



ADAPTATION FUND

1818 H Street, NW
MSN P4-400
Washington, DC 20433 USA
Tel: 202.458.7347
Fax: 202.522.3240/3245
E-mail: afbsec@adaptation-fund.org

Ref: 2015/36

5 May 2015

To Parties' Designated Authorities for the Adaptation Fund, and Multilateral and Regional Implementing Entities accredited by the Adaptation Fund Board

Re: Invitation to submit project and programme proposals for funding under the pilot programme for regional projects and programmes of the Adaptation Fund

The Adaptation Fund Board (AFB) wishes to invite eligible Kyoto Protocol Parties to submit proposals for regional (multi-country) projects and programmes, using the services of accredited multilateral (MIE) and regional (RIE) implementing entities, and involving national implementing entities (NIEs) when possible, and/or other national institutions, in implementation arrangements. Proposals submitted will be considered under the pilot programme for regional projects and programmes of the Adaptation Fund (AF).

The AF, established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC), is mandated to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol and to allow direct access to the Fund by those Parties. During 2010-2015, the AF has committed US\$ 312 million in 49 countries. Until now, all AF projects and programmes have focused on individual countries. In its twenty-fourth meeting in October 2014, the AFB decided to launch a pilot programme for regional projects and programmes, not to exceed US\$ 30 million. In its twenty-fifth meeting in April 2015, the AFB approved the pilot programme (attached), and requested the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting. While links to further information on the pilot programme are provided in the attached document ("List of selected references"), it is important to note here that the projects and programmes funded under the pilot programme are not subject to the previous caps set by the AFB, i.e. the cap of 50 percent for projects submitted by MIEs, and the cap per country of US\$ 10 million.

The deadline for submitting proposals for consideration in the twenty-sixth meeting of the AFB is 4 August 2015. The proposals should be submitted in English, using the attached template, with a maximum length of 5 pages (Parts I-III). The AFB secretariat is ready to answer any questions regarding the process and criteria. The secretariat cannot, however, pre-screen proposals before the deadline.

Kindly address your submissions to the AFB secretariat: afbsec@adaptation-fund.org.

Sincerely,

Marcia Levaggi
Manager
Adaptation Fund Board secretariat

Annex I to Invitation to submit project and programme proposals for funding under the pilot programme for regional projects and programmes of the Adaptation Fund

List of selected references

Definition of regional projects and programmes	AFB/B.25/6/Rev.2, para. 21
Goal of the pilot programme	AFB/B.25/6/Rev.2, para. 22
The proposal process	OPG ¹ , OPG Annex 3, para. 28-35, and AFB/B.25/6/Rev.2, para. 23-24
Thematic focal areas	AFB/B.25/6/Rev.2, para. 25-26
Funding windows structure	AFB/B.25/6/Rev.2, para. 27-28
Maximum level for administration costs	AFB/B.25/6/Rev.2, para. 30
Review criteria for regional projects and programmes	OPG, OPG Annex 3, ESP guidance document, OPG Annex 4, and AFB/B.25/6/Rev.2, para. 31-32
Learning; cooperating with NIEs	OPG Annex 4 (Part II G) AFB/B.25/6/Rev.2, para. 33-35
Timeline for submissions	AFB/B.25/6/Rev.2, para. 36 ²

¹ Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (amended in October 2014), available at https://www.adaptation-fund.org/policies_guidelines

² The deadline for submissions to be considered by the Board in its twenty-sixth meeting, is 4 August 2015. The subsequent submission deadlines will be recorded in the meeting reports of the Board and on the AF website.

Annex II to Invitation to submit project and programme proposals for funding under the pilot programme for regional projects and programmes of the Adaptation Fund



ADAPTATION FUND

**PILOT PROGRAMME ON REGIONAL
PROJECTS/PROGRAMMES**

Introduction

1. This document presents the Adaptation Fund Pilot Programme for Regional Projects and Programmes, adopted by the Adaptation Fund Board (the Board) in its twenty-fifth meeting on 8-9 April 2015. The background and rationale of the programme is more fully explained in the document AFB/B.25/6/Rev.2, available at the Adaptation Fund website under Meeting Documents.

2. In its twenty-fifth meeting, the Board decided to:

(a) Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;

(b) Set a cap of US\$ 30 million for the programme;

(c) Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and

(d) Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.

(Decision B.25/28)

The programme

Definition of regional projects and programmes

3. The definition for regional projects and programmes is as follows:

“Regional projects and programmes in the context of the Adaptation Fund are understood to be such projects and programmes that are implemented by Multilateral and Regional Implementing Entities in two or more countries in the same United Nations region, or adjacent regions, particularly countries that share a common border and/or similar adaptation challenges in the sector or sectors that the proposed project or programme targets.”

Goal of the pilot programme

4. The overall goal of the pilot programme is to pilot different regional approaches to implementing concrete climate change adaptation projects in vulnerable developing countries, and to compile lessons learned. Such lessons learned inform the Board's later decisions on whether to make such a modality a more regular part of Adaptation Fund operations.

