



ADAPTATION FUND

AFB/PPRC.17/3
8 September 2015

Adaptation Fund Board
Project and Programme Review Committee
Seventeenth meeting
Bonn, Germany, 6-7 October 2015

Agenda Item 4

REPORT OF THE SECRETARIAT ON THE INTERSESSIONAL REVIEW CYCLE

BACKGROUND

1. In its twenty-third meeting, the Adaptation Fund Board (the Board) discussed a recommendation made by the Project and Programme Review Committee (PPRC) of the Board, on arranging intersessional review of project and programme proposals. Having considered the comments and recommendation of the PPRC, the Board decided to:

- a) *Arrange one intersessional project/programme review cycle annually, during an intersessional period of 24 weeks or more between two consecutive Board meetings, as outlined in document AFB/PPRC.14/13;*
- b) *While recognizing that any proposal can be submitted to regular meetings of the Board, require that all first submissions of concepts and fully-developed project/programme documents continue to be considered in regular meetings of the PPRC;*
- c) *Request the secretariat to review, during such intersessional review cycles, resubmissions of project/programme concepts and fully-developed project/programme documents submitted on time by proponents for consideration during such intersessional review cycles;*
- d) *Request the PPRC to consider intersessionally the technical review of such proposals as prepared by the secretariat and to make intersessional recommendations to the Board;*
- e) *Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure;*
- 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 and arrange the first such cycle between the twenty-third and twenty-fourth meetings of the Board;*
- g) *Request the PPRC to defer to the next Board meeting any matters related to the competencies of the Ethics and Finance Committee that may come up during the intersessional review of projects/programmes and to refrain from making a recommendation on such proposals until the relevant matters are addressed; and*
- h) *Request the secretariat to present, in the fifteenth meeting of the PPRC, and annually following each intersessional review cycle, an analysis of the intersessional review cycle.*

(Decision B.23/15)

2. In the twenty-fifth Board meeting, the secretariat had requested to the Board to consider whether the rules in the intersessional project review cycle could be made more accommodating, with a view to speeding up the process. The Board subsequently decided to:

- a) *Amend Decision B.23/15 and require that all first submissions of concepts under the two-step approval process and all first submissions of fully-developed project/programme documents under the one-step process continue to be considered in regular meetings of the Project and Programme Review Committee (PPRC);*
- b) *Request the secretariat to review, during its inter-sessional review cycles:*
 - (i) *First submissions of fully-developed project/programme documents for which the concepts had already been considered in regular meetings of the PPRC and subsequently endorsed by the Board;*
 - (ii) *Resubmissions of project/programme concepts and resubmissions of fully-developed project/programme documents;*

- c) *Request the PPRC to consider intersessionally the technical review of such proposals as prepared by the secretariat and to make intersessional recommendations to the Board;*
- d) *Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure; and*
- e) *Inform implementing entities and other stakeholders about the updated arrangement by sending a letter to this effect, and make effective such amendment as of the first day of the review cycle between the twenty-fifth and twenty-sixth meetings of the Board.*

(Decision B.25/2)

3. The second intersessional project/programme review cycle was arranged during the intersessional period between the twenty-fifth and the twenty-sixth meetings. The current report has been prepared following the request in Decision B.23/15 (h).

OVERVIEW OF THE INTERSESSIONAL CYCLE

4. The intersessional cycle followed in principle the 13-week timeline presented in document AFB/PPRC.14/13, reproduced in Figure 1 below.

5. The secretariat received only one proposal by the deadline, for a small-size fully developed project document. This was a resubmission of a proposal that had been previously submitted as small-size fully-developed proposal and was thus eligible for intersessional review in accordance with Decision B.23/15 (c). The requested funding amounted to US\$ 969,570, which included US\$ 75,600 or 8.46%¹ in Implementing Entities management fees, in compliance with Board Decision B.11/16 to cap management fees at 8.5%, and US\$ \$76,595 or 8.57%² in execution costs, in compliance with Board Decision B.13/17 to cap execution costs at 9.5% of the project/programme budget.

