



ADAPTATION FUND

AFB/PPRC.13/13
4 October 2013

Adaptation Fund Board
Project and Programme Review Committee
Thirteenth Meeting
Bonn, Germany, 29-30 October 2013

Agenda Item 6

OPTIONS FOR INTERSESSIONAL REVIEW AND APPROVAL OF PROJECT AND PROGRAMME PROPOSALS

Note by the secretariat

1. At its seventeenth meeting, the Board considered the issue of the number of meetings per year. At that time, the secretariat presented the document AFB/B.17/5, which outlined the following options for which kinds of submissions could be considered intersessionally:

- (a) Any submissions received by an established deadline, or
- (b) Only a certain kind of proposals received by an established deadline, in which case the Board may also want to consider allowing intersessional approval of any or all of the categories below:
 - (i) Project/programme concepts; and/or
 - (ii) Two step fully developed proposals that have already been endorsed by the Board at previous meetings as concepts, presenting neither significant policy issues nor difficulties that would justify a more in depth discussion at the PPRC. In this case the two-third rule shall apply; and/or
 - (iii) One step fully developed proposals presenting neither significant policy issues nor difficulties that would justify a more in depth discussion at the PPRC. In this case the two-third rule shall apply.

2. The document AFB/B.17/5 did not make specific recommendations between these options. However, it included a recommendation to request the secretariat to present to the Board a calendar of cut-off dates and approval dates related to intersessional decisions.

3. At the seventeenth meeting, after discussing issues related to the number of meetings per year, the Board decided to:

[...]

- (a) *Consider at a subsequent meeting whether to allow intersessional approval of:*
 - (i) *Any submissions received by an established deadline, or*
 - (ii) *Only certain kinds of proposals received by an established deadline.*

[...]

(Decision B.17/28)

4. At its twenty-first meeting, the Board considered a proposal made by the Chair to reduce the number of Board meetings per year from three to two. In putting forward his proposal in that meeting, the Chair remarked that the Board now had good administrative procedures in place, and was working efficiently to complete the agenda of its meetings without difficulty. It was also making efficient use of the intersessional periods. The Chair also pointed to the expectation that the number of project and programme submissions in 2014 would be largely the same as in 2013, and that the Board meetings represented a high cost at the present time of financial

constraint. The Chair further noted that the issue could be revisited if and when the volume of business to be transacted increased.

5. Having considered the proposal from the Chair, the Board 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)

6. The present paper has been prepared following the above request.

Procedures for taking intersessional decisions in lieu of Board meetings

7. Related to intersessional decisions, the Rules of Procedure of the Adaptation Fund Board state that:

56. Decisions without meetings may occur on an extraordinary basis when, in the judgement of the Chair and the Vice-Chair, a decision must be taken by the Board that should not be postponed until the next meeting of the Board. The secretariat, with the approval of the Chair, shall transmit to each member and alternate a proposed decision with an invitation to approve the decision on a no-objection basis.

57. Each member's comments on the proposed decision shall be sent to the secretariat during such period as the secretariat may prescribe, provided that such period is no less than two weeks.

58. At the expiration of the period prescribed for comments, the decision shall be approved unless there is an objection. If a proposed decision has financial implications, approval of the decision will require replies from at least two-thirds of the members. If there is an objection raised by any member to any proposed decision that cannot be resolved, the Chair shall include consideration of the proposed decision as an item on the agenda for the next meeting.

59. Any intersessional decision shall be deemed to have been taken at the headquarters of the UNFCCC secretariat. The secretariat shall inform members and alternates about the decision and post all intersessional decisions on the Adaptation Fund website.

8. The process for review and approval of project and programme proposals submitted to the secretariat by accredited implementing entities is described in the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (OPG) approved by the

Adaptation Fund Board (the Board). The OPG does not currently provide an option for intersessional approval of project and programme proposals; therefore, if the Board were to approve a process for intersessional approval, the guidelines would need to be revised.

Options for intersessional decisions and an analysis of their feasibility

9. The project review criteria established by the Board and the more specific review practices developed by the secretariat and applied by it under Board's supervision form a sound basis for determining whether funding a proposed project would be appropriate and efficient use of Adaptation Fund resources. As per the OPG, the Project and Programme Review Committee (PPRC) receives technical reviews and project-specific recommendations prepared by the secretariat, and discusses in its meeting each proposal and recommendation individually. Typically, PPRC recommendations on proposals to the Board are broadly in line with the technical review conducted by the secretariat, though the committee often makes additions and amendments to the specific pending action items, before submitting its recommendations to the Board. However, as the cumulative number of proposals increases, every once in a while new themes and situations emerge, which require strategic discussion by the PPRC, and occasionally by the Board.

10. When intersessional decision-making on project proposals is considered in the current situation, the two main questions are: 1) can (certain) decisions on project and programme proposals be subjected to intersessional decision-making, and if yes, 2) whether an intersessional recommendation from PPRC is needed for each intersessional Board decision.

Which decisions can be made intersessionally more readily than others?