The proposal process

5. To enable oversight and support by the Board to the development of regional project ideas, the pilot programme follows a three-step project preparation process, consisting of an optional pre-concept stage, followed by a concept stage and a fully-developed project/programme document stage. The optional pre-concept stage is a completely new feature of the pilot programme that enables early funding decisions deemed critical by implementing entities. The concept and fully-developed proposal stages largely correspond to those in the regular project cycle, with certain additional features. Also the proposal submission timelines with respect to Board meetings or intersessional review cycles are similar to those of regular projects and programmes.

6. The Board opens a structured call for MIEs and RIEs to submit pre-concepts for regional projects and programmes. The optional pre-concepts are very brief proposals of maximum 5 pages that explain the proposed regional adaptation project/programme. The pre-concepts are screened and technically reviewed by the secretariat, and subsequently reviewed by the PPRC. Together with the pre-concept, the proponent can submit a Phase I PFG request, up to the maximum level of US\$ 20,000. While endorsing the pre-concept, the Board can also approve the Phase I PFG request. The endorsement of the pre-concept does not create an obligation for the Board for later funding. As the next step, the proponent submits a concept, and with it the proponent can submit a Phase II PFG request. The maximum level of the Phase II PFG is US\$ 80,000 for proposals that had been previously granted Phase I PFG, and US\$ 100,000 for proposals that bypassed the optional pre-concept stage. While endorsing the concept, the Board can also approve the Phase II PFG request. The endorsement of the concept does not create an obligation for the Board for later funding, as it is the case for national projects, too. The final stage of the proposal process is the submission of the fully-developed regional project document.

Thematic focal areas

7. The pilot programme for regional projects and programmes has the following thematic focal areas, in which proposals are welcome:

- (a) Food security;
- (b) Disaster risk reduction and early warning systems; and
- (c) Transboundary water management.

8. In addition to the three specified thematic focal areas, as a cross-cutting fourth theme the pilot programme seeks to support activities that represent innovation in adaptation finance towards transformational impact. The programme encourages MIEs and RIEs to develop innovative solutions to climate change adaptation, including new approaches, technologies and mechanisms. It is required that the proposal describe the innovation aspects of the project/programme.

Funding windows structure

9. The pilot programme has the following indicative structure, to allow for a diversified approach in terms of project/programme sizes:

- (a) One project/programme up to US\$ 14 million;

(b) Three projects/programmes up to US\$ 5 million; and

(c) A number of project formulation grants, with a total value of up to US\$ 1 million.

10. The pilot programme can provide project formulation grants up to 10 different project/programme ideas (10 x US\$ 100,000 = US\$ 1,000,000). While this may create an excess of project proposals compared to the available funds under the pilot programme, it also fosters positive competition among proponents, supports building of capacities in countries during the proposal development process, and yields in project ideas that can be funded outside of the pilot programme.

11. As defined by decision B.24/30 (b), the pilot programme on regional projects and programmes is outside of the consideration of the 50 per cent cap on multilateral implementing entities (MIEs) and the country cap.

12. In the pilot programme, regional project proposals and project formulation grant requests are allowed a higher and more flexible maximum level for administration costs, to help ensure regional cooperation. The maximum level for the implementing entity management fee (for regular projects capped at 8.5 per cent of the total project cost) and execution costs (for regular projects capped at 9.5 per cent of the total project cost) together is maximum 20 per cent of the total project cost. As with single-country projects, proposals for regional projects/programmes need to provide budgets for these two categories.

Review criteria for regional projects and programmes

13. In reviewing regional project concepts and fully-developed proposals, the review criteria of single-country projects apply *mutatis mutandis*, with the scope of consideration expanded from the local and national level to the regional level, and taking into account the proposal above on administrative costs. In addition, a few specific review criteria are applied:

(a) The regular criterion for single-country projects:

Does the project / programme support concrete adaptation actions to assist the country in addressing the adverse effects of climate change and build in climate change resilience?

The criterion for regional projects and programmes:

Does the regional project / programme support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience, and do so providing added value through the regional approach, compared to implementing similar activities in each country individually?

(b) The regular criterion for single-country projects:

Is the project / programme cost-effective?

The criterion for regional projects and programmes:

Is the project / programme cost-effective and does the regional approach support cost-effectiveness?

(c) The regular criterion for single-country projects:

Is there adequate arrangement for project management?

The criterion for regional projects and programmes:

Is there adequate arrangement for project / programme management at the regional and national level, including coordination arrangements within countries and among them? Has the potential to partner with national institutions, and when possible, national implementing entities (NIEs), been considered, and included in the management arrangements?

(d) A criterion for regional projects and programmes (entirely new criterion):

Does the project promote new and innovative solutions to climate change adaptation, such as new approaches, technologies and mechanisms?

14. Pre-concepts are reviewed according to the same broad areas of criteria as concepts but the expected level of detail in their information is not as high, also taking into account the five-page limit. The process of review of pre-concepts is similar to concepts and fully-developed project documents.