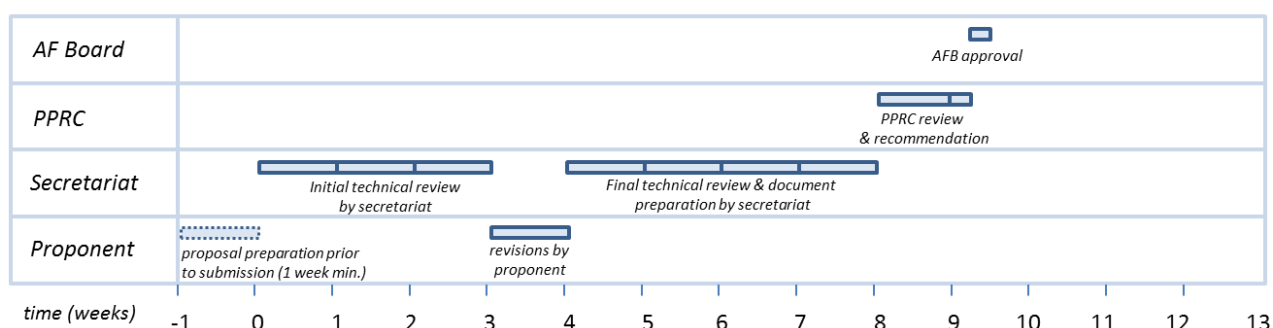
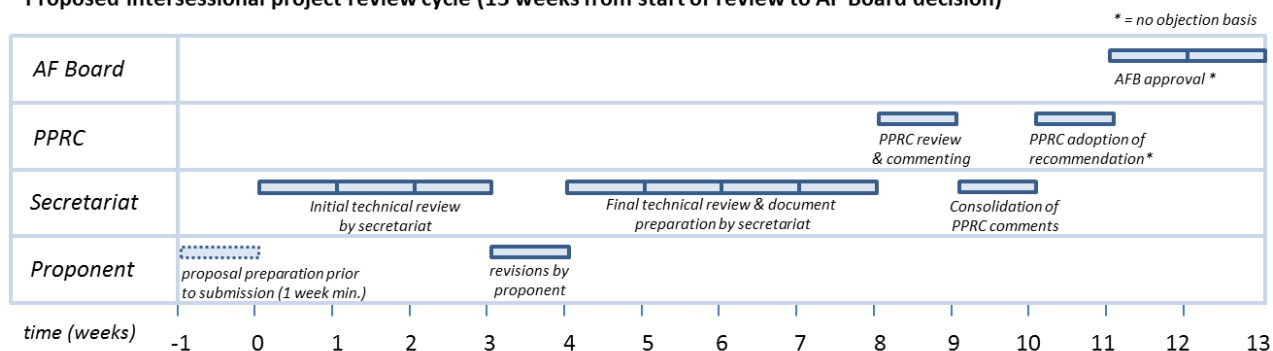
6. The proposal was submitted by the National Bank for Agriculture and Rural Development (NABARD), the National Implementing Entity (NIE) for India. Details of this proposal are contained in PPRC document AFB/PPRC.16-17/2 Proposal for India (NABARD).

7. The secretariat conducted an initial review of the proposal, and submitted the review to NABARD for an opportunity to amend and clarify the proposal. The proponent submitted a revised version of the proposal together with a separate response sheet, and the secretariat conducted a final technical review. The secretariat then circulated its report of the initial screening and technical review (AFB/PPRC.16-17.1 and AFB/PPRC.16-17.1/Add.1) as well as the proposal and the review (AFB/PPRC.16-17.2) to the PPRC for intersessional commenting for a period of one week. During this time, the secretariat received comments from two members of the PPRC but no amendment to the draft recommendation circulated as document AFB/PPRC.16-17.L.1, which was then circulated to the PPRC for a non-objection endorsement. After the draft recommendation was endorsed by the PPRC, it was submitted to the Board for intersessional approval as document AFB.PPRC.16-17.3 "Recommendation for Decision on Intersessionally Reviewed Project Proposal". No objection were raised and the decision was thus approved as decision B.25-26/8. The decision, annexed to this document, was not to approve the proposal.

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.

Figure 1: Comparison of the regular review process and the intersessional review process

Regular project review cycle (9.5 weeks from start of review to AF Board decision)**Proposed intersessional project review cycle (13 weeks from start of review to AF Board decision)****Table 1: Project proposal submitted to the intersessional review cycle between the twenty-fifth and twenty-sixth Adaptation Fund Board meetings**

Country	IE	Financing requested (USD)	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
India	NABARD	\$969,570	Fully developed project document	\$75,600	8.46%	\$76,595	8.57%

ANALYSIS OF THE INTERSESSIONAL CYCLE

8. The intersessional cycle was not affected by Decision B.25/2 since IEs did not have enough time between the 25th Board meeting and the deadline for submission of proposals for the intersessional review. Therefore, the secretariat did not receive first submissions of fully-developed project/programme documents for which the concepts had already been considered. Despite this, as per Decision B.23/15, IEs had been given the opportunity to submit proposals that were submitted earlier and not endorsed (for concepts) or approved (for fully-developed proposals). However only one proposal was received.

9. The existence of a third review cycle per year evens out the workload of the PPRC and the secretariat, which may help reduce workflow problems caused by accumulation of proposals. However, Entities have not fully taken that opportunity yet, with only two proposals being considered during the first intersessional review period, and one during the second review period. In an effort to increase the number of submissions to the next intersessional review period, the secretariat will increase its communication to all stakeholders about this opportunity.

Annex



ADAPTATION FUND

28 July 2015

 Adaptation Fund Board
Proposal for India (NABARD)

India: Climate Smart Actions and Strategies in North Western Himalayan Region for Sustainable Livelihoods of Agriculture-Dependent Hill Communities (Fully-developed project document; National Bank for Agriculture and Rural Development (NABARD); IND/NIE/Agri/2014/2; US\$ 969,570)

Having considered the intersessional technical review of the fully-developed project document carried out by the secretariat and the Project and Programme Review Committee (PPRC), and the recommendation of the PPRC, the Adaptation Fund Board decides to:

- (a) Not approve the project document, as supplemented by the clarification response provided by the National Bank for Agriculture and Rural Development (NABARD) to the request made by the technical review;
- (b) Request the secretariat to transmit to NABARD the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
 - (i) The information provided in the proposal, and the findings that are based thereupon, should be consistent and coherent, and reflect the actual conditions and situation, in particular also with respect to beneficiaries and persons at risk;
 - (ii) The assessment and management of risks to vulnerable persons and groups, and women in general, should be comprehensive and commensurate to the risks;
 - (iii) It would be necessary to develop a comprehensive, practical and concrete Environmental and Social Management Plan (ESMP) to cover all the project activities, in conjunction with the Implementing Entity's environmental and social management system, and in line with the Adaptation Fund Environmental and Social Policy;
- (c) Request NABARD to transmit the observations under item (b) to the Government of India.

Decision B.25-26/8