



ADAPTATION FUND

AFB/PPRC.20/3
6 March 2017

Adaptation Fund Board
Project and Programme Review Committee
Twentieth meeting
Bonn, Germany, 14-15 March 2017

Agenda Item 5

**REPORT OF THE SECRETARIAT
ON THE INTERSESSIONAL REVIEW CYCLE FOR READINESS
GRANTS**

Background

1. At its twenty-seventh meeting, the Adaptation Fund Board (the Board) had discussed the progress made by the Readiness Programme and the proposal outlined in document AFB/B.27/7 to institutionalize the Readiness Programme that was presented by the Adaptation Fund Board secretariat (the secretariat) to the Board. Document AFB/B.27/7 included a proposal for the Board to set aside readiness grant funding from the Adaptation Fund Trust Fund resources for subsequent commitment and transfer at the instruction of the Board, to enhance capacities for accreditation, capacities to comply with the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP), and capacities to undertake specific technical assessments as part of the project formulation process. Having considered document AFB/B.27/7, the Adaptation Fund Board decided to:

- a) *Take note of the progress report for phase II of the Readiness Programme;*
- b) *Integrate the Readiness Programme into the Adaptation Fund work plan and budget; and*
- c) *Approve the proposal for the Readiness Programme for the fiscal year 2017 (FY17), comprising its work programme for FY17 with the funding of US\$ 616,500 to be transferred to the secretariat budget and US\$ 590,000 for direct transfers from the resources of the Adaptation Fund Trust Fund for allocation as small grants*

(Decision B.27/38)

2. Between the twenty-seventh and twenty-eighth meetings of the Board, the secretariat had sent out a call for proposals to all accredited national implementing entities (NIEs) of the Adaptation Fund (the Fund) to submit proposal documents for a technical assistance (TA) grant to help them comply with the Fund's environmental and social policy and gender policy (TA-ESP-GP), a TA grant to help them comply with the Fund's gender policy (TA-GP), which was applicable only to NIEs that had previously received a TA grant for the ESP before approval of the GP, and a South-South (S-S) cooperation grant for NIEs wishing to support other countries that are seeking accreditation with the Board.

3. At its twenty-eighth meeting, the Board had discussed a recommendation by the Project and Programme Review Committee (PPRC) of the Board to establish a standing rule following on decision B.26/28 on the intersessional project review cycle for grants under the Readiness Programme to allow for continued review and approval of readiness grant proposals intersessionally each year. Having considered the comments and recommendation of the Project and Programme Review Committee, the Board decided to:

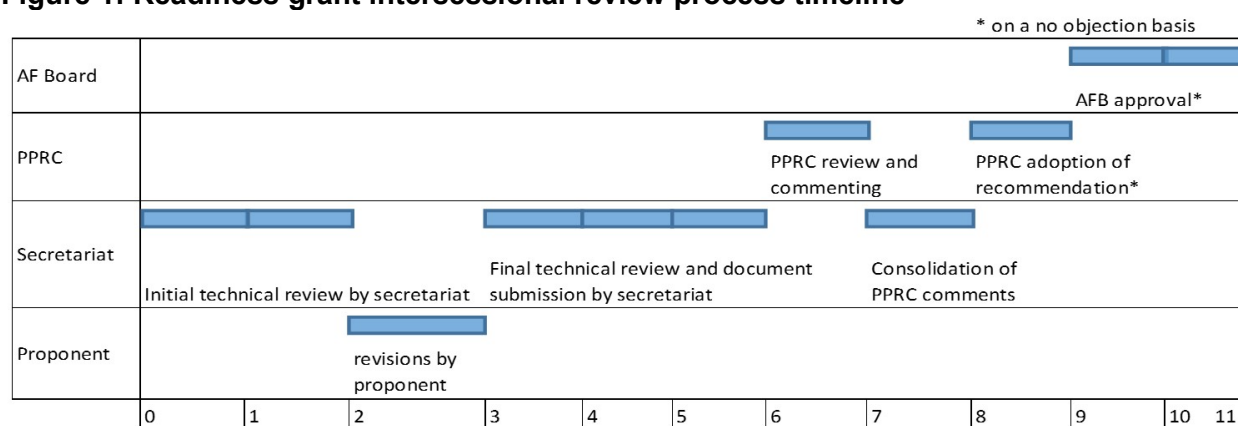
- a) *Request the secretariat to continue to review readiness grant proposals annually, during an intersessional period of less than 24 weeks between two consecutive Board meetings;*
- b) *Notwithstanding the request in paragraph (a) above, recognize that any readiness grant proposal can be submitted to regular meetings of the Board;*
- c) *Request the PPRC to consider intersessionally the technical review of such readiness grant 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) *Request the secretariat to present, in the twentieth meeting of the PPRC, and annually following each intersessional review cycle, an analysis of the intersessional review cycle.*

(Decision B.28/30)

4. While two intersessional cycles have been completed for grants under the Readiness Programme, the intersessional project review cycle presented in this document is the first intersessional project review cycle for readiness grants following the above decisions. The intersessional project review cycle was arranged during the intersessional period between the twenty-eighth and the twenty-ninth meetings of the Board. The current report has been prepared following the request in Decision B.28/30 (e).

