



ADAPTATION FUND

AFB/PPRC.23-24/1
19 November 2018

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 Board¹ 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. The Board had approved this funding through small grants under the Readiness Programme.

4. At the twenty-sixth meeting of the Board, the secretariat had requested to the Board to consider 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 allow 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. To facilitate timely review of the grant proposals, 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 as direct transfers 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

¹ Decision B.22/24

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)

7. Following Decision B.31/28 by the Board to approve the secretariat work schedule and work plan for fiscal year 2019 as contained in document AFB/EFC.22/7, the secretariat launched a call for project proposals intersessionally between the thirty-first and thirty-second Board meetings and eligible countries and accredited national implementing entities (NIEs) were given the opportunity to submit applications for technical assistance grants and South-South cooperation grants.

Technical Assistance Grant Proposals Submitted by NIEs

8. In response to the call by the secretariat, accredited NIEs of the Fund could submit proposal documents for a technical assistance (TA) grant to enable them to source external expertise to help improve NIE capacity to assess and manage environmental, social and gender related issues and to comply with the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP). An NIE 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 (TA-ESGP) 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 (TA-GP) would be those that had previously received a technical assistance grant before the GP had been approved and those that had not previously received any TA grant. These NIEs 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 the GP (TA-ESGP)

9. Three proposals were submitted to the secretariat for technical assistance grants for the ESP and GP (TA-ESGP). The proposals were submitted by the Bhutan Trust Fund for Environment Conservation (BT FEC), the Dominican Institute of Integral Development (IDDI), and the Environmental Project Implementation Unit of Armenia (EPIU).

10. The three proposals were all eligible to be considered and the details of these proposals are contained in the following PPRC working documents as follows:

AFB/PPRC.23-24/1/Add.1 Report of the secretariat on initial review of grant proposals under the Readiness Programme

AFB/PPRC.23-24/2 TA-ESGP proposal for BTFEC (Bhutan)

AFB/PPRC.23-24/3 TA-ESGP proposal for IDDI (Dominican Republic)

AFB/PPRC.23-24/4 TA-ESGP proposal for EPIU (Armenia)

11. The submitted technical assistance grant proposals provide an explanation and a basic breakdown of the costs associated with the accredited NIEs building their capacity to assess and manage environmental, social and gender related issues and to comply with the Fund's ESP and GP. The proposal submitted by IDDI included US\$ 1,700 or 8.1%² in Implementing Entity management fees, which complies with Board Decision B.11/16 to cap management fees at 8.5% of the project/programme budget. The total requested funding for these grants for the current period amounted to US\$ 67,200 and included \$ 1,700 or 2.6% in Implementing Entities' management fees. A summary of the applicants is provided in Table 1 below.

Table 1: Technical Assistance grant proposals for the ESP and the GP submitted to the intersessional review cycle between the thirty-second and thirty-third Adaptation Fund Board meetings

Country	IE	Initial Financing Requested (USD), (current period)	Final Financing Requested ³ (USD), (current period)	IE Fee (USD)	IE Fee, %
Bhutan	BTFEC	\$25,000	\$25,000	\$0	0%
Dominican Republic	IDDI	\$21,000	\$22,700	\$1,700	8.1%
Armenia	EPIU	\$19,500	\$19,500	\$0	0%
Total		\$65,500	\$67,200	\$1,700	2.6%

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

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

13. Following the receipt of the proposal, the secretariat had informed the NIE applicant that it did not meet the eligibility criteria as it had already received a TA-ESGP which would cover both environmental and social safeguards and gender considerations simultaneously. The implementing entity was offered the opportunity to discuss the circumstances around its ineligibility and the eligibility criteria for the grant. Following a discussion with the secretariat, the application was withdrawn by the applicant.

South-South Cooperation Grant Proposals Submitted by Implementing Entities

² 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.

³ Final technical assistance grant financing requested after the secretariat's initial technical review and request for further clarification to the applicant.

14. Under the Adaptation Fund's Readiness Programme, eligible⁴ NIEs wishing to support other countries that are seeking accreditation with the Board can apply for South-South (S-S) cooperation grants to enable them to provide such support.

15. In response to the call by the secretariat for accredited NIEs of the Fund to submit proposals for grants to enhance South-South cooperation and help those institutions in countries seeking direct access to the Fund's resources, to prepare and submit their applications for accreditation, the secretariat received S-S cooperation grant proposals for two countries from two NIEs.

16. The grant proposals were submitted by the *Centre de Suivi Ecologique* of Senegal (CSE), and the National Bank for Agriculture and Rural Development of India (NABARD). Details of these proposals are contained in the PPRC working documents as follows:

AFB/PPRC.23-24/1/Add.1 *Report of the secretariat on initial review of grant proposals under the Readiness Programme*

AFB/PPRC.23-24/5 *S-S Cooperation Grant Proposal for Afghanistan (NABARD)*

AFB/PPRC.23-24/6 *S-S Cooperation Grant Proposal for Mauritius (CSE)*

17. 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 proposal submitted by CSE included US\$ 3,910 or 8.5%⁵ in Implementing Entity management fees, which complies with Board Decision B.11/16 to cap management fees at 8.5% of the project/programme budget. The total requested funding for these grants for the current period amounted to US\$ 99,910 and included \$ 3,910 or 4.07% in Implementing Entities' management fees. 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 twenty-eighth and twenty-ninth 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, %
Afghanistan	NABARD	\$50,000	\$50,000	\$0	0%
Mauritius	CSE	\$50,000	\$49,910	\$3,910	8.5%
Total		\$100,000	\$99,910	\$3,910	4.07%

The review process

18. In accordance with the operational policies and guidelines, following the receipt of the proposals, the secretariat screened and prepared technical reviews of the five project proposals.

⁴ 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.

⁵ 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.

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

19. In line with the Board request at its tenth meeting, the secretariat shared the initial technical review findings with the NIE applicants 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. In some cases, however, the process took longer.

20. The secretariat subsequently reviewed the NIEs' responses to the clarification requests, and compiled comments and recommendations that are presented in the addendum to this document (AFB/PPRC.23-24/1/Add.1).

Issues Identified During the Review Process

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