



ADAPTATION FUND

AFB/PPRC.23/Inf.1
2 October 2018

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

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 fifth intersessional project/programme review cycle was arranged during the intersessional period between the thirty-first and thirty-second meetings. During this cycle, thirteen 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.22-23/3, 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. In this intersessional review cycle, a record number of six single country project proposals, and seven regional project proposals were submitted. Of those, five and four, respectively, were full sized projects.

Table 1: Project proposals submitted to the intersessional review cycle between the thirty-first and thirty-second Adaptation Fund Board meetings

| 1. Projects and Programmes: Single-country, Full Proposals | Country | IE | Document Reference | Stage | NIE | RIE | MIE | Decision | Funding set aside |
|------------------------------------------------------------|-----------------------------------------------------|-----------|-------------------------|---------|-------------|--------------|--------------|-------------|-------------------|
| NIE | | | | | | | | | |
| | Armenia | EPIU | AFB/PPRC.22-23/.5 | Full | \$1,435,100 | | | Not approve | |
| RIE | | | | | | | | | |
| | Ecuador | CAF | AFB/PPRC.22-23/.6 | Full | | \$2,489,373 | | Approve | \$2,489,373 |
| | Togo | BOAD | AFB/PPRC.22-23/.7 | Full | | \$10,000,000 | | Not approve | |
| MIE | | | | | | | | | |
| | Cameroon | IFAD | AFB/PPRC.22-23/.8 | Full | | | \$9,982,000 | Not approve | |
| | Mongolia | UNHABITAT | AFB/PPRC.22-23/.9 | Full | | | \$4,495,235 | Approve | \$4,495,235 |
| Sub-total | \$28,401,708 | | | | \$1,435,100 | \$12,489,373 | \$14,477,235 | | \$6,984,608 |
| 2. Projects and Programmes: Regional, Full Proposals | Region/Countries | IE | Document Reference | Stage | NIE | RIE | MIE | Decision | Funding set aside |
| RIE | | | | | | | | | |
| | Benin, Burkina Faso, Ghana, Niger, Togo | BOAD | AFB/PPRC.22-23/12 | Full | | \$14,000,000 | | Approve | \$14,000,000 |
| | Chile, Ecuador | CAF | AFB/PPRC.22-23/13 | Full | | \$13,910,400 | | Approve | \$13,910,400 |
| | Benin, Burkina Faso, Niger | OSS | AFB/PPRC.22-23/14 | Full | | \$11,536,200 | | Not approve | |
| MIE | | | | | | | | | |
| | Madagascar, Malawi, Mozambique and Union of Comoros | UNHABITAT | AFB/PPRC.22-23/16 | Full | | | \$13,997,423 | Not approve | |
| Sub-total | \$53,444,023 | | | | \$0 | \$39,446,600 | \$13,997,423 | | \$27,910,400 |
| 3. Project Formulation Grants: Regional Concepts | Region/Countries | IE | Document Reference | Stage | NIE | RIE | MIE | Decision | Funding set aside |
| RIE | | | | | | | | | |
| | Djibouti, Kenya, Uganda, Sudan | OSS | AFB/PPRC.22-23/15 | Concept | | \$80,000 | | Approve | \$80,000 |
| MIE | | | | | | | | | |
| | Cote d'Ivoire, Ghana | UNHABITAT | AFB/PPRC.22-23/10 | Concept | | | \$100,000 | Approve | \$100,000 |
| | Kazakhstan, Tajikistan, Uzbekistan | UNESCO | AFB/PPRC.22-23/11 | Concept | | | \$77,200 | Approve | \$77,200 |
| Sub-total | \$257,200 | | | | \$0 | \$80,000 | \$177,200 | | \$257,200 |
| 4. Concepts: Single Country | Region/Countries | IE | Document Reference | Stage | NIE | RIE | MIE | Decision | Funding set aside |
| MIE | | | | | | | | | |
| | Uganda | AfDB | AFB/PPRC.22-23/.4 | Concept | | | \$2,249,000 | Not endorse | |
| Sub-total | \$2,249,000 | | | | | | \$2,249,000 | | |
| 5. Concepts: Regional | Region/Countries | IE | Document Reference | Stage | NIE | RIE | MIE | Decision | Funding set aside |
| RIE | | | | | | | | | |
| | Djibouti, Kenya, Sudan, Uganda | OSS | AFB/PPRC.22-23/15/Add.1 | Concept | | \$13,079,540 | | Endorse | |
| MIE | | | | | | | | | |
| | Cote d'Ivoire, Ghana | UNHABITAT | AFB/PPRC.22-23/10/Add.1 | Concept | | | \$14,000,000 | Endorse | |
| | Kazakhstan, Tajikistan, Uzbekistan | UNESCO | AFB/PPRC.22-23/11/Add.1 | Concept | | | \$5,000,000 | Endorse | |
| Sub-total | \$32,079,540 | | | | \$0 | \$13,079,540 | \$19,000,000 | | |
| GRAND TOTAL (1+2+3+4+5) | \$116,431,471 | | | | \$1,435,100 | \$65,095,513 | \$49,900,858 | | \$35,152,208 |



