



ADAPTATION FUND

AFB/PPRC.21/3
25 September 2017

Adaptation Fund Board
Project and Programme Review Committee
Twenty-First meeting
Bonn, Germany, 10-11 October 2017

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 fourth intersessional project/programme review cycle was arranged during the intersessional period between the twenty-ninth and the thirtieth meetings. During this cycle, five proposals were received. The secretariat 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.20-21/1, 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. The particularity of this intersessional cycle was that, for the first time, regional project proposals (3) were received (Table 1 below). These included a regional project concept document for which the pre-concept had been endorsed earlier and two re-submissions of fully-developed proposals which were not approved by the Board during its twenty-ninth meeting. This intersessional review cycle marks the first time that regional project proposals were approved by the Board intersessionally. Given the increasing pipeline of projects submitted to the Board, it is expected that the number of proposals to be reviewed intersessionally will grow in the future.

Table 1: Project proposals submitted to the intersessional review cycle between the twenty-ninth and thirtieth Adaptation Fund Board meetings

Country	Agency	Financing Requested	Recommendation
Full proposals			
Guinea Bissau	BOAD	\$9,979,000	Non-approval
Senegal	CSE	\$1,351,000	Approval
Concepts for regional projects			
Benin, Burkina Faso, Niger	OSS	\$8,550,000	Endorsement
Full proposals for regional projects			
Burundi, Kenya, Rwanda, Tanzania, Uganda	UNEP	\$5,000,000	Approval
Colombia, Ecuador	WFP	\$14,000,000	Approval
Total recommended for approval		\$20,351,000	

Annex 1: Report of the secretariat on the initial review process



ADAPTATION FUND

AFB/PPRC.20-21/1
5 June 2017

Adaptation Fund Board
Project and Programme Review Committee

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

Background

6. 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)

7. 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: single-country proposals

8. Accredited implementing entities submitted two single-country fully-developed project proposals to the secretariat, with the total requested funding amounting to US\$ 11,330,000. The proposals included US\$ 886,300 or 8.5%¹ in Implementing Entities management fees and US\$ 916,290 or 8.8%² in execution costs.

9. The two fully-developed project documents were submitted by the National Implementing Entity (NIE) for Senegal, the *Centre de Suivi Ecologique* (CSE) and the Regional Implementing Entities (RIE) *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank), for Guinea Bissau. Details of the single-country proposals are contained in the separate PPRC working documents, as follows:

AFB/PPRC.20-21/2 Proposal for Senegal (CSE)

AFB/PPRC.20-21/3 Proposal for Guinea Bissau (BOAD)

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.

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

11. 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.

12. 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.

13. 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.

14. The total requested funding for the fully-developed NIE project document submitted to the current intersessional review cycle amounts to US\$ 1,351,000, including 8.4% in management fees. The current cumulative funding allocation for projects/programmes and PFGs submitted by NIEs is US\$ 150,634,360, which represented 23.2% of the sum of cumulative project/programme funding decisions and funds available to support funding decisions, as at 31 March 2017. If the Board were to decide to approve the fully-developed NIE proposal, the cumulative funding allocation for NIEs would increase to US\$ 151,985,360, which would represent 23.4% of total project/programme funds.

Table: Project proposals submitted to the intersessional review cycle between the twenty-ninth and thirtieth Adaptation Fund Board meetings

Country	IE	Financing requested (USD)	Stage	IE Fee, USD	IE Fee, %	Execution Cost (EC), USD	EC, % of Total
Single-country projects and programmes							
Senegal	CSE	\$1,351,000	Fully-developed project document	\$105,300	8.45%	\$118,290	9.50%
Guinea Bissau	BOAD	\$9,979,000	Fully-developed project document	\$781,000	8.49%	\$798,000	8.68%
Regional projects and programmes							
Benin, Burkina Faso, Niger	OSS	\$8,550,000	Project concept	\$702,000	8.94%	\$648,000	8.26%
Burundi, Kenya, Rwanda, Tanzania, Uganda	UNEP	\$5,000,000	Fully-developed project document	\$391,705	8.50%	\$399,806	8.68%

Colombia, Ecuador	WFP	\$14,000,000	Fully-developed project document	\$1,096,800	8.50%	\$1,119,400	8.68%
Total		\$38,880,000		\$3,076,805	8.59%	\$3,083,496	8.61%

15. 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)

Project/programme proposals submitted by implementing entities: regional proposals

16. Accredited MIEs and RIE submitted to the secretariat three proposals for regional projects and programmes. The total requested funding of those proposals amounted to US\$ 27,550,000. Among the proposals was one project concept with a requested funding of US\$ 8,550,000, and two fully-developed project proposals with a total requested funding of US\$ 19,000,000. The requested funding for the concept included US\$ 702,000 or 8.9% in Implementing Entities' management fees and US\$ 648,000 or 9.3% in execution costs. The total requested funding for the two fully-developed regional proposals included \$1,488,505 or 8.5% in Implementing Entities' management fees and US\$ 1,519,206 or 8.7% in execution costs.

17. The concept was submitted by an RIE: the Sahara and Sahel Observatory (OSS), while the fully-developed project documents were submitted by MIEs: the United Nations Development Programme (UNEP) and the United Nations World Food Programme (WFP). Details of the regional proposals are contained in the separate PPRC working documents, as follows:

AFB/PPRC.20-21/4 Proposal for Benin, Burkina Faso and Niger (OSS)

AFB/PPRC.20-21/4/Add.1 Project formulation grant for Benin, Burkina Faso and Niger (OSS)

AFB/PPRC.20-21/5 Proposal for Burundi, Kenya, Rwanda, Tanzania and Uganda (UNEP)

AFB/PPRC.20-21/6 Proposal for Colombia and Ecuador (WFP)

The review process

18. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the five 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.20-21/1/Add.1).

III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS

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

Annex 2: Funding decisions from the Board following AFB 29-30 review process

PPRC 20-21 Funding Recommendations (June 20, 2017)

	Country/Title	IE	Document Ref	Project	NIE	RIE	MIE	Set-aside Funds	Decision
1. Projects and Programmes: Single-country									
	Senegal	CSE	AFB/PPRC.20-21/2	1,351,000	1,351,000			1,351,000	Approved
	Guinea-Bissau	BOAD	AFB/PPRC.20-21/3	9,979,000		9,979,000			Not approved
Sub-total				11,330,000	1,351,000	9,979,000	0	1,351,000	
2. Projects and Programmes: Regional									
	Burundi, Kenya, Rwanda, Tanzania, Uganda	UNEP	AFB/PPRC.20-21/5	5,000,000			5,000,000	5,000,000	Approved
	Colombia, Ecuador	WFP	AFB/PPRC.20-21/6	14,000,000			14,000,000	14,000,000	Approved
Sub-total				19,000,000		0	19,000,000	19,000,000	
3. Project Formulation Grants: Regional Concepts									
	Benin, Burkina Faso, Niger	OSS	AFB/PPRC.20-21/4/Add.1	80,000			80,000	80,000	Approved
Sub-total				80,000		0	80,000	80,000	
4. Concepts: Regional									
	Benin, Burkina Faso, Niger	OSS	AFB/PPRC.20-21/4	8,550,000			8,550,000		Endorsed
Sub-total				8,550,000		0	8,550,000		
5. Total (5 = 1 + 2 + 3 + 4)				38,960,000	1,351,000	9,979,000	27,630,000	20,431,000	