



ADAPTATION FUND

AFB/PPRC.22/3
12 March 2018

Adaptation Fund Board
Project and Programme Review Committee
Twenty-second meeting
Bonn, Germany, 20-21 March 2018

Agenda Item 5

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

Background

1. At the twenty-fifth meeting of the Adaptation Fund Board (the Board) the Adaptation Fund Board Secretariat (the secretariat) had presented to the Board document AFB/B.25/5 which contained a progress report on phase I of the Readiness Programme and a proposal for phase II. The proposal for Phase II included making available small grants to provide peer to peer support for accreditation through South-South cooperation grants and grants to develop capacity to manage environmental and social risks and project formulation assistance. At this meeting, the German *Gesellschaft für Internationale Zusammenarbeit* (GIZ) also gave a presentation on experiences and lessons learnt from its own readiness programme. Following a discussion on the presentations, the Board decided:

to approve Phase II of the readiness programme, as outlined in document AFB/B.25/5, with a total funding of US\$ 965,000, including funding of US\$ 565,000 to be transferred to the secretariat's budget and funding of US\$ 400,000 to be set aside for small grants to National Implementing Entities from resources of the Adaptation Fund trust fund.

(Decision B.25/27)

2. At the twenty-sixth meeting of the Board, the Project and Programme Review Committee (PPRC) had discussed the issue of readiness grant proposals that national implementing entities (NIEs) had submitted under phase II of the Readiness Programme and that the secretariat had subsequently received during the intersessional period between the twenty-fifth and twenty-sixth meetings of the Board. The PPRC had discussed the issue that the secretariat did not have a mandate to submit those proposals for intersessional approval by the Board. The secretariat had presented to the PPRC that the proposals were fairly simple and straightforward, and did not necessarily require in-session discussion. In order to avoid having to wait until the twenty-seventh meeting of the Board, the PPRC recommended to the Board that the secretariat review the proposals for decision by the Board intersessionally between its twenty-sixth and twenty-seventh meetings. Having considered the comments and recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

to request the secretariat to review intersessionally, between the 26th and 27th meetings of the Board, proposals submitted by National Implementing Entities for technical assistance grants and South-South cooperation grants under the Readiness Programme, and to submit the reviews to the PPRC for intersessional recommendation to the Board.

(Decision B. 26/28)

3. At its twenty-seventh meeting, the Board had discussed the progress made under phase II of the Readiness Programme and the proposal outlined in document AFB/B.27/7 to institutionalize the Readiness Programme. 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 for accredited NIEs to manage environmental and social risks and comply with the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP), and capacities for project formulation for NIEs 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)

4. 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)

5. At its twenty-ninth meeting, the Board had once again made available readiness grants for South-South cooperation and technical assistance. Having considered the comments and recommendation of the Ethics and Finance Committee, the Board decided:

- (a) *To approve the draft secretariat work schedule and the proposed work plan for the Readiness Programme for fiscal year 2018, as contained in AFB/EFC.20/7; and*
- (b) *To approve the readiness budget increase of US\$ 239,794 to be set aside for direct transfers from the resources of the Adaptation Fund Trust Fund for allocation as small grants under the Readiness Programme, to be transferred at the instruction of the Board as outlined in Annex II of document AFB/EFC.20/7.*

(Decision. B29/36)

6. The intersessional project review cycle was arranged during the intersessional period between the thirtieth and thirty-first meetings of the Board. The current report has been prepared following the request in Decision B.28/30 (e).

OVERVIEW OF THE INTERSESSIONAL CYCLE

7. Following Decision B.29/36 the secretariat had sent out a call for proposals to accredited NIEs of the Adaptation Fund (the Fund) to submit proposal documents for technical assistance (TA) grants to build their capacity to manage environmental, social and gender risks and project formulation assistance, and to provide peer support to developing countries interested in seeking accreditation with the Fund. The secretariat had launched the call for readiness grants during the fifth annual Climate Finance Readiness Seminar for NIEs of the Fund held from 26 -28 July 2017 in Puntarenas, Costa Rica. In addition, information about the grants and how NIEs and developing countries seeking accreditation support through an eligible accredited NIE could submit grant proposals 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 28 September 2017. This gave eligible entities approximately eight weeks to prepare for the submission.