OVERVIEW OF THE INTERSESSIONAL CYCLE

5. The intersessional cycle followed an 11-week timeline presented in Figure 1 below.

Figure 1: Readiness grant intersessional review process timeline

6. Following Decision B.27/38 the secretariat launched the call for proposals for readiness grants during the third annual Climate Finance Readiness Seminar for NIEs of the Fund held from 13-15 July 2016 in Washington, DC. In addition, information about the grants and how NIEs and developing countries seeking accreditation with the Fund (through an eligible accredited NIE) could submit a proposal for the grants was posted on the Adaptation Fund website. A press release from the secretariat on availability of the grants was also circulated widely through the Fund's network. The notification, press release and information disseminated to entities and stakeholders of the Fund informed applicants that the deadline for applications was 31 August 2016. This gave eligible entities approximately seven weeks to prepare for the submission.

7. The secretariat received a total of 12 proposals by the deadline, which was one proposal less than the proposals received during the first intersessional cycle. The proposals for the second intersessional cycle included six proposals for TA-ESP-GP grants with a requested funding amount of US\$ 145,000, four proposals for TA-GP grants with a requested funding amount of US\$ 40,000, and two proposals for the South-South (S-S) cooperation grants with a requested funding amount of US\$ 100,000. However, one proposal for the TA-GP grants was withdrawn by the applicant and the resulting amount of requested funding for these grants was US\$ 30,000. One NIE that submitted a proposal for the TA-GP grant included in their proposal US\$ 600 or 6.4 per cent¹ in Implementing Entity management fees, in compliance with Board Decision B.11/16 to cap management fees at

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.

8.5 per cent, and US\$ 400 or 4 per cent² in execution costs, in compliance with Board Decision B.13/17 to cap execution costs at 9.5 per cent of the project/programme budget. Details of the eligible proposals are provided in Table 1 below.

Table 1: Readiness grant proposals submitted to the intersessional review cycle between the twenty-eighth and twenty-ninth Adaptation Fund Board meetings

Country	IE	Financing requested (US\$)	Type of readiness grant	IE Fee (US\$)	IE Fee %	Execution Cost (EC) (US\$)	EC, % of Total
Antigua and Barbuda	DoE	\$25,000	TA-ESP-GP	\$0	0.0%	\$0	0.0%
India	NABARD	\$25,000	TA-ESP-GP	\$0	0.0%	\$0	0.0%
Kenya	NEMA	\$25,000	TA-ESP-GP	\$0	0.0%	\$0	0.0%
Namibia	DRFN	\$25,000	TA-ESP-GP	\$0	0.0%	\$0	0.0%
Peru	PROFONANPE	\$25,000	TA-ESP-GP	\$0	0.0%	\$0	0.0%
Rwanda	MINIRENA	\$25,000	TA-ESP-GP	\$0	0.0%	\$0	0.0%
Costa Rica	FUNDECOOPERACIÓN	\$10,000	TA-GP	\$600	6.4%	\$400	4.0%
Federated States of Micronesia	MCT	\$10,000	TA-GP	\$0	0.0%	\$0	0.0%
Senegal	CSE	\$10,000	TA - GP	\$0	0.0%	\$0	0.0%
Senegal	CSE on behalf of Burundi	\$50,000	S-S cooperation grant	\$0	0.0%	\$0	0.0%
Senegal	CSE on behalf of Togo	\$50,000	S-S cooperation grant	\$0	0.0%	\$0	0.0%

8. The secretariat conducted initial reviews of the proposals, and submitted the reviews to the proponents for an opportunity to amend and clarify their proposals. The proponents submitted revised versions of the proposals together with separate response sheets, and the secretariat conducted a final technical review. The secretariat then circulated its report of the initial screening and technical review (AFB/PPRC.19-20/1 and AFB/PPRC.19-20/1/Add.1) as well as the proposals and the reviews (AFB/PPRC.19-20/2 through AFB/PPRC.19-20/12) to the PPRC for intersessional commenting for a period of one week. During this time, no comments on the reviews were received. After the draft recommendations were endorsed by the PPRC, they were submitted to the Board for intersessional approval as document AFB.PPRC.19-20/13 “Recommendations of the Project and Programme Review Committee on Readiness grant proposals”. No objections were raised and the decisions were thus approved as decisions B.28-29/4 through B.28-29/14 respectively. All decisions were to approve the proposals and are annexed to this document.

