



ADAPTATION FUND

AFB/PPRC. 8/5
5 March 2012

Adaptation Fund Board
Project and Programme Review Committee
Eighth Meeting
Bonn, 14 March 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 12 proposals to the secretariat, with the total requested funding amounting to US\$87,697,865. During the initial technical review carried out by the secretariat, five of the proposals were withdrawn by their proponents, and after the initial review the budget requests of others were altered. The final total budgets requested of the 7 remaining proposals amounted to US\$53,138,911, including US\$ 4,104,484 or 8.4%¹ in implementing entities management fees and US\$ 4,178,877 or 8.6%² in execution costs. The 7 proposals included 3 fully developed project documents and 4 concepts.
4. The NIE for Benin, *Fonds National pour l'Environnement* (FNE), submitted a project concept. The United Nations Development Programme (UNDP) submitted three fully-developed project documents for Colombia, Ghana and Papua New Guinea, the latter one being at its 3rd submission. The United Nations Environment Programme (UNEP) submitted one project concept for Cambodia, which had been considered in the 16th meeting and not endorsed. The World Bank (WB) submitted one project concept for Belize, which had been considered in the 15th meeting and not endorsed. Finally, the International Fund for Agricultural Development (IFAD) submitted one project concept for Lebanon. Details of these proposals are contained in the separate PPRC working documents, as follows:

AFB/PPRC.8/6 *Proposal for Benin;*

AFB/PPRC.8/7 *Proposal for Belize;*

AFB/PPRC.8/8 *Proposal for Cambodia;*

AFB/PPRC.8/9 *Proposal for Lebanon;*

AFB/PPRC.8/10 *Proposal for Colombia;*

AFB/PPRC.8/11 *Proposal for Ghana;*

AFB/PPRC.8/12 *Proposal for Papua New Guinea;*

5. All of the 7 submissions are proposals for regular projects and programmes, i.e. they request funding exceeding US\$1,000,000.

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.

6. The funding requests for the three fully-developed proposals total US\$25,214,813, with US\$6,530,373 for Papua New Guinea, US\$8,850,000 for Ghana and US\$9,834,440 for Colombia, with an average of US\$8,404,938, including management fees charged by the implementing entities. These proposals propose no more than 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 four concept proposals total US\$27,924,098 and range from US\$4,954,273 (Cambodia) to US\$9,109,000 (Benin), with an average of US\$6,981,025, 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 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 17th Board meeting (AFB/EFC.8/7) the cumulative funding decisions for projects submitted by MIEs as of December 31, 2011 amounted to US\$90.61 million, and the cumulative funding decisions for all projects amounted to US\$109.26 million. According to the same report, funds available to support AF Board funding decisions amounted to US\$146.57 million. Therefore, the cumulative funding decisions for projects submitted by MIEs represented 35.4% of the sum of cumulative project funding decisions and funds available to support funding decisions or, US\$255.83 million. If the Board decided to fund all the fully-developed proposals submitted by MIEs to the current meeting (US\$25.21 million), the cumulative budget allocation for projects submitted by MIEs would amount to US\$115.82 million, which would represent 45.3% of the sum of cumulative project funding decisions and funds available to support funding decisions, which is still below, but close to the limit of 50.0% set by the Board in the above decision. In contrast, the cumulative budget allocation for projects submitted by NIEs represents 7.3% (US\$18,646,678) of the sum of cumulative project funding decisions and funds available to support funding decisions.

11. The funding request of the NIE proposal, the FNE project concept from Benin, is US\$9,109,000, including an 8.5% management fee and a Project Formulation Grant (PFG) Request for US\$29,000, 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.8/6/Add.1) to the document containing the project concept, i.e. AFB/PPRC.8/6.

Table 1: Project proposals submitted to the 17th Adaptation Fund Board meeting

Country	IE	Financing requested (USD)	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
Benin	FNE	\$9,109,000	Project concept	711,000	8.50%	484,000	5.78%
Belize	WB	\$6,000,000	Project concept	470,000	8.50%	520,000	9.49%
Cambodia	UNEP	\$4,954,273	Project concept	388,123	8.50%	396,150	8.68%
Lebanon	IFAD	\$7,860,825	Project concept	615,825	8.50%	688,200	9.50%
Colombia	UNDP	\$9,834,440	Full project document	770,440	8.50%	861,000	9.50%
Ghana	UNDP	\$8,850,000	Full project document	637,500	7.76%	712,500	8.68%
Papua New Guinea	UNDP	\$6,530,373	Full project document	511,596	8.50%	517,027	8.59%
Total		53,138,911		4,104,484	8.39%	4,178,877	8.60%

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\$4,178,877 and range from 5.8% proposed by FNE for the Benin project, to 9.5% proposed by UNDP and IFAD for the Colombia and Lebanon projects.

14. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the 7 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.

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.8/5/Add.1).

III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS

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