



ADAPTATION FUND

AFB/PPRC.19/3  
30 September 2016

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Adaptation Fund Board  
Project and Programme Review Committee  
Nineteenth meeting  
Bonn, Germany, 4-5 October 2016

Agenda item 4

## **REPORT OF THE SECRETARIAT ON THE INTERSESSIONAL REVIEW CYCLE**

## Introduction

1. At 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 third intersessional project/programme review cycle was arranged during the intersessional period between the twenty-seventh and the twenty-eighth meetings. During this cycle, the number of received proposals, five, was higher than during the two previous cycles. Therefore, to aid review by the PPRC and decision making by the Board, the secretariat for the first time intersessionally prepared a report on the initial screening and technical review of the proposals that corresponds to similar reports prepared for the face-to-face meetings of the PPRC. That report, contained in document AFB/PPRC.18-19.1, was circulated together with the intersessionally reviewed proposals and was also posted on the Adaptation Fund website.

4. The above mentioned report of the intersessional review cycle is annexed to this report, together with the intersessional decisions following that cycle. The current report has been prepared following the request in Decision B.23/15 (h).

## **ANALYSIS OF THE INTERSESSIONAL CYCLE**

5. This intersessional cycle was effectively the first one that benefited from the more accommodating rules regarding types of proposals laid out in decision B.25/2 (as described above) – during the previous intersessional cycle between the twenty-fifth and twenty-sixth meeting that decision had just been approved a few weeks earlier and proponents had not had time to prepare for it. Based on the proposals that were received to the intersessional review cycle between the twenty-seventh and twenty-eighth meetings (Table 1 below), these more accommodating rules had a positive effect, as three out of the five proposals were first submissions of fully-developed proposals considered by the Board following endorsement of their respective concepts. In other words, if the rules still would have been the ones contained in Decision B.23/15, only the remaining two proposals would have been eligible.

**Table 1: Project proposals submitted to the intersessional review cycle between the twenty-seventh and twenty-eighth Adaptation Fund Board meetings and their resubmission types**

Country	IE	Financing requested (USD)	Stage	Resubmission type (categories of Decision B.25/2 (b))
Antigua and Barbuda	ABED	\$9,970,000	Project concept	ii (concept)
Panama	Fundacion Natura	\$9,952,121	Fully-developed project document	i
Senegal	CSE	\$1,351,000	Fully-developed project document	i
Niger	BOAD	\$9,911,000	Fully-developed project document	ii (fully-developed)
Uganda	OSS	\$7,751,000	Fully-developed project document	i
<b>Total</b>		<b>\$38,935,121</b>		

6. Under the previous eligibility rules (as approved in B.23/15), only two of the proposals received for this intersessional review cycle would have been eligible, which would have been at the same level as the proposals considered during the previous two intersessional cycles (two during the AFB.23-24 cycle and one during the AFB.25-26 cycle). Therefore, the more relaxed rules alone might explain the higher number of proposals submitted to this review cycle. However, through informal exchanges between the secretariat and the implementing entities, it appears that the proponents are also increasingly aware of the option to submit proposals intersessionally, which may be another factor contributing to the higher number of proposals. Furthermore, the number of proposals in the “active pipeline” under development for submission has significantly increased during the last two years, which may have also contributed to the higher number of proposals during this intersessional review cycle.

7. Having noted the increase in proposals submitted to the latest intersessional review cycle, compared to the regular review cycles the number of proposals may still appear low: five compared to the 12 and 17 single-country proposals considered at the twenty-seventh and twenty-eighth meetings, respectively. However, it is worth noting that several of those proposals submitted to those regular review cycles would not have been eligible for intersessional consideration: of the 12 and 17 single-country proposals submitted, only five and eight, respectively, would have been eligible for intersessional consideration. In other words, the number of proposals received during the latest intersessional review cycle nearly represents the level of same type of proposals that have been submitted to the regular review cycles.



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AFB/PPRC.18-19/1  
6 June 2016

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Adaptation Fund Board  
Project and Programme Review Committee

**REPORT OF THE SECRETARIAT ON INITIAL  
SCREENING/TECHNICAL REVIEW  
OF PROJECT AND PROGRAMME PROPOSALS**

## Background

8. At 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:

*(f) 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;*

*(g) 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;*

*(h) 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;*

*(i) 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;*

*(j) Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure;*

*(k) 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;*

*(l) 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*

*(m) 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)**

9. At the twenty-fifth Board meeting, the secretariat had requested 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:

*(n) 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);*

- (o) *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;*
- (p) *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;*
- (q) *Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure; and*
- (r) *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)*

### **Project/programme proposals submitted by implementing entities**

10. Accredited implementing entities submitted 5 single-country proposals to the secretariat, with the total requested funding amounting to US\$ 38,935,121. Among the proposals was one project concept, with a requested funding of US\$ 9,970,000 and four fully-developed proposals with a total requested funding of US\$ 28,965,121. The proposals included US\$ 2,192,729 or 6.0%<sup>1</sup> in Implementing Entities management fees and US\$ 3,242,520 or 8.8%<sup>2</sup> in execution costs. No regional project proposals were received to the current review cycle.

