



ADAPTATION FUND

AFB/PPRC. 10/4
4 December 2012

Adaptation Fund Board
Project and Programme Review Committee
Tenth Meeting
Bonn, 11-12 December 2012

**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 15 proposals to the secretariat, with the total requested funding amounting to US\$110,604,448. Among the proposals were four project concepts, with a total requested funding of US\$39,911,000 and 11 fully developed proposals, with a total requested funding of US\$70,693,448. During the technical review carried out by the secretariat, three of the proposals, including one concept and two fully-developed proposals, were withdrawn by their proponents, and after the initial review the budget requests of others were altered. The final total requested funding of the 12 remaining proposals amounted to US\$83,864,476, including US\$29,753,975 for the three concepts, and US\$54,110,501 for the nine fully developed proposals. The proposals included US\$6,288,847 or 8.2%¹ in Implementing Entities management fees and US\$4,763,372 or 6.7%² in execution costs.

4. The national IE (NIE) for Jordan, the *Ministry of Planning and International Cooperation* (MOPIC), submitted a project concept. The regional IE (RIE) *Banque Ouest Africaine de Développement* (BOAD) submitted two project concepts, for Niger and Togo. The United Nations Development Programme (UNDP) submitted six fully-developed project documents for Cuba, Ghana, Guatemala, Myanmar, Seychelles and Uzbekistan. The World Food Programme (WFP) submitted a fully-developed project document for Sri Lanka, which had been considered in the 18th meeting and not approved. The World Bank (WB) submitted a fully-developed project document for Argentina, which had been considered in the 18th meeting and not approved. Finally, the World Meteorological Organization (WMO) submitted a fully-developed project document for Mauritania, which had been considered in the 18th meeting and was not approved. Details of these proposals are contained in the separate PPRC working documents, as follows:

AFB/PPRC.10/6 *Proposal for Jordan (MOPIC)*;

AFB/PPRC.10/6/Add.1 *Project Formulation Grant for Jordan (MOPIC)* ;

AFB/PPRC.10/7 *Proposal for Niger (BOAD)*;

AFB/PPRC.10/8 *Proposal for Togo (BOAD)*;

AFB/PPRC.10/9 *Proposal for Argentina (The World Bank)* ;

AFB/PPRC.10/10 *Proposal for Cuba (UNDP)* ;

AFB/PPRC.10/11 *Proposal for Ghana (UNDP)* ;

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.10/12 Proposal for Guatemala (UNDP) ;
AFB/PPRC.10/13 Proposal for Mauritania (WMO);
AFB/PPRC.10/14 Proposal for Myanmar (UNDP);
AFB/PPRC.10/15 Proposal for Seychelles (UNDP);
AFB/PPRC.10/16 Proposal for Sri Lanka (WFP);
AFB/PPRC.10/17 Proposal for Uzbekistan (UNDP).

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 nine fully-developed proposals amount to US\$54,110,501, with an average of US\$6,012,278, including management fees charged by the Implementing Entities. These proposals do not request management fees in excess of 8.5% 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 three concept proposals amount to US\$29,753,975, with an average of US\$9,917,992, 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 request 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 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 19th Board meeting (AFB/EFC.10/7) the cumulative funding decisions for projects submitted by MIEs as of September 30, 2012 amounted to US\$137.84 million, and the cumulative funding decisions for all projects amounted to US\$166.51 million. According to the same report, funds available to support AF

Board funding decisions amounted to US\$119.21 million³. Therefore, the cumulative funding decisions for projects submitted by MIEs represented 48.2% of the sum of cumulative project funding decisions and funds available to support funding decisions, equal to US\$285.72 million. If the Board were to decide to fund all the fully-developed proposals submitted by MIEs to the current meeting (US\$54.08 million), the cumulative budget allocation for projects submitted by MIEs would amount to US\$191.92 million, which would represent 67.2% of the sum of cumulative project funding decisions and funds available to support funding decisions, which is well beyond the limit of 50.0% set by the Board in the above decision. Therefore, a pipeline of projects/programmes, as decided by Board Decision B.17/19 is likely to be established as of this 19th Board meeting. In contrast, the cumulative budget allocation for projects submitted by NIEs represents 10.0% (US\$28.67 million) of the sum of cumulative project funding decisions and funds available to support funding decisions.

11. The funding request of the NIE proposal, the MOPIC project concept from Jordan, is US\$9,969,975, including a 5.3% management fee and a Project Formulation Grant (PFG) Request for US\$30,000, which is in accordance with the Board Decision B.12/28. The proponent has submitted the PFG request together with the project concept and it is submitted as an addendum (AFB/PPRC.10/6/Add.1) to the document containing the project concept, i.e. AFB/PPRC.10/6.

12. All of 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 include 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 proposals submitted to this meeting total US\$4,763,372 and range from 1.45% proposed by UNDP for the Myanmar project, to 9.43% proposed by WMO for the Mauritania 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.

³ In addition, the Trustee has signed in November 2012 a donation agreement with the Government of Sweden for a contribution of SEK 100 million.

Table 1: Project proposals submitted to the 19th Adaptation Fund Board meeting

Country	IE	Financing requested (USD)	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
Jordan	MOPIC	\$9,969,975	Project concept	\$500,775	5.29%	\$364,200	3.85%
Niger	BOAD	\$9,911,000	Project concept	\$776,000	8.49%	\$435,000	4.76%
Togo	BOAD	\$9,873,000	Project concept	\$773,000	8.49%	\$400,000	4.40%
Argentina	WB	\$4,296,817	Full project document	\$336,617	8.50%	\$342,600	8.65%
Cuba	UNDP	\$6,067,320	Full project document	\$475,320	8.50%	\$372,000	6.65%
Ghana	UNDP	\$8,293,972	Full project document	\$649,758	8.50%	\$532,759	6.97%
Guatemala	UNDP	\$5,425,000	Full project document	\$425,000	8.50%	\$429,875	8.60%
Mauritania	WMO	\$2,159,980	Full project document	\$169,216	8.50%	\$187,750	9.43%
Myanmar	UNDP	\$7,909,026	Full project document	\$619,601	8.50%	\$106,024	1.45%
Seychelles	UNDP	\$6,455,750	Full project document	\$505,750	8.50%	\$450,000	7.56%
Sri Lanka	WFP	\$7,989,727	Full project document	\$625,923	8.50%	\$693,842	9.42%
Uzbekistan	UNDP	\$5,512,909	Full project document	\$431,887	8.50%	\$449,322	8.84%
Total		\$83,864,476		\$6,288,847	8.23%	\$4,763,372	6.72%

15. In line with the 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 by telephone.

16. 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.10/4/Add.1).

III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS

17. There were no particular issues identified during this review process.