



ADAPTATION FUND

AFB/PPRC. 7/4  
2 December 2011

---

Adaptation Fund Board  
Project and Programme Review Committee  
Seventh Meeting  
Durban, 12 December 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.
2. The analysis of the proposals mentioned above is contained in a separate addendum to this document.

## II. PROJECT/PROGRAMME PROPOSALS SUBMITTED BY IMPLEMENTING ENTITIES

3. Accredited Implementing Entities submitted 14 proposals to the secretariat, with the total requested funding amounting to US\$98,538,888. During the initial technical review carried out by the secretariat, three of the proposals were withdrawn by their proponents, and after the initial review the budget requests of others were altered. The final total budgets requested of the 11 remaining proposals amounted to US\$73,793,324, including US\$ 5,223,921 or 7.6%<sup>1</sup> in implementing entities management fees and US\$ 5,441,297 or 7.9%<sup>2</sup> in execution costs. The 11 proposals included 7 fully developed project documents and 4 concepts.

4. The NIE for Uruguay, Agencia Nacional de Investigación e Innovación (ANII), submitted a fully-developed project document, which followed a project concept that was endorsed by the Board in its 13<sup>th</sup> meeting. United Nations Development Programme (UNDP) submitted four fully-developed project documents for Cook Islands, Georgia, Papua New Guinea and Samoa, each of which had been considered and not approved in the 15<sup>th</sup> meeting of the Board. UNDP also submitted a new project concept for Myanmar. United Nations Environment Programme (UNEP) submitted two fully-developed project documents, for Madagascar and Tanzania, both of which had been considered in the 15<sup>th</sup> meeting and not approved. UNEP also submitted a new project concept for Cambodia. World Food Programme (WFP) submitted two project concepts, for Egypt and Mauritania, each of which had been considered in the 15<sup>th</sup> meeting and not endorsed. Details of these proposals are contained in the separate PPRC working documents, as follows:

AFB/PPRC.7/5 *Proposal for Uruguay;*

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

AFB/PPRC.7/7 *Proposal for Cook Islands;*

AFB/PPRC.7/8 *Proposal for Egypt;*

AFB/PPRC.7/9 *Proposal for Georgia;*

AFB/PPRC.7/10 *Proposal for Madagascar;*

AFB/PPRC.7/11 *Proposal for Mauritania;*

---

<sup>1</sup> 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.

<sup>2</sup> 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.7/12 Proposal for Myanmar;

AFB/PPRC.7/13 Proposal for Papua New Guinea;

AFB/PPRC.7/14 Proposal for Samoa;

AFB/PPRC.7/15 Proposal for Tanzania;

5. All of the 11 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\$46,041,991 and range from US\$5,008,564 (Tanzania) to US\$9,967,678 (Uruguay), with an average of US\$6,577,427, 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 four concept proposals total US\$27,751,333 and range from US\$4,915,362 (Cambodia) to US\$7,909,026 (Myanmar), with an average of US\$6,937,833, 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.

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 12<sup>th</sup> 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 16<sup>th</sup> Board meeting (AFB/EFC.7/6) the cumulative funding decisions for projects submitted by MIEs as of September 30, 2011 amounted to US\$61.07 million, and the cumulative funding decisions for all projects amounted to US\$69.75 million<sup>3</sup>. According to the same report, funds available to support AF Board funding decisions amounted to US\$167.43 million. Therefore, the cumulative funding decisions for projects submitted by MIEs represented 25.7% of the sum of cumulative project funding decisions and funds available to support funding decisions or, US\$237.18 million. If the Board decided to

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

fund all the fully-developed proposals submitted by MIEs to the current meeting (US\$36.07 million), the cumulative budget allocation for projects submitted by MIEs would amount to US\$97.14 million, which would represent 41.0% 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. In contrast, if the single fully-developed proposal submitted to the 16<sup>th</sup> meeting by a National Implementing Entity, for Uruguay, would be approved, the cumulative budget allocation for projects submitted by NIEs would rise from 3.7% (US\$8,679,000) to 7.9% (US\$18,646,678) of the sum of cumulative project funding decisions and funds available to support funding decisions.

**Table 1: Project proposals submitted to the 16<sup>th</sup> Adaptation Fund Board meeting**

Country	IE	Financing requested (USD)	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
Uruguay	ANII	9,967,678	Full	496,250	5.24%	474,643	5.01%
Cambodia	UNEP	4,915,362	Concept	385,074	8.50%	360,288	7.95%
Cook Islands	UNDP	5,381,600	Full	421,600	8.50%	460,000	9.27%
Egypt	WFP	7,287,658	Concept	437,885	6.39%	594,273	8.68%
Georgia	UNDP	5,316,500	Full	416,500	8.50%	330,000	6.73%
Madagascar	UNEP	5,104,925	Full	399,925	8.50%	392,000	8.33%
Mauritania	WFP	7,639,287	Concept	459,013	6.39%	622,946	8.68%
Myanmar	UNDP	7,909,026	Concept	619,601	8.50%	617,182	8.47%
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	5,008,564	Full	392,376	8.50%	374,688	8.12%
<b>Total</b>		<b>73,793,324</b>		<b>5,223,921</b>	<b>7.62%</b>	<b>5,441,297</b>	<b>7.94%</b>

11. 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 12<sup>th</sup> 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)*

12. 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 to this meeting total US\$3,246,608 and range from 9.3% proposed by UNDP for the Cook Islands project, to 5.0% proposed by ANII for the Uruguay project.

13. 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.

14. As per Board request at its 10<sup>th</sup> 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.

15. 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.7/4/Add.1).

### **III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS**

16. During the review of the proposals submitted by Implementing Entities for consideration at the 16<sup>th</sup> AFB meeting, the secretariat identified an issue which it would like to highlight to the PPRC. In one of the reviewed proposals, for Myanmar, the Implementing Entity proposing the project (UNDP) is planned to take also the role of an Executing Entity. While such a situation is possible in keeping with the operational policies and guidelines, there may be considerations that would prompt defining specific rules, for example regarding cost savings that can be achieved when both roles are undertaken by the same organization.

17. The PPRC may want to consider and recommend to the Board to request the secretariat conduct an analysis outlining the implications of a situation where the same entity is performing both Implementing Entity and Executing Entity roles.