



ADAPTATION FUND

AFB/PPRC. 5/3
June 3, 2011

Adaptation Fund Board
Project and Programme Review Committee
Fifth Meeting
Bonn, June 20, 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 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 14 proposals to the secretariat, with the total requested funding amounting to US\$90,642,830. During the initial technical review carried out by the secretariat, one of proposals was withdrawn by its proponent, and after the initial review the budget requests of others were altered. The 13 remaining proposals amounted to US\$81,523,110, including US\$6,312,298 or 8.4%¹ in implementing entities management fees and US\$6,392,890 or 8.5%² in execution costs. The 13 proposals included 6 fully developed project documents and 7 concepts.
4. The NIE for Jamaica, Planning Institute of Jamaica (PIOJ), submitted a project concept. United Nations Development Programme (UNDP) submitted four project concepts for Djibouti, Seychelles, Fiji and Papua New Guinea (the last two of which are re-submissions). UNDP also submitted four fully-developed project documents for Guatemala, Maldives, Mongolia and Turkmenistan. The first three were previously submitted as concepts and endorsed by the Board. The proposal for Turkmenistan was considered as a concept at the 10th meeting, was deferred by the Board, and was considered as a fully-developed project document at the 12th meeting but was not approved. United Nations Environment Programme (UNEP) submitted two fully-developed project documents for Tanzania, which was considered as a fully-developed project document twice, at the 12th and 13th meetings of the Board, but was not approved, and for Madagascar, which was submitted as a concept and endorsed by the Board at its 11th meeting. The World Bank and the World Food Programme (WFP) submitted project concepts for Argentina and Sri Lanka, respectively. Details of these proposals are contained in the separate PPRC working documents, as follows:

AFB/PPRC.5/4 *Proposal for Jamaica;*

AFB/PPRC.5/5 *Proposal for Argentina;*

AFB/PPRC.5/6 *Proposal for Djibouti;*

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

AFB/PPRC.5/8 *Proposal for Guatemala;*

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.5/9 Proposal for Madagascar;

AFB/PPRC.5/10 Proposal for Maldives;

AFB/PPRC.5/11 Proposal for Mongolia;

AFB/PPRC.5/12 Proposal for Papua New Guinea;

AFB/PPRC.5/13 Proposal for Seychelles;

AFB/PPRC.5/14 Proposal for Sri Lanka;

AFB/PPRC.5/15 Proposal for Tanzania; and

AFB/PPRC.5/16 Proposal for Turkmenistan.

5. All of the 13 submissions are proposals for regular projects and programmes, i.e. they request funding exceeding US\$1,000,000.

6. The funding requests for the six fully-developed proposals total US\$37,163,216 and range from US \$2,929,500 (Turkmenistan) to US\$9,814,571 (Tanzania), with an average of US \$6,193,869, including management fees charged by the implementing entities. These proposals propose 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 7 concept proposals total US\$44,329,894 and range from US \$4,311,703 (Argentina) to US \$9,995,000 (Jamaica), with an average of US \$6,332,8423, 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%. Among these, UNDP and PIOJ propose an 8.5% management fee, and WFP proposes a 7.5% management fee.

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 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 14th Board meeting (AFB/EFC.5/8) the cumulative funding decisions for projects submitted by MIEs as of April 30, 2011 amounted to US\$34.53 million, and the cumulative funding decisions for all projects amounted to US\$54.41 million³. According to the same report, funds available to support AF Board funding decisions amounted to US\$183.2 million. Therefore, the cumulative funding decisions for projects submitted by MIEs represented 14.5% of the sum of cumulative project funding decisions and funds available to support funding decisions or, US\$237.6 million. If the Board decided to fund all the fully-developed proposals submitted by MIEs to the current meeting (US\$37.2 million), the cumulative decisions would amount to US\$71.7 million, which would represent 30.2% of the sum of cumulative project funding decisions and funds available to support funding decisions, and be below the limit of 50.0% set by the Board in the above decision.

11. The funding request of the only NIE proposal, the PIOJ project concept from Jamaica, is US\$9,995,000, including a 8.5% 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.5/4/Add.1) to the document containing the project concept, i.e. AFB/PPRC.5/4.

Table 1: Project proposals submitted to the 14th Adaptation Fund Board meeting

Country	IE	Financing Requested, USD	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
Jamaica	PIOJ	9,995,000	Concept	780,000	8.49%	415,000	4.52%
Argentina	WB	4,311,703	Concept	337,783	8.50%	377,320	9.49%
Djibouti	UNDP	4,658,556	Concept	364,956	8.50%	407,800	9.50%
Fiji	UNDP	5,728,800	Concept	448,800	8.50%	480,000	9.09%
Guatemala	UNDP	5,425,000	Full	425,000	8.50%	475,000	9.50%
Madagascar	UNEP	4,504,920	Full	352,920	8.50%	392,000	9.44%
Maldives	UNDP	8,989,225	Full	704,225	8.50%	774,602	9.35%
Mongolia	UNDP	5,500,000	Full	430,876	8.50%	480,000	9.47%
Papua New Guinea	UNDP	5,227,530	Concept	409,530	8.50%	418,000	8.68%
Seychelles	UNDP	6,455,750	Concept	505,750	8.50%	450,000	7.56%
Sri Lanka	WFP	7,982,555	Concept	554,075	7.46%	644,480	8.68%
Tanzania	UNEP	9,814,571	Full	768,883	8.50%	828,688	9.16%
Turkmenistan	UNDP	2,929,500	Full	229,500	8.50%	250,000	9.26%
Total		81,523,110		6,312,298	8.39%	6,392,890	8.50%

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

12. 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)

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 fully-developed project documents submitted to this meeting total US\$ 3,200,290 and range from 9.2% proposed by UNEP for the Tanzania project, to 9.5% proposed by UNDP for the Guatemala project.

14. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the 13 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.

15. 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.

14. 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.5/3/Add.1).