ANALYSIS OF THE INTERSESSIONAL CYCLE

9. Proposals submitted by NIEs in 2016 during the second intersessional cycle totaled 12 proposals, which is one less than in 2015 during the first intersessional cycle. However, the approved number of proposals for both intersessional cycles have been the same, that is 11. The second intersessional cycle received fewer proposals for South-South cooperation grants (two

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.

compared to five received in the first intersessional cycle) but received more applications for technical assistance grants (10 compared to eight received in the first intersessional period). The decrease in South-South cooperation grant applications does not reflect a lack of demand, but on the contrary, and drawing from the feedback from participants at readiness workshops and other events, a high demand remains for the grants, but misunderstanding by countries seeking accreditation support on the country-driven process involved and communicating their needs to accredited NIEs who can submit proposals to the Board for the countries to receive such support remains a challenge. In order to address this gap, the secretariat has put together a list of all accredited NIEs that are eligible to apply for South-South cooperation grants and made this information available on the Fund's website. The secretariat has also provided more clarity on the country-driven process for countries that wish to pursue accreditation with the Fund to approach the eligible accredited NIEs and jointly work on development and submission of the proposal. This effort by the secretariat will continue as part of the outreach activities of the Fund through the Readiness Programme. The high number of proposals for technical assistance grants indicates that there remains a high demand for institutional capacity building and support from accredited NIEs to enhance their compliance with the Fund's policies and procedures.

10. The strategy to launch the call for proposals for readiness grants during climate finance readiness seminars for NIEs of the Fund is an effective way to communicate directly with NIEs on the different types of grants available and the application procedures, and also to address any challenges they had faced in trying to access previous readiness grants. The deadline for submission of proposals for the intersessional review provided enough time for applicants to submit proposals as there were no late proposals received. However, the deadline could be extended to eight weeks from the time of announcement of future grants in order to allow more time for consultations between countries seeking accreditation support through South-South cooperation grants and the accredited NIEs that are eligible to provide peer support through the South-South cooperation grants.

11. The existence of the intersessional cycle for grants under the Readiness Programme during an intersessional period of less than 24 weeks between two consecutive Board meetings evens out the workload of the PPRC and the secretariat, which has helped reduce workflow problems caused by accumulation of proposals. However, not all NIEs have fully taken that opportunity yet, with only 10 out of the 25 accredited NIEs having submitted proposals during the second intersessional review period, and eight during the first 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 these opportunities.

ANNEX



ADAPTATION FUND

Grant Proposal for Technical Assistance: Department of Environment (Antigua and Barbuda; US\$ 25,000)

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (a) Approve the application for a grant for technical assistance to strengthen the capacity of the Department of Environment (DoE) of Antigua and Barbuda to comply with the Adaptation Fund's environmental and social policy and gender policy as requested by DoE;
- (b) Approve the funding of US\$ 25,000 for the implementation of the technical support as requested by DoE; and
- (c) Request the secretariat to draft an agreement with DoE as the National Implementing Entity for the requested technical support.

(Decision B.28-29/4)

Grant Proposal for Technical Assistance: National Bank for Agriculture and Rural Development (India; US\$ 25,000)

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (a) Approve the application for a grant for technical assistance to strengthen the capacity of the the National Bank for Agriculture and Rural Development (NABARD) to comply with the Adaptation Fund's environmental and social policy and gender policy as requested by NABARD;
- (b) Approve the funding of US\$ 25,000 for the implementation of the technical support as requested by NABARD; and
- (c) Request the secretariat to draft an agreement with NABARD as the National Implementing Entity for the requested technical support.

(Decision B.28-29/5)

Grant Proposal for Technical Assistance: National Environment Management Authority (Kenya; US\$ 25,000)

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (a) Approve the application for a grant for technical assistance to strengthen the capacity of the the National Environment Management Authority (NEMA) to comply with the

Adaptation Fund's environmental and social policy and gender policy as requested by NEMA;

- (b) Approve the funding of US\$ 25,000 for the implementation of the technical support as requested by NEMA; and
- (c) Request the secretariat to draft an agreement with NEMA as the National Implementing Entity for the requested technical support.