Learning in the pilot programme for regional projects and programmes

15. It is expected that results from the pilot programme will inform later Board decisions on whether to make such modality a more regular part of Adaptation Fund operations. Learning in the programme at the Fund level is facilitated through the same mechanisms that are available for single-country projects, i.e. reporting through regular project reports (annual project performance reports, mid-term reviews, and final evaluations) and compiled at the Fund level as the annual performance report, and portfolio monitoring missions conducted by the secretariat for a strategic sample of the projects approved by the Board. At the project level, the regular requirement for a knowledge management component applies.

16. To facilitate learning in the context of regional projects and programmes, involving NIEs when possible, and/or other national institutions, in implementation arrangements is strongly encouraged. This is also reflected in the review criterion on management arrangements.

17. To facilitate building synergies with other institutions under the UNFCCC supporting regional activities in climate change adaptation, such as the CTCN, the pilot programme should seek to build specific content links between web-based knowledge management systems.

Timeline of pre-concept submissions

18. Multilateral and regional implementing entities are invited to submit their pre-concepts, concepts and fully-developed proposals for regional projects and programmes following the same deadlines as regular projects and programmes. Therefore, the PPRC and the Board can consider the first pre-concepts of regional projects and programmes in their seventeenth and twenty-sixth meetings, respectively.



ADAPTATION FUND

PRE-CONCEPT FOR A REGIONAL PROJECT/PROGRAMME

PART I: PROJECT/PROGRAMME INFORMATION

Title of Project/Programme:

Countries:

Thematic Focal Area¹: Choose an item.

Type of Implementing Entity:

Implementing Entity:

Executing Entities:

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, including both the regional and the country perspective.)

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 components, outcomes, outputs and countries in which activities would be executed, and the corresponding budgets.)

Project/Programme Components	Expected Outcomes	Expected Outputs	Countries	Amount (US\$)
1.				
2.				
3.				
4.				
5.				
6. Project/Programme Execution cost				
7. Total Project/Programme Cost				
8. Project/Programme Cycle Management Fee charged by the Implementing Entity (if applicable)				
Amount of Financing Requested				

Project Duration: *(In years and months)*

¹ Thematic areas are: Food security; Disaster risk reduction and early warning systems; Transboundary water management; Innovation in adaptation finance.

PART II: PROJECT / PROGRAMME JUSTIFICATION

(Provide a brief description of the proposed regional project/programme including, as a minimum², the following aspects:

- The project / programme components, particularly focusing on the concrete adaptation activities, how these activities would contribute to climate resilience, and how they would build added value through the regional approach, compared to implementing similar activities in each country individually.*
- How the project would promote new and innovative solutions to climate change adaptation, such as new approaches, technologies and mechanisms.*
- The cost-effectiveness of the proposed project / programme, explaining how the regional approach would support cost-effectiveness.*
- How the project / programme would be consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications, or national adaptation programs of action, or other relevant instruments, where they exist. If you wish and if applicable, you can also refer to regional plans and strategies where they exist.*
- The learning and knowledge management component to capture and disseminate lessons learned.*
- The consultative process, planned to be undertaken during project preparation, with particular reference to vulnerable groups, including gender considerations, in compliance with the Environmental and Social Policy of the Adaptation Fund.*
- How the sustainability of the project/programme outcomes would be taken into account when designing the project / programme.)*

(You may also want to provide brief information on the following aspects:

- How the project / programme would provide economic, social and environmental benefits, with particular reference to the most vulnerable communities, and vulnerable groups within communities, including gender considerations, and how it would avoid or mitigate negative impacts, in compliance with the Environmental and Social Policy of the Adaptation Fund.*
- How the project / programme would meet relevant national technical standards, where applicable, such as standards for environmental assessment, building codes, etc., and comply with the Environmental and Social Policy of the Adaptation Fund.*
- Duplication of project / programme with other funding sources.*
- Justification for funding requested, focusing on the full cost of adaptation reasoning.*
- The environmental and social impacts and risks identified as being relevant to the project / programme.)*

² Please note that subsequent proposal stages (concept and fully-developed proposal) would require further information on these criteria, as well as additional criteria.

PART III: IMPLEMENTATION ARRANGEMENTS

(At the pre-concept stage, this section should only briefly explain which organizations would be involved in the proposed regional project/programme at the regional and national/sub-national level, and how coordination would be arranged. The involvement of national institutions, and when possible, national implementing entities (NIEs), partnering in the project should be explained.)

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government⁵ *Provide the name and position of the government official and indicate date of endorsement for each country participating in the proposed project/programme. Add more lines as necessary. The endorsement letters should be attached as annexes to the project/programme proposal.*

<i>(Enter Name, Position, Ministry)</i>	Date: <i>(Month, day, year)</i>
<i>(Enter Name, Position, Ministry)</i>	Date: <i>(Month, day, year)</i>
<i>(Enter Name, Position, Ministry)</i>	Date: <i>(Month, day, year)</i>

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*

<p>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, <u>commit to implementing the project/programme in compliance with the Environmental and Social Policy of the Adaptation Fund</u> and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.</p>	
<p><i>Name & Signature</i> Implementing Entity Coordinator</p>	
Date: <i>(Month, Day, Year)</i>	Tel. and email:
Project Contact Person:	
Tel. And Email:	

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.