11. Even as a virtual commenting opportunity is arranged, taking decisions intersessionally may decrease the effective exchanges between members compared to a face-to-face meeting. Therefore, it may be recommendable to maintain at least one face-to-face opportunity for discussing each proposal during the process of its development by the proponent. Among the two steps of project review, i.e. concept endorsement and full proposal approval, the latter decision is more significant, as it sets aside funding for the project. It is also the step in which all relevant information related to the proposed project is available for consideration by the Board, unlike the concept stage in which the information provided by proponents is more conceptual in nature. Therefore, the option (i) outlined in document AFB/B.17/5 and described above, in which project concepts could be endorsed intersessionally, and in which fully-developed proposals require an approval in a regular (face-to-face) meeting of the Board, may be the most appropriate. Concepts submitted without a project formulation grant (PFG) request could be endorsed on a simple non-objection basis, and ones requesting PFG would require the affirmative non-objection replies of two-thirds of the Board members.

12. As the time between Board meetings under the new biannual arrangement would be on average six months, the option suggested above may lead to unnecessary delays in the case of projects where the full proposal is not approved by the Board in its meeting, and has only very few or very minor issues remaining to be solved. Because of this, the Board may, on a case-by-case basis, authorize the secretariat to seek clarification to such pending issues through the intersessional review.

Intersessional recommendation of the PPRC

13. The current arrangement for project/programme review, in accordance with the OPG, comprises a technical review from the secretariat which is presented to the PPRC, which subsequently undertakes its own consideration of the proposal and makes a recommendation to the Board. In the current practice, the secretariat has been mandated to submit proposals to the PPRC not later than one week before the committee meeting, and the committee meeting takes one or two days. Therefore, the PPRC review takes altogether up to nine days.

14. If PPRC review were to be done intersessionally, the PPRC would not have direct interface to discuss the proposals among its members and with the secretariat, and the committee members may need a period of approximately two weeks to familiarize themselves with the proposals and to comment on them. This would be followed by a compilation by the secretariat of committee members' views, and circulation of version set of recommendations for the committee's approval on a non-objection basis, which may take a further 2 weeks. If there would be no objections to the draft intersessional recommendation and once approved by the committee, the recommendation would be circulated to the Board for a minimum of two weeks, for decision in accordance to the rules of procedure. All in all, such an intersessional project/programme review cycle would take up to 14 weeks instead of nine weeks which is the case with the regular project/programme review cycle. After an intersessional decision, the decision could be communicated effectively immediately to the project/programme proponent.

15. When considering the time needed between two meetings for an intersessional review cycle, it is worth noting that in addition to the review cycle itself, when the proposal does not lead to an approval decision, the proponent would need some time, at least one week from receipt of notification of the decision before it could submit a revised proposal reflecting the findings contained in the decision. The same holds true for decisions made in Board meetings. Therefore, being able to arrange an intersessional project cycle between two regular Board meetings would require that the time between the meetings would be not less than 25 weeks (1 + 14 + 1 + 9 weeks).

16. An alternative to an intersessional recommendation of the PPRC would be for the Board to delegate the recommendation role for intersessional proposal-related decisions to the secretariat. This would shorten the intersessional review cycle to 10 weeks (8 weeks for the secretariat review and responses from the proponent, 2 weeks for the intersessional non-objection decision) and would enable arranging an intersessional review cycle when the time between two Board meetings would be not less than 21 weeks. This alternative option would require an amendment to the operational policies and guidelines.

17. Because of the time needed for arranging a review cycle intersessionally, and because of uncertainty related to the timing of the biannual Board meetings, it could be advisable to arrange only one intersessional review cycle per year.

18. The PPRC may wish to consider the above outlined issues and recommend to the Board how to proceed with intersessional decisions. Two possible examples, pertaining to the options outlined above, are:

Option 1:

- (a) Arrange one intersessional project review cycle annually, during an intersessional period of 25 weeks or more between two consecutive Board meetings ;
- (b) Request the secretariat to review, and submit to the Project and Programme Review Committee during such an intersessional review cycle, the following types of proposals submitted by the deadline by accredited implementing entities:
 - (i) project and programme concepts;
 - (ii) project and programme formulation grant requests by eligible implementing entities submitted together with concepts; and
 - (iii) re-submitted versions of fully-developed project and programme documents, when a previous Board decision has noted that there have been only few or minor unresolved issues in the version of the proposal subject to that decision, and has specifically enabled this option;
- (c) Request the Project and Programme Review Committee to consider intersessionally the technical review of such proposals prepared by the secretariat and to make recommendations to the Board;
- (d) Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure;
- (e) Request the secretariat to reflect this change in the revision of Operational Policies and Guidelines; and
- (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.

Option 2:

- (a) Arrange one intersessional project review cycle annually, during an intersessional period of 21 weeks or more between two consecutive Board meetings;
- (b) Authorize the secretariat to review, and submit directly to the Board for consideration, during such an intersessional review cycle, the following types of proposals submitted by the deadline by accredited implementing entities:
 - (i) project and programme concepts;
 - (ii) project and programme formulation grant requests by eligible implementing entities submitted together with concepts; and

- (iii) re-submitted versions of fully-developed project and programme documents, when a previous Board decision has noted that there have been only few or minor unresolved issues in the version of the proposal subject to that decision, and has specifically enabled this option;
- (c) Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure;
- (d) Request the secretariat to reflect this change in the revision of Operational Policies and Guidelines; and
- (e) Inform implementing entities and other stakeholders about the new arrangement by sending a letter to this effect, and by make the calendar of upcoming regular and intersessional review cycles on the Adaptation Fund website.