(Decision B.28-29/6)

Grant Proposal for Technical Assistance: Desert Research Foundation of Namibia (US\$ 20,000)

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (a) Approve the application for a grant for technical assistance to strengthen the capacity of the Desert Research Foundation of Namibia (DRFN) to comply with the Adaptation Fund's environmental and social policy and gender policy as requested by DRFN;
- (b) Approve the funding of US\$ 20,000 for the implementation of the technical support as requested by DRFN; and
- (c) Request the secretariat to draft an agreement with DRFN as the National Implementing Entity for the requested technical support.

(Decision B.28-29/7)

Grant Proposal for Technical Assistance: Peruvian Trust Fund for National Parks and Protected Areas (US\$ 25,000)

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (a) Approve the application for a grant for technical assistance to strengthen the capacity of the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) to comply with the Adaptation Fund's environmental and social policy and gender policy as requested by PROFONANPE;
- (b) Approve the funding of US\$ 25,000 for the implementation of the technical support as requested by PROFONANPE; and
- (c) Request the secretariat to draft an agreement with PROFONANPE as the National Implementing Entity for the requested technical support.

(Decision B.28-29/8)

Grant Proposal for Technical Assistance: Ministry of Natural Resources (Rwanda; US\$ 25,000)

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (a) Approve the application for a grant for technical assistance to strengthen the capacity of the Ministry of Natural Resources (MINIRENA) to comply with the Adaptation Fund's environmental and social policy and gender policy as requested by MINIRENA;
- (b) Approve the funding of US\$ 25,000 for the implementation of the technical support as requested by MINIRENA; and
- (c) Request the secretariat to draft an agreement with MINIRENA as the National Implementing Entity for the requested technical support.

(Decision B.28-29/9)

Grant Proposal for Technical Assistance: *Fundecooperación para el Desarrollo Sostenible* (Costa Rica; US\$ 10,000)

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (a) Approve the application for a grant for technical assistance to strengthen the capacity of *Fundecooperación para el Desarrollo Sostenible (Fundecooperación)* to comply with the Adaptation Fund's gender policy as requested by *Fundecooperación*;
- (b) Approve the funding of US\$ 10,000 for the implementation of the technical support as requested by *Fundecooperación*; and
- (c) Request the secretariat to draft an agreement with *Fundecooperación* as the National Implementing Entity for the requested technical support.

(Decision B.28-29/10)

Grant Proposal for Technical Assistance: Micronesia Conservation Trust (Federated States of Micronesia; US\$ 10,000)

12. Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (d) Approve the application for a grant for technical assistance to strengthen the capacity of Micronesia Conservation Trust (MCT) to comply with the Adaptation Fund's gender policy as requested by MCT;
- (e) Approve the funding of US\$ 10,000 for the implementation of the technical support as requested by MCT; and
- (f) Request the secretariat to draft an agreement with MCT as the National Implementing Entity for the requested technical support.

(Decision B.28-29/11)

Grant Proposal for Technical Assistance: *Centre de Suivi Ecologique* (Senegal; US\$ 10,000)

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- (a) Approve the application for a grant for technical assistance to strengthen the capacity of the *Centre de Suivi Ecologique* (CSE) to comply with the Adaptation Fund's gender policy as requested by CSE;

- (b) Approve the funding of US\$ 10,000 for the implementation of the technical support as requested by CSE; and
- (c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the requested technical support.

(Decision B.28-29/12)

Grant Proposal for South-South Cooperation: *Centre de Suivi Ecologique* (Senegal; US\$ 50,000) on behalf of the Government of Burundi

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- a) Approve the application for a grant to support the accreditation of Burundi's National Implementing Entity as requested by the Government of Burundi through the *Centre de Suivi Ecologique* (CSE);
- b) Approve the funding of US\$ 50,000 for the implementation of the support, as requested by CSE; and
- c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the accreditation support.

(Decision B.28-29/13)

Grant Proposal for South-South Cooperation: *Centre de Suivi Ecologique* (Senegal; US\$ 50,000) on behalf of the Government of Togo

Following the technical review of the grant proposal for technical assistance carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- a) Approve the application for a grant to support the accreditation of Togo's National Implementing Entity as requested by the Government of Togo through the *Centre de Suivi Ecologique* (CSE);
- b) Approve the funding of US\$ 50,000 for the implementation of the support, as requested by CSE; and
- c) Request the secretariat to draft an agreement with CSE as the National Implementing Entity for the accreditation support.

(Decision B.28-29/14)