ADAPTATION FUND

AFB/PPRC.22-23/3
11 June 2018

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 six single-country project proposals to the secretariat, with the total requested funding amounting to US\$ 30,650,708. The proposals included US\$ 2,256,413 or 7.95%¹ in Implementing Entities management fees and US\$ 2,173,737 or 7.66%² in execution costs.

9. Of these, one is project concept, submitted by the African Development Bank (AfDB) for Uganda. The other five single-country proposals are fully-developed project documents that were submitted by the National Implementing Entity (NIE) for Armenia, the Environmental Projects Implementation Unit (EPIU), and the Regional Implementing Entities (RIE) *Corporacion Andina de Fomento* (CAF; Development Bank for Latin America) for Ecuador and *Banque Ouest Africaine de Développement* (BOAD; West African Development Bank), for Togo. International Fund for Agricultural Development (IFAD) submitted a fully-developed project for Cameroon, as did United Nations Human Settlements Programme (UN-Habitat) for Mongolia. Details of the single-country proposals are contained in the separate PPRC working documents, as follows:

| | |
|------------------|---------------------|
| AFB/PPRC.22-23/4 | Proposal for Uganda |
|------------------|---------------------|

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.

| | |
|------------------|-----------------------|
| AFB/PPRC.22-23/5 | Proposal for Armenia |
| AFB/PPRC.22-23/6 | Proposal for Ecuador |
| AFB/PPRC.22-23/7 | Proposal for Togo |
| AFB/PPRC.22-23/8 | Proposal for Cameroon |
| AFB/PPRC.22-23/9 | Proposal for Mongolia |

10. All of the 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 for the projects submitted to this meeting average US\$ 362,290.

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\$ 1,435,100, including 8.5% in management fees. The current cumulative funding allocation for projects/programmes and PFGs submitted by NIEs is US\$ 162.06 million which represented 30.9% of the sum of cumulative project/programme funding decisions and funds available to support funding decisions, as at 31 March 2018.

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 seven proposals for regional projects and programmes. The total requested funding of those proposals amounted to US\$ 85,780,763. Among the proposals were three project concepts with a requested funding of US\$ 32,336,740, and four fully-developed project proposals with a total requested funding of US\$ 53,444,023. The requested funding for the concepts included US\$ 2,546,434 or 8.76% 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 \$4,126,922 or 8.37% in Implementing Entities' management fees and US\$ 4,337,980 or 8.79% in execution costs.

17. The concepts were submitted by an RIE, the Sahara and Sahel Observatory (OSS), and MIEs UN-Habitat and United Nations Educational, Scientific and Cultural Organization (UNESCO), while the fully-developed project documents were submitted by RIEs BOAD, CAF,

and OSS and MIE UN-Habitat. Details of the regional proposals are contained in the separate PPRC working documents, as follows:

| | |
|-------------------------|------------------------------------------------------------------|
| AFB/PPRC.22-23/10 | Proposal for Cote d'Ivoire, Ghana |
| AFB/PPRC.22-23/10/Add.1 | Project formulation grant for Cote d'Ivoire, Ghana |
| AFB/PPRC.22-23/11 | Proposal for Kazakhstan, Tajikistan, Uzbekistan |
| AFB/PPRC.22-23/11/Add.1 | Project formulation grant for Kazakhstan, Tajikistan, Uzbekistan |
| AFB/PPRC.22-23/12 | Proposal for Benin, Burkina Faso, Ghana, Niger, Togo |
| AFB/PPRC.22-23/13 | Proposal for Chile, Ecuador |
| AFB/PPRC.22-23/14 | Proposal for Benin, Burkina Faso, Niger |
| AFB/PPRC.22-23/15 | Proposal for Djibouti, Kenya, Uganda, Sudan |
| AFB/PPRC.22-23/15/Add.1 | Project formulation grant for Djibouti, Kenya, Uganda, Sudan |
| AFB/PPRC.22-23/16 | Proposal for Madagascar, Malawi, Mozambique, Union for Comoros |

The review process

18. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the thirteen 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, however, 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.22-23/3/Add.1).

