



ADAPTATION FUND

AFB/PPRC.4/3
March 2, 2011

Adaptation Fund Board
Project and Programme Review Committee
Fourth Meeting
Bonn, March 16, 2010

**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 national (NIE) and multilateral implementing entities (MIE) 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 NIEs AND MIEs

3. Accredited NIEs and MIEs submitted 5 proposals to the secretariat, with the total requested funding amounting to US\$36,668,335¹, including US\$2,550,577 or 7.0%² in implementing entities management fees and \$2,990,558 or 8.8%³ in execution costs. The 5 proposals included 4 fully developed project documents and 1 concept.
4. The NIE for Uruguay, ANII, submitted a project concept. UNDP submitted two fully-developed project documents for Eritrea and Solomon Islands, respectively, which were both considered as fully-developed project documents at the previous meeting of the Board but were not approved. Similarly, UNEP submitted a fully-developed project document for Tanzania, which was considered as a fully-developed project document at the previous meeting of the Board but was not approved. WFP submitted a fully-developed project document for Ecuador, which was endorsed as a project concept by the Board in the previous meeting. Details of these proposals are contained in the separate PPRC working documents, as follows:

AFB/PPRC.4/4 Proposal for Uruguay;

AFB/PPRC.4/5 Proposal for Ecuador;

AFB/PPRC.4/6 Proposal for Eritrea;

AFB/PPRC.4/7 Proposal for Solomon Islands; and

AFB/PPRC.4/8 Proposal for Tanzania.

5. All of the 5 submissions are proposals for regular projects and programmes, i.e. they request funding exceeding US\$1,000,000. The funding requests in the four fully-developed MIE proposals total US\$29,318,335 and range from US\$5,533,500 (Solomon Islands) to US\$9,814,517 (Tanzania), with an average of US\$7,329,584, including management fees charged by the implementing entities. Proposals of all MIEs are in compliance with the Board Decision B.11/16 to cap management fees at 8.5%. Among these, UNDP and UNEP propose an 8.5% management fee, and WFP proposes a 7.0% management fee. In accordance with the

¹ This sum includes the actual proposed budget for Uruguay, US\$7,350,000: the total budget figure given in the first page of the proposal, US\$7,000,000 does not include the implementing entity management fee.

² 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.

³ 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.

same Decision B.11/16, all proponents of fully-developed project documents provide a budget on fee use.

6. 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)

According to the report prepared by the Trustee for the 13th Board meeting (AFB/EFC.4/10) the cumulative funding decisions for projects submitted by MIEs as of January 31, 2011 amounted to US\$15.10 million, and the cumulative funding decisions for all projects amounted to US\$23.72 million⁴. According to the same report, funds available to support AF Board funding decisions amounted to US\$187.08 million. Therefore, the cumulative funding decisions for projects submitted by MIEs represented 7.2% of the sum of cumulative project funding decisions and funds available to support funding decisions or, US\$210.8 million. If the Board decided to fund all the fully-developed proposals submitted by MIEs to the current meeting (US\$29.3 million), the cumulative decisions would amount to US\$44.4 million, which would represent 21.1% of the sum of cumulative project funding decisions and funds available to support funding decisions, and be well below the limit of 50.0% set by the Board in the above decision.

7. The funding request of the only NIE proposal, the ANII project concept from Uruguay, is US\$7,350,000, including a 5.0% management fee. In accordance with the Board Decision B.12/28, the proponent has submitted together with the project concept a Project Formulation Grant Request with the budget of US\$30,000, contained in the annex of the document containing the project concept, AFB/PPRC.4/4.

Table 1: Project proposals submitted to the 13th Adaptation Fund Board meeting

Country	IE	Size, USD	Stage	IE Fee, USD	IE Fee, %	Exec., USD	Exec. %
Uruguay	ANII	\$7,350,000	Concept	\$350,000	5.0%	\$400,000	5.7%
Ecuador	WFP	\$7,449,468	Full	\$487,348	7.0%	\$632,920	9.1%
Eritrea	UNDP	\$6,520,850	Full	\$510,850	8.5%	\$587,000	9.8%
Solomon Is.	UNDP	\$5,533,500	Full	\$433,500	8.5%	\$500,000	9.8%
Tanzania	UNEP	\$9,814,517	Full	\$768,879	8.5%	\$870,638	9.6%
Total		\$36,668,335		\$2,550,577		\$2,990,558	

⁴ This information will be orally updated during the meeting, in light of the updated figures presented by the Trustee.

8. 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)

The execution costs in the fully-developed project documents submitted to this meeting total US\$2,590,558 and range from 9.1% proposed by WFP for the Ecuador project, to 9.8% proposed by UNDP for both the Eritrea and the Solomon Islands projects.

9. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the 5 project and programme proposals submitted during the reporting period. In performing this review task, the dedicated team of officials of the secretariat was supported by several members of the GEF secretariat technical staff.

10. 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.

11. As a response to the review findings, the titles of the projects submitted by UNEP for Tanzania and by ANII for Uruguay, respectively, were amended to reflect certain changes in the design of those projects. However, the revised project proposals are still considered to represent the same projects.

12. 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.4/3/Add.1).