



ADAPTATION FUND

AFB/PPRC. 6/3
September 3, 2011

Adaptation Fund Board
Project and Programme Review Committee
Sixth Meeting
Bonn, September 14, 2011

**REPORT OF THE SECRETARIAT ON INITIAL
SCREENING/TECHNICAL REVIEW
OF PROJECT AND PROGRAMME PROPOSALS**

I. BACKGROUND

1. This document presents to the Project and Programme Review Committee (PPRC) an overview of the project/programme proposals submitted by implementing entities (IE) to the current meeting, and the process of screening and technical review undertaken by the secretariat. It will also
2. The analysis of the proposals mentioned above is contained in a separate addendum to this document.

II. PROJECT/PROGRAMME PROPOSALS SUBMITTED BY NIEs AND MIEs

3. Accredited MIEs submitted 12 proposals to the secretariat, with the total requested funding amounting to US\$81,004,278. Following the initial review, the budget requests of some proposals were altered. The final total budgets requested amounted to US\$81,523,110, including US\$ 6,587,764 or 8.2%¹ in implementing entities management fees and US\$ 6,866,084 or 8.5%² in execution costs. The 12 proposals included 7 fully developed project documents and 5 concepts.
4. The United Nations Development Programme (UNDP) submitted one new project concept for Mali. UNDP also submitted five fully-developed project documents for Cook Islands, Georgia, Papua New Guinea, Mauritius, and Samoa. The first three were previously submitted as concepts and endorsed by the Board. The proposal for Mauritius was considered as a concept at the 10th meeting, was deferred by the Board, and was considered as a fully-developed project document at the 12th meeting but was not approved. United Nations Environment Programme (UNEP) submitted two fully-developed project documents. The first one, for Tanzania, was considered as a fully-developed project document thrice, at the 12th, 13th, and 14th meetings of the Board, but was not approved. The second proposal, for Madagascar, was submitted as a concept and endorsed by the Board at its 11th meeting, and as a fully-developed project document once at the 14th meeting of the Board, but was not approved. The World Bank submitted a project concept for Belize and the World Food Programme (WFP) submitted project concepts for Egypt and Mauritania. The World Meteorological Organization submitted a project concept for Mauritania. Details of these proposals are contained in the separate PPRC working documents, as follows:

AFB/PPRC.6/4 *Proposal for Belize;*

AFB/PPRC.6/5 *Proposal for Cook Islands;*

AFB/PPRC.6/6 *Proposal for Egypt;*

AFB/PPRC.6/7 *Proposal for Georgia;*

AFB/PPRC.6/8 *Proposal for Madagascar;*

AFB/PPRC.6/9 *Proposal for Mali;*

¹ The implementing entity management fee percentage is calculated compared to the project budget including the project activities and the execution costs, before the management fee.

² The execution costs percentage is calculated as a percentage of the project budget, including the project activities and the execution costs, before the implementing entity management fee.

AFB/PPRC.6/10 Proposal for Mauritania - WFP;

AFB/PPRC.6/11 Proposal for Mauritania - WMO;

AFB/PPRC.6/12 Proposal for Mauritius;

AFB/PPRC.6/13 Proposal for Papua New Guinea;

AFB/PPRC.6/14 Proposal for Samoa;

AFB/PPRC.6/15 Proposal for Tanzania;

5. All of the 12 submissions are proposals for regular projects and programmes, i.e. they request funding exceeding US\$1,000,000.

6. The funding requests for the seven fully-developed proposals total US\$45,921,045 and range from US \$4,504,920 (Madagascar) to US\$9,814,517 (Tanzania), with an average of US \$5,568,203, including management fees charged by the implementing entities. These proposals propose no more than an 8.5% management fee and are thus in compliance with the Board Decision B.11/16 to cap management fees at 8.5%. In accordance with the same Decision B.11/16, all proponents of fully-developed project documents provide a budget on fee use.

7. The funding requests for the five concept proposals total US\$41,276,211 and range from US \$4,171,825 (Mauritania - WMO) to US \$10,000,000 (Belize), with an average of US \$7,004,477, including management fees charged by the implementing entities. Proposals of all IEs are in compliance with the Board Decision B.11/16 to cap management fees at 8.5%.

8. All proposals are requesting funding below the cap of US \$10 million decided on a temporary basis, for each country, as per Decision B.13/23. However, in the case of Mauritania, the two project concept proposals in sum amount to more than US \$10 million.

9. The secretariat has compared the funding requests for projects submitted by MIEs to the available funds in the Adaptation Fund Trust Fund. This is pursuant to the following Board decision made in the 12th meeting:

(a) That the cumulative budget allocation for funding projects submitted by MIEs, should not exceed 50 per cent of the total funds available for funding decisions in the Adaptation Fund Trust Fund at the start of each session. That cumulative allocation would be subject to review by the Board on the recommendation of the Project and Programme Review Committee at subsequent sessions;

(b) To request the Trustee to provide an update on the amount of funds that have been approved for projects implemented by NIEs and MIEs at each meeting of the Adaptation Fund Board; and

(c) To review the implementation of this decision at the fourteenth meeting of the Adaptation Fund Board.