8. The secretariat received a total of four proposals by the deadline, which included one proposal for a technical assistance grant for the environmental and social policy and gender policy (TA-ESGP) and three proposals for South-South (S-S) cooperation grants. The secretariat then 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, and the secretariat conducted a final technical review. The secretariat then circulated its report of the initial screening and technical review (AFB/PPRC.21-22/1 and AFB/PPRC.21-22/1/Add.1) as well as the proposals and the reviews (AFB/PPRC.21-22/2 through AFB/PPRC.21-22/5) 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.21-22/6 "Recommendations of the PPRC on readiness grant proposals". No objections were raised and the decisions were thus approved as decisions B.30-31/9 through B.30-31/12 respectively. All decisions were to approve the proposals.

9. A summary of the proposals is provided in Table 1 below. The report of the secretariat on initial screening/technical review of the readiness grant proposals is provided in an annex to the current report.

Table 1: Readiness grant proposals submitted to the intersessional review cycle between the thirtieth and thirty-first Adaptation Fund Board meetings

Country	Implementing Entity	Type of readiness grant	Financing requested (US\$)	Funding decision
Morocco	ADA ¹	TA-ESGP	\$25,000	Approval

¹ Agence pour le Développement Agricole

Côte d'Ivoire	CSE ² on behalf of the government of Côte d'Ivoire	S-S cooperation grant	\$50,000	Approval
Dominica	DoE ³ on behalf of the government of Dominica	S-S cooperation grant	\$50,000	Approval
Maldives	DoE on behalf of the government of Maldives	S-S cooperation grant	\$50,000	Approval
Total funding approved		\$175,000		

ANALYSIS OF THE INTERSESSIONAL CYCLE

10. Four proposals were received during the intersessional review cycle which is a decrease of eight from the first intersessional review cycle. The secretariat did not receive any proposal for a technical assistance grant for the gender policy (TA-GP). This was because the TA-GP grant had only been made available to NIEs that had previously received a TA grant for the ESP before the GP had been approved by the Board. As such, only six NIEs had been eligible for this grant since the approval of the Fund's GP, and of these, three had accessed the grant. Informal consultations revealed that one of the three NIEs that had not accessed the grant had received funding for addressing gender policy issues from elsewhere, and another indicated that they did not need the grant as they had already worked on their gender policy.

11. By the time of the current intersessional review cycle, out of the 27 accredited NIEs, the Board had approved 13 TA-ESGP grants (including one approved in this current report). As the number of accredited NIEs continues to rise, the demand for technical assistance grants is expected to remain strong but steady. The secretariat will raise greater awareness on the availability of the grants, particularly to new NIEs through the activities of the readiness programme.

12. Although the current intersessional review cycle received only three S-S cooperation grants, this number is expected to increase. During the twenty-third session of the Conference of the Parties (COP 23) to the United Nations Framework Convention on Climate Change (UNFCCC), government representatives from developing country Parties expressed strong interest to access S-S cooperation grants in the meetings they held with the secretariat. The secretariat will increase efforts to raise awareness of the procedure to access these grants through activities of the readiness programme as well as targeted capacity building activities to NIEs eligible to provide peer support using these grants.

13. The deadline for submission of proposals for the intersessional review provided enough time (eight weeks) for applicants to submit proposals as there were no late proposals received. The secretariat will continue providing eight weeks for entities to prepare and submit applications for readiness grants.

² Centre de Suivi Ecologique

³ Department of Environment of Antigua and Barbuda

ANNEX



ADAPTATION FUND

AFB/PPRC.21-22/1
30 November 2017

Adaptation Fund Board
Project and Programme Review Committee

**REPORT OF THE SECRETARIAT ON INITIAL
SCREENING/TECHNICAL REVIEW OF GRANT PROPOSALS
UNDER THE READINESS PROGRAMME**

Background

1. This document presents to the Project and Programme Review Committee (PPRC) of the Adaptation Fund Board (the Board) an overview of the grant proposals/request documents submitted by National Implementing Entities (NIE) under the Readiness Programme for intersessional approval, and the process of screening and technical review undertaken by the Adaptation Fund Board Secretariat (the secretariat).

