



ADAPTATION FUND

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Adaptation Fund Board  
Project and Programme Review Committee  
Twenty-third Meeting  
Bonn, Germany, 9-10 October 2018

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

## Background

1. This document presents to the Project and Programme Review Committee (PPRC) of the Adaptation Fund Board (the Board) an overview of the project/programme proposals submitted by Implementing Entities (IE) to the current meeting, and the process of screening and technical review undertaken by the secretariat.
2. The analysis of the proposals mentioned above is contained in a separate addendum to this document.

## Funding status and situation of the pipeline

3. At the twelfth meeting, the Board instituted a cap of 50 per cent for project funds directed through Multilateral Implementing Entities (MIEs), having decided:

*(a) That the cumulative budget allocation for funding projects submitted by MIEs, should not exceed 50 per cent of the total funds available for funding decisions in the Adaptation Fund Trust Fund at the start of each session. That cumulative allocation would be subject to review by the Board on the recommendation of the Project and Programme Review Committee at subsequent sessions;*

*(b) To request the Trustee to provide an update on the amount of funds that have been approved for projects implemented by NIEs and MIEs at each meeting of the Adaptation Fund Board; and*

*(c) To review the implementation of this decision at the fourteenth meeting of the Adaptation Fund Board.*

*(Decision B.12/9)*

4. In its seventeenth meeting, having considered the recommendation of the Ethics and Finance Committee (EFC), the Board decided to:

*(a) Maintain the 50 per cent cap on the funding of projects/programmes implemented by MIEs established by decision B.12/9, and exclude project/programme concepts from the 50 per cent calculation; [...]*

*(Decision B.17/19)*

5. According to the latest Financial Report prepared by the Trustee as of 30 June 2018 (AFB/EFC.23/5), the cumulative funding decisions for projects/programmes submitted by MIEs amounted to US\$ 274.82 million, and the cumulative funding decisions for all projects/programmes amounted to US\$ 476.75 million. Funds available to support AF Board funding decisions amounted to US\$ 225.7 million. In accordance with the Board decision B.12/9, the funds available for projects submitted by MIEs below the 50% cap amounted to US\$ 88.8 million.

## Project/programme proposals submitted by implementing entities: single-country proposals

6. Accredited implementing entities submitted 23 single-country project proposals to the secretariat, with the total requested funding amounting to US\$ 144,465,442. Of these, 20, totaling US\$ 106,366,285, were found to be complete and could proceed through the project review cycle.

These proposals included US\$ 6,722,806 or 8.08%<sup>1</sup> in Implementing Entities management fees and US\$ 7,401,338 or 7.5%<sup>2</sup> in execution costs.

7. Of these, eight are fully-developed project documents, while the other twelve single-country proposals are concept note documents. The projects were submitted by National Implementing Entities (NIE) for Armenia, Indonesia, Namibia, Dominican Republic, and Bhutan. A project was submitted by a Regional Implementing Entity (RIE) Secretariat of the Pacific Regional Environment Program (SPREP) for Kiribati. United Nations Environment Programme (UNEP) submitted projects for Turkmenistan, while the United Nations Human Settlements Programme (UN-Habitat) submitted projects for all of Lao PDR, Sudan and Pakistan. Inter-American Development Bank (IDB), African Development Bank (AfDB), World Food Programme (WFP), and United Nations Education, Scientific, and Cultural Organisation (UNESCO) submitted proposals for Suriname, Uganda, Malawi and Zimbabwe, respectively. Details of the single-country proposals are contained in the separate PPRC working documents, as follows:

|                |   |
|----------------|---|
| AFB/PPRC.23/7  | Proposal for Indonesia (1)                    |
| AFB/PPRC.23/8  | Proposal for Armenia (1)                      |
| AFB/PPRC.23/9  | Proposal for Armenia (2)                      |
| AFB/PPRC.23/10 | Proposal for Dominican Republic               |
| AFB/PPRC.23/11 | Proposal for Indonesia (2)                    |
| AFB/PPRC.23/12 | Proposal for Namibia                          |
| AFB/PPRC.23/13 | Proposal for Suriname                         |
| AFB/PPRC.23/14 | Proposal for Turkmenistan                     |
| AFB/PPRC.23/15 | Proposal for Indonesia (3)                    |
| AFB/PPRC.23/16 | Proposal for Indonesia (4)                    |
| AFB/PPRC.23/17 | Proposal for Indonesia (5)                    |
| AFB/PPRC.23/18 | Proposal for Indonesia (6)                    |
| AFB/PPRC.23/19 | Proposal for Bhutan                           |
| AFB/PPRC.23/20 | Proposal for Kiribati                         |
| AFB/PPRC.23/21 | Proposal for Lao People's Democratic Republic |
| AFB/PPRC.23/22 | Proposal for Malawi                           |
| AFB/PPRC.23/23 | Proposal for Pakistan                         |
| AFB/PPRC.23/24 | Proposal for Sudan                            |
| AFB/PPRC.23/25 | Proposal for Uganda                           |
| AFB/PPRC.23/26 | Proposal for Zimbabwe                         |

8. Fifteen of the proposal submissions are for regular projects and programmes, i.e. they request funding exceeding US\$ 1,000,000, whereas five of the proposals are requesting under US\$ 1,000,000.

9. 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

<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.

same Decision B.11/16, all proponents of fully-developed project documents provide a budget on fee use.

10. All proposals are in compliance with Board Decision B.13/17 to cap execution costs at 9.5% of the project/programme budget.

11. 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.

12. 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**

13. Accredited MIEs submitted to the secretariat eleven proposals for regional projects and programmes. Of these, eight proposals were found to meet the requirements to proceed with undergoing a complete technical review. The total requested funding of those proposals amounted to US\$ 85,871,341. Among the proposals were two fully-developed project proposals with a total requested funding of US\$ 17,920,000, one concept of US\$ 7,398,000, and five pre-concepts totaling US\$ 60,553,341. The requested funding for the regional projects included US\$ 6,931,617 or 8.86% in Implementing Entities' management fees and US\$ 2,521,666 or 7.88% in execution costs. The total requested funding for the fully-developed regional proposals included \$6,931,617 or 8.37% in Implementing Entities' management fees and US\$ 6,783,560 or 7.52% in execution costs.

14. The fully-developed project documents were submitted by UNDP and World Meteorological Organization (WMO). WMO also submitted the regional concept. UN-Habitat and UNDP submitted two pre-concepts each, and World Food Programme (WFP) submitted a pre-concept as well. Details of the regional proposals are contained in the separate PPRC working documents, as follows:

|                      |  |
|----------------------|--|
| AFB/PPRC.23/27       | Proposal for Benin, Burkina Faso, Cote d'Ivoire, Ghana, Mali         |
| AFB/PPRC.23/28       | Proposal for Mauritius, Seychelles                                   |
| AFB/PPRC.23/29       | Proposal for Chile, Colombia, Peru                                   |
| AFB/PPRC.23/30       | Proposal for Argentina, Brazil, Paraguay                             |
| AFB/PPRC.23/31       | Proposal for Armenia, Georgia  |
| AFB/PPRC.23/31/Add.1 | Project formulation grant for Armenia, Georgia                       |
| AFB/PPRC.23/32       | Proposal for Cambodia, Nepal, Philippines, Thailand                  |
| AFB/PPRC.23/32/Add.1 | Project formulation grant for Cambodia, Nepal, Philippines, Thailand |
| AFB/PPRC.23/33       | Proposal for El Salvador, Honduras                                   |
| AFB/PPRC.23/33/Add.1 | Project formulation grant for El Salvador, Honduras                  |
| AFB/PPRC.23/34       | Proposal for Jordan, Lebanon   |
| AFB/PPRC.23/34/Add.1 | Project formulation grant for Jordan, Lebanon                        |

## The review process

15. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of each of the thirty-five project and programme proposals that were initially submitted. Of these, twenty-eight met the requirements for undergoing a final technical review.

16. 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, however, the process took longer. The Implementing Entities were offered the opportunity to discuss the initial review findings with the secretariat by telephone.