(Decision B.12/9)

10. According to the report prepared by the Trustee for the 15th Board meeting (AFB/EFC.6/5) the cumulative funding decisions for projects submitted by MIEs as of June 30, 2011 amounted to US\$51.95 million, and the cumulative funding decisions for all projects amounted to US\$60.63

million³. According to the same report, funds available to support AF Board funding decisions amounted to US\$171.57 million. Therefore, the cumulative funding decisions for projects submitted by MIEs represented 26.1% of the sum of cumulative project funding decisions and funds available to support funding decisions or, US\$232.2 million. If the Board decided to fund all the fully-developed proposals submitted by MIEs to the current meeting (US\$45.9 million), the cumulative decisions would amount to US\$106.5 million, which would represent 45.8% of the sum of cumulative project funding decisions and funds available to support funding decisions, which is still below, but close to the limit of 50.0% set by the Board in the above decision.

Table 1: Project proposals submitted to the 15th Adaptation Fund Board meeting

Country	IE	Financing requested (USD)	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
Belize	WB	10,000,000	Concept	780,000	8.46%	950,000	9.50%
Cook Islands	UNDP	5,381,600	Full	421,600	8.50%	460,000	9.27%
Egypt	WFP	8,575,892	Concept	561,040	7.00%	695,353	8.68%
Georgia	UNDP	5,316,500	Full	416,500	8.50%	330,000	6.73%
Madagascar	UNEP	4,504,920	Full	352,920	8.50%	392,000	9.44%
Mali	UNDP	8,533,349	Concept	668,511	8.50%	682,338	8.68%
Mauritania	WFP	9,995,145	Concept	653,888	7.00%	810,429	8.68%
Mauritania	WMO	4,171,825	Concept	326,825	8.50%	345,000	8.97%
Mauritius	UNDP	9,119,240	Full	714,410	8.50%	500,000	5.95%
Papua New Guinea	UNDP	6,530,373	Full	511,596	8.50%	517,027	8.59%
Samoa	UNDP	8,732,351	Full	684,101	8.50%	698,250	8.68%
Tanzania	UNEP	6,336,061	Full	496,373	8.50%	485,688	8.32%
Total		87,197,256		6,587,764	8.17%	6,866,084	8.52%

12. All the fully-developed project documents provide an explanation and a breakdown of their execution costs and other administrative costs, and are in compliance with the following Board decision made in the 12th meeting:

(b) To request to the implementing entities that the project document included an explanation and a breakdown of all administrative costs associated with the project, including the execution costs.

(Decision B.12/7)

13. All proposals are in compliance with the Board Decision B.13/17 to cap project budget for execution fees at 9.5%. The execution costs in the fully-developed project documents submitted

³ This information will be orally updated during the meeting, in light of the updated figures presented by the Trustee.

to this meeting total US\$6,866,084 and range from 9.5% proposed by the World Bank for the Belize project, to 5.9% proposed by UNDP for the Mauritius project.

14. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the 12 project and programme proposals submitted during the reporting period and not withdrawn. In performing this review task, the dedicated team of officials of the secretariat was supported by several members of the GEF secretariat technical staff.

15. As per Board request at its 10th meeting, the secretariat shared the initial technical review findings with the implementing entities that had submitted the proposals and solicited for their responses to specific items requiring clarification. Responses were requested by e-mail, and the time allowed for the implementing entities to respond was one week. In some cases though, the process took longer. The implementing entities were offered the opportunity to discuss the initial review findings with the secretariat on the phone.

14. The secretariat subsequently reviewed the Implementing Entities' responses to the clarification requests, and compiled comments and recommendations that are presented in the addendum to this document (AFB/PPRC.6/3/Add.1).

III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS

15. During the review of the proposals submitted by IEs for consideration at the 15th AFB meeting, the secretariat would like to share with the PPRC a few issues that were identified.

16. The republic of Mauritania has submitted two proposals through two different MIEs, i.e. the World Food Programme (WFP), for a budget of USD \$ 9,995,145, and the World Meteorological Organization (WMO), for a budget of USD \$ 4,171,825. Taken together, these two proposals amount a total funding request for Mauritania of USD \$ 14,166,970, which is above the cap of USD \$ 10,000,000 set by the Board at its 13th meeting.

17. Therefore, the PPRC is invited to make specific recommendation on these two unprecedented situations:

- a) A single country submitting at the same time two projects,
- b) Rules on the prioritization of two projects submitted by a single country which, taken together, are above the cap of 10 million USD.