11. The National Implementing Entity (NIE) for Antigua and Barbuda, the Antigua and Barbuda Department of Environment (ABED), submitted a project concept. Two NIEs submitted fully-developed project documents for their countries: *Fundación Natura* for Panama, and *Centre de Suivi Ecologique* (CSE) for Senegal. Also two Regional Implementing Entities (RIE) submitted fully-developed project documents: *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank) for Niger, and Sahara and Sahel Observatory (OSS) for Uganda. Details of the single-country proposals are contained in the separate PPRC working documents, as follows:

#### *AFB/PPRC.18-19/2 Proposal for Antigua and Barbuda (ABED)*

<sup>1</sup> 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.

<sup>2</sup> 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.18-19/2/Add.1 Project Formulation Grant for Antigua and Barbuda (ABED)

AFB/PPRC.18-19/3 Proposal for Panama (Fundación Natura)

AFB/PPRC.18-19/4 Proposal for Senegal (CSE)

AFB/PPRC.18-19/5 Proposal for Niger (BOAD)

AFB/PPRC.18-19/6 Proposal for Uganda (OSS)

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

13. The average funding requested for the four fully-developed proposals amounts to US\$ 7,241,280, including management fees charged by the IEs. These proposals do not request management fees in excess of 8.5% and are thus in compliance with 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. The average implementing entity fee requested by the fully-developed project/programme documents is US\$ 548,182.

14. All proposals are in compliance with Board Decision B.13/17 to cap execution costs at 9.5% of the project/programme budget. The execution costs in the fully-developed project/programme documents submitted to this meeting average of US\$ 574,380.

15. All proposals request funding below the cap of US \$10 million decided on a temporary basis, for each country, as per Decision B.13/23.

16. The total requested funding for the two fully-developed NIE project documents submitted to the current intersessional review cycle amounts to US\$ 11,303,121, including 7.9% in management fees. The project formulation grant (PFG) request from the NIE for Antigua and Barbuda is US\$ 30,000 and is in accordance with Board Decision B.12/28. The current cumulative funding allocation for projects/programmes and PFGs submitted by NIEs is US\$ 118,539,512, which represented 23.5% of the sum of cumulative project/programme funding decisions and funds available to support funding decisions, as at 31 March 2016. If the Board were to decide to approve the fully-developed NIE proposals and the PFG request submitted to this intersessional cycle, the cumulative funding allocation for NIEs would increase to US\$ 129,842,633, which would represent 25.0% of total project/programme funds.

**Table: Project proposals submitted to the intersessional review cycle between the twenty-seventh and twenty-eighth Adaptation Fund Board meetings**

Country	IE	Financing requested (USD)	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
Antigua and Barbuda	ABED	\$9,970,000	Project concept	\$0	0%	\$945,000	9.48%
Panama	Fundacion Natura	\$9,952,121	Fully-developed project document	\$716,890	7.76%	\$801,230	8.68%
Senegal	CSE	\$1,351,000	Fully-developed	\$105,839	8.50%	\$118,290	9.50%



			project document				
Niger	BOAD	\$9,911,000	Fully-developed project document	\$768,000	8.40%	\$760,000	8.31%
Uganda	OSS	\$7,751,000	Fully-developed project document	\$602,000	8.42%	\$618,000	8.64%
<b>Total</b>		<b>\$38,935,121</b>		<b>\$2,192,729</b>	<b>5.97%</b>	<b>\$3,242,520</b>	<b>8.83%</b>

17. All of the fully-developed project/programme 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 twelfth meeting:

*(b) To request to the implementing entities that the project document include an explanation and a breakdown of all administrative costs associated with the project, including the execution costs.*

*(Decision B.12/7)*

### **The review process**

18. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the 5 project and programme proposals.

19. In line with the Board request at its tenth meeting, the secretariat shared the initial technical review findings with the Implementing Entities that had submitted the proposals and solicited 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 by telephone.