17. The secretariat subsequently reviewed the resubmissions that IEs' responses to the clarification requests, and compiled comments and recommendations that are presented in the addendum to this document (AFB/PPRC.23/6/Add.1).

## III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS

18. The length of the submissions continues to be a challenge, as was noted also in the recent intersessional *Report of the Secretariat on Initial Screening/Technical Review of Project and Programme Proposals* (AFB/PPRC.22-23/3) and on other occasions, that has implications on the time and resources required to carry out the review process while maintaining quality standards. The PPRC may wish to consider suggesting setting limits particularly for fully-developed project proposals such that the main document, exclusive of any annexes, can no longer exceed the length of 100 pages, and, for concepts, the limit to be fifty pages, including annexes.

19. The letters of endorsement by the Designated Authority presented a challenge in a number of instances, including for projects where such a letter has been provided for the same project during a previous submission, and, generally, for regional projects. The PPRC may wish to consider changing this requirement and extending the validity period for letters of endorsement.

**Table: Project proposals submitted to the regular review cycle for consideration at the thirty-second Adaptation Fund Board meeting**

| 1. Projects and Programmes: Single-country, Full Proposals | Country   | Agency    | Total Funding requested, USD | IE Fee             | IE Fee % | Execution cost     | EC %   |
|--|---|-----------|------------------------------|--------------------|----------|--------------------|--------|
| <b>NIE</b>   |   |           |                              |                    |          |                    |        |
|  | Indonesia (5)                                   | Kemitraan | \$835,465                    | \$64,758           | 8.40%    | \$68,373           | 8.87%  |
|  | Indonesia (6)                                   | Kemitraan | \$4,127,065                  | \$55,771           | 1.37%    | \$353,217          | 8.68%  |
|  | Armenia (1)                                     | EPIU      | \$2,506,000                  | \$193,320          | 8.36%    | \$37,100           | 1.60%  |
|  | Armenia (2)                                     | EPIU      | \$1,498,100                  | \$112,400          | 8.11%    | \$21,204           | 1.53%  |
|  | Namibia   | DRFN      | \$5,000,000                  | \$391,705          | 8.50%    | \$371,108          | 8.05%  |
|  | Dominican Republic                              | IDDI      | \$9,953,692                  | \$779,782.35       | 8.50%    | \$795,910          | 8.68%  |
| <b>MIE</b>   |   |           |                              |                    |          |                    |        |
|  | Turkemenistan                                   | UNDP      | \$7,000,040                  | \$548,390          | 8.50%    | \$559,000          | 8.66%  |
|  | Suriname  | IDB       | \$9,850,000                  | \$768,000          | 8.46%    | \$580,000          | 6.39%  |
| <i>Sub-total</i>   |   |           | <b>\$40,770,362</b>          | <b>\$2,914,126</b> |          | <b>\$2,785,912</b> |        |
| 2. Projects and Programmes: Regional, Full Proposals       | Region/Countries                                | IE        | Total Funding requested, USD | IE Fee             | IE Fee % | Execution cost     | EC %   |
| <b>MIE</b>   |   |           |                              |                    |          |                    |        |
|  | Mauritius, Seychelles                           | UNDP      | \$10,000,000                 | \$867,580          | 9.50%    | \$867,787          | 9.50%  |
|  | Benin, Burkina Faso, Côte d'Ivoire, Ghana, Mali | WMO       | \$7,920,000                  | \$670,000          | 9.24%    | \$750,000          | 10.34% |
| <i>Sub-total</i>   |   |           | <b>\$17,920,000</b>          | <b>\$1,537,580</b> |          | <b>\$1,617,787</b> |        |
| 4. Concepts: Single Country                                | Region/Countries                                | IE        | Total Funding requested, USD | IE Fee             | IE Fee % | Execution cost     | EC %   |
| <b>NIE</b>   |   |           |                              |                    |          |                    |        |
|  | Indonesia (1)                                   | Kemitraan | \$984,000                    | \$78,000           | 8.61%    | \$78,100           | 8.62%  |
|  | Indonesia (2)                                   | Kemitraan | \$999,989                    | \$77,960           | 8.46%    | \$80,203           | 8.70%  |
|  | Indonesia (3)                                   | Kemitraan | \$998,000                    | \$78,184           | 8.50%    | \$72,696           | 7.90%  |
|  | Indonesia (4)                                   | Kemitraan | \$598,724                    | \$43,074           | 7.75%    | \$48,887           | 8.80%  |
|  | Bhutan  | BTFC      | \$10,000,000                 | \$850,000          | 9.29%    | \$250,000          | 2.73%  |