Table: Project proposals submitted to the intersessional review cycle between the thirty-first and thirty-second Adaptation Fund Board meetings

| Country | IE | Stage | Total Funding requested, USD | IE Fee | IE Fee % | Execution cost | EC % |
|-----------------------------------------------------|-----------|---------|------------------------------|--------------------|--------------|--------------------|--------------|
| NIE | | | | | | | |
| Armenia | EPIU | Full | \$1,435,100 | \$112,400 | 8.50% | \$114,700 | 8.67% |
| RIE | | | | | | | |
| Ecuador | CAF | Full | \$2,489,373 | \$119,373 | 5.04% | \$180,000 | 7.59% |
| Togo | BOAD | Full | \$10,000,000 | \$728,495 | 7.86% | \$804,380 | 8.68% |
| MIE | | | | | | | |
| Uganda | AfDB | Concept | \$2,249,000 | \$162,004 | 7.76% | \$181,064 | 8.68% |
| Cameroon | IFAD | Full | \$9,982,000 | \$782,000 | 8.50% | \$500,000 | 5.43% |
| Mongolia | UNHABITAT | Full | \$4,495,235 | \$352,141 | 8.50% | \$393,593 | 9.50% |
| Sub-Total Single Country | | | \$30,650,708 | \$2,256,413 | 7.95% | \$2,173,737 | 7.66% |
| Region/Countries | | | | | | | |
| RIE | | | | | | | |
| Djibouti, Kenya, Uganda, Sudan | OSS | Concept | \$13,159,540 | \$1,024,660 | 8.50% | \$1,045,860 | 8.68% |
| Benin, Burkina Faso, Ghana, Niger, Togo | BOAD | Full | \$14,000,000 | \$1,096,000 | 8.49% | \$1,331,000 | 10.31% |
| Chile, Ecuador | CAF | Full | \$13,910,400 | \$1,030,400 | 8.00% | \$965,074 | 7.49% |
| Benin, Burkina Faso, Niger | OSS | Full | \$11,536,200 | \$903,750 | 8.50% | \$922,450 | 8.68% |
| MIE | | | | | | | |
| Cote d'Ivoire, Ghana | UNHABITAT | Concept | \$14,100,000 | \$1,096,774 | 8.50% | \$1,225,806 | 9.50% |
| Kazakhstan, Tajikistan, Uzbekistan | UNESCO | Concept | \$5,077,200 | \$425,000 | 9.29% | \$250,000 | 5.46% |
| Madagascar, Malawi, Mozambique and Union of Comoros | UNHABITAT | Full | \$13,997,423 | \$1,096,772 | 8.50% | \$1,119,456 | 8.68% |
| Sub-Total Regional | | | \$85,780,763 | \$6,673,356 | 8.46% | \$6,859,646 | 8.70% |
| GRAND TOTAL | | | \$116,431,471 | \$8,929,769 | | \$9,033,383 | |

III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS

21. There were two recurring issues that were identified during this review process. The first issue is concerning the time between first submission and project approval and measures to reduce the time, while at the same time ensuring compliance with the environmental and social safeguards and gender policy. During the review process, the secretariat took into account Decision 2/CMP.13, Paragraph 8,³ and, as a result, considered approval of project with further compliance with the environmental and social safeguards and/or gender policy, so that unnecessary delays to the progress of the project can be avoided without negatively affecting compliance.

22. The second issue is concerning the length of the documentation submitted to the secretariat, which, in one case exceeded 600 pages (including annexes.) In a few cases, the sizes of the files exceeded the capacity to share over the email or to post on the website. This also creates an undue burden to the review process as it requires more resources to ensure compliance with AFB requirements. The secretariat will continue to assess, with a view to reporting on the issue at the twenty-third meeting of the PPRC.

³ Decision 2/CMP.13, *Third review of the Adaptation Fund*.