20. The secretariat subsequently reviewed the IEs' responses to the clarification requests, and compiled comments and recommendations that are presented in the addendum to this document (AFB/PPRC.18-19/1/Add.1).

### **III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS**

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



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Adaptation Fund Board

### **Proposal for Antigua and Barbuda (ABED)**

Antigua and Barbuda: An integrated approach to physical adaptation and community resilience in Antigua and Barbuda's northwest McKinnon's watershed (Project Concept; Antigua and Barbuda Department of Environment (ABED); ATG/NIE/Multi/2016/1; US\$ 9,970,000)

Having considered the intersessional technical review of the project concept 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) Endorse the project concept, as supplemented by the clarification response provided by the Antigua and Barbuda Department of Environment to the request made by the technical review
- (b) Request the secretariat to transmit to the Antigua and Barbuda Department of Environment the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The fully-developed project document should demonstrate how the feedback from community consultations has been reflected in the project design;
  - (ii) The fully-developed project document should specify, to the extent possible, the specific and concrete interventions that the project will support (including scale, scope, number of beneficiaries, etc.); and
  - (iii) Recognizing both the innovative nature of and inherent uncertainty of the allocation of AF funds, the fully-developed project document should provide the entire set of guidelines, procedures, and terms for the revolving micro-loan program.
- (c) Approve the Project Formulation Grant of US\$ 30,000;
- (d) Request the Antigua and Barbuda Department of Environment to transmit the observations under item (b) to the Government of Antigua and Barbuda; and
- (e) Encourage the Government of Antigua and Barbuda to submit through the Department of Environment a fully-developed project proposal that would address the observations under item (b) above.

**Decision B.27-28/13**



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### **Proposal for Panama (*Fundación Natura*)**

Panama: Adapting to climate change through integrated water management in Panama (Fully-developed Project Document; *Fundación Natura*; PAN/NIE/Water/2016/1; US\$ 9,952,121)

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 *Fundación Natura* to the request made by the technical review;
- (b) Suggest that *Fundación Natura* reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issues:
  - (i) The activities should be detailed to a sufficient level and their appropriateness in responding to the climate change threats further demonstrated;
  - (ii) The proposal should provide a comprehensive analysis of the cost-effectiveness of the programme;
  - (iii) The proposal should demonstrate the sustainability of the programme;
  - (iv) The proposal should provide precise arrangements, budget, and monitoring and evaluation related information; and
- (c) Request *Fundación Natura* to transmit the observations under item (b) to the Government of Panama.

**Decision B.27-28/14**



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### **Proposal for Senegal (CSE)**

Senegal: Reducing vulnerability and increasing resilience of coastal communities in the Saloum Islands (Dionewar) (Fully-developed Project Document; *Centre de Suivi Ecologique (CSE)*; SEN/NIE/Coastal/2015/1; US\$ 1,351,000)

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 *Centre de Suivi Ecologique (CSE)* to the request made by the technical review;
- (b) Suggest that *CSE* reformulate the proposal taking into account the observations in the review sheet annexed to the notification of the Board's decision, as well as the following issue:
  - (i) The proposal should ensure that it addresses environmental and social risks comprehensively, and in a way that is consistent throughout the proposal.
- (c) Request *CSE* to transmit the observations under item (b) to the Government of Senegal.

**Decision B.27-28/15**



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### **Proposal for Niger (BOAD)**

Niger: Enhancing Resilience of Agriculture to Climate Change to Support Food Security in Niger, through Modern Irrigation Techniques (Fully-developed Project Document; *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank); NER/RIE/Food/2012/1; US\$ 9,911,000)

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) Approve the project document, as supplemented by the clarification response provided by the *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank) to the request made by the technical review;
- (b) Approve the funding of US\$ 9,911,000 for the implementation of the project, as requested by BOAD; and
- (c) Request the secretariat to draft an agreement with BOAD as the Regional Implementing Entity for the project.

**Decision B.27-28/16**



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### **Proposal for Uganda (OSS)**

Uganda: Enhancing Resilience of Communities to Climate Change through Catchment Based Integrated Management of Water and Related Resources in Uganda (Fully-developed project document; Sahara and Sahel Observatory (OSS); UGA/RIE/Water/2015/1; US\$ 7,751,000)

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) Approve the project document, as supplemented by the clarification response provided by the Sahara and Sahel Observatory (OSS) to the request made by the technical review;
- (b) Approve the funding of US\$ 7,751,000 for the implementation of the project, as requested by OSS; and
- (c) Request the secretariat to draft an agreement with OSS as the Regional Implementing Entity for the project.

**Decision B.27-28/17**