conducting reviews intersessionally may pose particular challenges, as it may be difficult to find the time for the review work amidst everyday duties. In the case of this first intersessional review cycle, one PPRC member complained that the PPRC review and commenting period coincided with the meetings of the Subsidiary Bodies of the UNFCCC, which is typically a very busy time for those participating in those meetings. As suggested by some members of the PPRC in the previous meetings in which the topic of intersessional reviews was discussed, the lack of opportunity to exchange views on proposals real-time among the committee members and with the secretariat may also affect the effectiveness of the PPRC review.

Transparency

16. In the intersessional review cycle, the proposals were posted on the Adaptation Fund website for comments by the public, as with regular review cycles. In this case, no comments were received from the public, as has sometimes been the case with regular review cycles, too.

17. In regular cycles, while PPRC meetings are not open to observers, the PPRC presents its recommendations to the Board in an open meeting where observers are present and which is webcast. This allows a degree of civil society oversight on the decision making on project proposals. In the intersessional review cycle, as decisions are made online in a virtual process, it could be argued that the ability to oversight is reduced.

IV. CONCLUSION

18. Based on the secretariat's experience of the first intersessional review cycle, reviewing proposals between the meetings for intersessional approval is a functioning way to complement the two annual regular review cycles. Its main drawback is that it limits interaction among the members of the PPRC and the Board, which may affect the opportunity of the members of these bodies to form their position. Therefore, the fact that pursuant to decision B.23/15 all first submissions of concepts and fully-developed project/programme documents are required to be considered in regular meetings, is important in ensuring that opportunity for proper face-to-face discussion exists. However, it is worth noting that this delineation to only resubmissions within each stage of the proposal development process limits the opportunity of implementing entities to submit proposals, e.g. previously endorsed concepts that may have been already developed into fully-developed proposals, which in turn contributes to delays in having projects approved by the Board.



ADAPTATION FUND

15 July 2014

Adaptation Fund Board

Proposal for Fiji (UNDP)

Fiji: Enhancing Resilience of Rural Communities to Flood and Drought-Related Climate Change and Disaster Risks in the Ba Catchment Area of Fiji (Fully-developed project document; United Nations Development Programme; FJI/MIE/DRR/2010/3; US\$ 5,728,800)

Having considered the intersessional technical review of the fully-developed project document carried out by the secretariat and the Project and Programme Review Committee (PPRC), and the recommendation of the PPRC, the Adaptation Fund Board decides to:

- (a) Not approve the project document, as supplemented by the clarification response provided by the United Nations Development Programme (UNDP) to the request made by the technical review;*
- (b) Suggest that UNDP reformulates the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following:*
 - (i) The proposal should more clearly describe gender-related vulnerability in the target communities, and how the project would include specific interventions and targets that would help address underlying gender inequality and provide benefits to women that would reduce their vulnerability to climate change;*
 - (ii) The proposal should more clearly explain how the level of ambition in terms of female compared to male beneficiaries is justified in relation to the baseline situation, and it should seek ways to reach equitable distribution of benefits between women and men;*
 - (iii) The proposal should explain how community members have been made aware of possible risks of the project, including temporary negative impacts, and how that information has been reflected in consultations with the communities;*
 - (iv) The proposal should clarify the risks related to land tenure (rated as mid-level risk), and how the environmental impact assessment and environmental and social management plan would address those so that they could be monitored during implementation;*

- (v) *The proposal should explain which kind of grievance mechanism would be available in the country for affected project stakeholders;*
 - (vi) *The proposal should clarify the execution arrangements of the project by removing references to execution services to be provided by the implementing entity, if such execution services are indeed not planned to be provided;*
 - (vii) *The proponent should ensure that all information provided informally through a response sheet is included in the project proposal; and*
 - (viii) *The proposal should explain the structure and mechanism for knowledge generation and sharing arising from the project as a best practice; and*
- (c) *Request UNDP to transmit the observations referred to in paragraph (b) above to the Government of Fiji.*

Decision B.23-24/12



ADAPTATION FUND

15 July 2014

Adaptation Fund Board

Proposal for Mauritania (WMO)

Mauritania: Reducing Mauritanian fishermen's risk at sea while enhancing the resilience of Mauritanian coastal communities to adapt to climate change and cope with severe weather events (Fully-developed project document; World Meteorological Organization; MTN/MIE/Coastal/2011/1; US\$ 2,160,050)

Having considered the intersessional technical review of the fully-developed project document carried out by the secretariat and the Project and Programme Review Committee (PPRC), and the recommendation of the PPRC, the Adaptation Fund Board decides to:

- (a) Not approve the project document, as supplemented by the clarification response provided by the World Meteorological Organization (WMO) to the request made by the technical review;*
- (b) Suggest that WMO reformulates the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following::*
 - (i) The proposal should provide a clear and concise explanation on which types of localized weather and climate information and advisory services it will provide through the numerical coastal ocean state model to enhance coastal observation for the major coastal cities and fishing locations of Mauritania, and specifying:

 - i. The relevant threats such services will address; and*
 - ii. The relevant category of communities they will benefit;**
 - (ii) The proponents should consider revise or provide adequate means of verification and sources of statistical data for the project's impact indicator "30% reduction in the loss of life and property resulting from extreme weather-related events", which targets communities and assets along the Mauritanian coastline; and*

- (iii) *The proposal should be resubmitted using the new Adaptation Fund project proposal template, which contains new and updated sections taking into account the Environmental and Social Policy of the Fund; and*
- (c) *Request WMO to transmit the observations referred to in paragraph (b) above to the Government of Mauritania.*

Decision B.23-24/13