2. The analysis of the request documents mentioned above is contained in a separate addendum to this document.

3. At its twenty-second meeting the Board had set aside funding from the Adaptation Fund Trust Fund resources for subsequent commitment and transfer at the instruction of the Board⁴ to enhance capacities for accreditation through South-South cooperation, i.e. accredited NIEs supporting countries to identify potential NIEs and submit accreditation applications, and accredited NIEs' capacities to comply with the Adaptation Fund (the Fund) environmental and social policy (ESP) through technical assistance grants.

4. At its twenty-sixth meeting, the Board considered whether the rules in the intersessional project review cycle that had been passed through decision B.23/15 and decision B.25/2, could be applied to grant proposals received under the Readiness Programme and whether to request the secretariat to review and submit proposals by NIEs for technical assistance and South-South cooperation intersessionally, with a view to speeding up the grant approval process. The Board decided to:

Request the secretariat to review intersessionally, between the 26th and 27th meetings of the Board, proposals submitted by National Implementing Entities for technical assistance grants and South-South cooperation grants under the Readiness Programme, and to submit the reviews to the PPRC for intersessional recommendation to the Board.

(Decision B. 26/28)

5. At its twenty-seventh meeting, the Board had decided to integrate the Readiness Programme into the Fund's work plan and budget, in a more permanent manner. The Board had also set aside funding for small grants to be directly transferred from the resources of the Adaptation Fund Trust Fund, for the fiscal year 2017. At this meeting, the 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)

6. At the twenty-eighth meeting of the Board, the PPRC had recommended to 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 provide a mandate for continued review and approval

⁴ Decision B.22/24

of readiness grant proposals intersessionally each year. Having considered the comments and recommendation of the Project and Programme Review Committee, the Board decided to:

- (f) *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;*
- (g) *Notwithstanding the request in paragraph (a) above, recognize that any readiness grant proposal can be submitted to regular meetings of the Board;*
- (h) *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;*
- (i) *Consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure; and*
- (j) *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)

Technical Assistance Grant Proposals Submitted by NIEs

7. The secretariat had sent out a call for proposals to all accredited NIEs to submit proposal documents for a technical assistance (TA) grant to help them comply with the Fund's ESP and gender policy. NIEs could submit a proposal for one of two types of TA grants available, that is, a TA Grant for the ESP and Gender Policy or a TA Grant for the Gender Policy. NIEs eligible to submit proposals for a TA Grant for the ESP and Gender Policy would be those that had not previously received a grant for technical assistance and would be expected to build capacity on environmental and social safeguards and gender safeguards simultaneously. NIEs eligible to submit proposals for a TA Grant for the Gender Policy would be those that had previously received a technical assistance grant before the gender policy had been approved and would be expected to align their existing environmental and social safeguards and existing rules of procedure with the Fund's gender policy.

Technical Assistance Grants for the ESP and Gender Policy (TA-ESGP)

8. A single proposal was submitted to the secretariat for a technical assistance grant for the ESP and Gender Policy (TA-ESGP) with the requested funding of US\$ 25,000. The proposal was submitted by the Agency for Agricultural Development (ADA) of Morocco.

9. Following the receipt of the proposal, the secretariat shared the initial technical review findings with the NIE proponent and solicited its responses to specific items requiring clarification. Responses were requested by e-mail, and the time allowed for the NIE to respond was one week.

10. The proposal submitted by ADA was eligible to be considered and details of the proposal are contained in the following PPRC working documents as follows:

AFB/PPRC.21-22/1/Add.1 *Report of the secretariat on initial review of grant proposals under the Readiness Programme*

AFB/PPRC.21-22/2 *Technical assistance grant proposal (environmental and social policy and gender policy) for Morocco*

11. The submitted technical assistance grant proposal provides an explanation and a basic breakdown of the costs associated with the accredited NIE building its capacity to comply with both the Fund's environmental and social policy and gender policy.