| 4. Concepts: Single Country        | Region/Countries                       | IE         | Total Funding requested, USD | IE Fee             | IE Fee % | Execution cost     | EC %  |
|------------------------------------|--|------------|------------------------------|--------------------|----------|--------------------|-------|
| <b>RIE</b>                         |  |            |                              |                    |          |                    |       |
|                                    | Kiribati                               | SPREP      | \$8,218,875                  | \$643,875          | 8.50%    | \$719,625          | 9.50% |
| <b>MIE</b>                         |  |            |                              |                    |          |                    |       |
|                                    | Lao PDR                                | UN-Habitat | \$5,500,000                  | \$428,145          | 8.44%    | \$478,515          | 9.43% |
|                                    | Pakistan                               | UN-Habitat | \$6,094,000                  | \$477,410          | 8.50%    | \$533,576          | 9.50% |
|                                    | Sudan                                  | UN-Habitat | \$9,982,000                  | \$782,000          | 8.50%    | \$874,000          | 9.50% |
|                                    | Uganda                                 | AfDB       | \$2,249,000                  | \$162,004          | 7.76%    | \$181,064          | 8.68% |
|                                    | Malawi                                 | WFP        | \$9,989,335                  | \$782,574          | 8.50%    | \$798,760          | 8.68% |
|                                    | Zimbabwe                               | UNESCO     | \$9,982,000                  | \$782,000          | 8.50%    | \$500,000          | 5.43% |
| <i>Sub-total</i>                   |  |            | <b>\$65,595,923</b>          | <b>\$5,185,226</b> |          | <b>\$4,615,426</b> |       |
| 5. Concepts: Regional              | Region/Countries                       | IE         | Total Funding requested, USD | IE Fee             | IE Fee % | Execution cost     | EC %  |
| <b>MIE</b>                         |  |            |                              |                    |          |                    |       |
|                                    | Chile, Colombia, Peru                  | WMO        | \$7,398,000                  | \$650,000          | 9.63%    | \$548,000          | 8.12% |
| <i>Sub-total</i>                   |  |            | <b>\$7,398,000</b>           | <b>\$650,000</b>   |          | <b>\$548,000</b>   |       |
| 6. Preconcepts: Regional           | Region/Countries                       | IE         | Total Funding requested, USD | IE Fee             | IE Fee % | Execution cost     | EC %  |
| <b>MIE</b>                         |  |            |                              |                    |          |                    |       |
|                                    | Argentina, Brazil, Paraguay            | UN-Habitat | \$14,000,000                 | \$1,097,000        | 8.50%    | \$1,120,000        | 8.68% |
|                                    | Armenia, Georgia                       | UNDP       | \$4,990,000                  | \$390,922          | 8.50%    | \$67,967           | 1.48% |
|                                    | Lebanon, Jordan                        | UN-Habitat | \$14,000,000                 | \$1,096,774        | 8.50%    | \$1,225,806        | 9.50% |
|                                    | Cambodia, Nepal, Thailand, Phillipines | UNDP       | \$13,662,863                 | 1,070,363          | 8.50%    | 1,092,500          | 8.68% |
|                                    | El Salvador, Honduras                  | WFP        | \$13,900,478                 | \$1,088,978        | 8.50%    | \$1,111,500        | 8.68% |
| <i>Sub-total</i>                   |  |            | <b>\$60,553,341</b>          | <b>\$4,744,037</b> |          | <b>\$4,617,773</b> |       |
| <b>GRAND TOTAL<br/>(1+2+4+5+6)</b> | <b>\$184,839,626</b>                   |            |                              |                    |          |                    |       |