Table 1: Technical Assistance grant proposals for ESP and Gender submitted to the intersessional review cycle between the thirtieth and thirty-first Adaptation Fund Board meetings

Country	IE	Financing Requested (USD)	IE Fee (USD)	IE Fee, %
Morocco	ADA	\$25,000	\$0	0%
Total		\$25,000		

12. The secretariat subsequently reviewed the NIE's responses to the clarification requests, and compiled comments and recommendations that are presented in the addendum to this document (AFB/PPRC.21-22/1/Add.1).

Technical Assistance Grants for the Gender Policy (TA-GP)

13. One accredited NIE submitted a single proposal to the secretariat for technical assistance grant for the gender policy (TA-GP) with the requested funding of US\$ 10,000.

14. Following the receipt of the proposal, the secretariat shared the initial technical review findings with the NIE proponent and solicited its responses to specific items requiring corrective action. The implementing entity was offered the opportunity to discuss the initial technical review. Responses were requested by e-mail, and the time allowed for the NIE to respond was one week. Following the secretariat's initial technical review, the application was withdrawn by the proponent.

South-South Cooperation Grant Proposals Submitted by Implementing Entities

15. Under the Fund's Readiness Programme, eligible⁵ NIEs wishing to support other countries that are seeking accreditation with the Fund can apply for South-South (S-S) cooperation grants to enable them to provide such support.

16. The secretariat had sent out a call for proposals to all accredited NIEs to submit request documents/proposals for a grant to enhance South-South cooperation and help those institutions in countries applying for accreditation as an NIE to prepare and submit their applications. Following the receipt of such grant proposals, the secretariat shared the initial technical review findings with the NIE proponent and solicited their responses to specific items requiring clarification. Responses were requested by e-mail, and the time allowed for the NIE to respond was one week.

⁵ Eligible NIEs are those that have tangible achievements with the Fund and those that meet the eligibility criteria outlined in document AFB/B.23/5, including the entity's experience in project preparation and implementation, and in supporting other countries at different stages of their application processes.

17. The secretariat subsequently reviewed the implementing entity's responses to the clarification requests, and compiled comments and recommendations that are presented in the addendum to this document (AFB/PPRC.21-22/1/Add.1).

18. The secretariat received S-S cooperation grant proposals for three countries from two NIEs, with the total requested funding for these grants for the current period amounting to US\$ 150,000. A summary of the applicants is provided in Table 2 below.

Table 2: South-South cooperation grant proposals submitted to the intersessional review cycle between the thirtieth and thirty-first Adaptation Fund Board meetings

Country	IE providing support	Initial Financing Requested (USD), (current period)	Final Financing Requested ⁶ (USD), (current period)	IE Fee (USD)	IE Fee, %
Côte d'Ivoire	CSE	\$50,000	\$50,000	\$0	0%
Dominica	DoE	\$50,000	\$50,000	\$2,000	4.17%
Maldives	DoE	\$50,000	\$50,000	\$2,000	4.17%
Total		\$150,000	\$150,000	\$4,000	

19. The grant proposals were submitted by the *Centre de Suivi Ecologique* of Senegal (CSE), and the Department of Environment of Antigua and Barbuda (DoE). The details of these proposals are contained in the PPRC working documents as follows:

AFB/PPRC.21-22/1/Add.1 *Report of the secretariat on initial review of grant proposals under the Readiness Programme*

AFB/PPRC.21-22/3 *South-South cooperation grant proposal to support NIE accreditation for Côte d'Ivoire (CSE)*

AFB/PPRC.21-22/4 *South-South cooperation grant proposal to support NIE accreditation for Dominica (DoE)*

AFB/PPRC.21-22/5 *South-South cooperation grant proposal to support NIE accreditation for Maldives (DoE)*

20. The submitted S-S cooperation grant proposals provide an explanation and a basic breakdown of the costs associated with providing support to help those applying for accreditation as an NIE prepare and submit their application. The proposals submitted by ADA included in each proposal, US\$ 2,000 or 4.17 per cent⁷ in Implementing Entity management fees, in compliance with Board Decision B.11/16 to cap management fees at 8.5 per cent of the project/programme budget.

Issues Identified During the Review Process

⁶ Final S-S cooperation grant financing requested after the secretariat's initial technical review and request for further clarification to the applicant.

⁷ 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.

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