ADAPTATION FUND

Adaptation Fund Board
Thirty-fourth Meeting
Bonn, Germany, 10-11 October 2019

Agenda Item 13

REVIEW OF THE PROJECT AND PROGRAMME REVIEW PROCESS

Background

1.   At its twenty-fourth meeting, the Project and Programme Review Committee (PPRC) of the Adaptation Fund Board (the Board) disussed the concerns raised by the PPRC with regard to minimum time the PPRC is given for review of the proposal submissions and technical reviews thereof, and the time that the implementing entities are provided to revise and resubmit, within the same cycle, their proposals, following the initial technical review conducted by the secretariat (Document AFB/PPRC.24/48, *Report of the Twenty-fourth Meeting of the Project and Programme Review Committee*). Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board (the Board) decided:

> *to request the secretariat to undertake a review of the project and programme review process, with the consideration of the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund, and present it at the thirty-fourth meeting of the Board.*

> *(Decision B.33/10)*

2.   The Operational Policies and Guidelines (OPG) for Parties to Access Resources from the Adaptation Fund[1] (the Fund), a document adopted by the Adaptation Fund Board (the Board), lays out the characteristics of the Fund's project/programme cycle, including the cycle steps for both concepts and fully-developed project documents, the minimum time before each regular Board meeting that a submission should be received by the Fund for the Board's consideration at the upcoming meeting, and the minimum time before a Project and Programme Review Committee (PPRC) meeting that all project/programme proposals and reviews should be forwarded to the PPRC for its review. To highlight, concerning the review and approval of concrete adaptation projects and programmes, the OPG states:

a) The timetable for the submission and review of proposals will be synchronized with the meetings of the Board as much as possible, in addition to which there will be opportunities to submit proposals for intersessional consideration (para. 46 (a));

b) Project/programme proposals shall be submitted at least 9 (nine) weeks before each regular Board meeting in order to be considered by the Board at its next regular meeting (Ibid.);

c) Intersessional project/programme review cycle takes place during an intersessional period of 24 (twenty-four) weeks or more between two consecutive regular Board meetings (para. 46 (a) (i));

d) For project/programme proposals submitted for consideration at regular Board meetings, the Secretariat will send all project/programme proposals with

---

[1] https://www.adaptation-fund.org/wp-content/uploads/2017/08/OPG-amended-in-October-2017-1.pdf

technical reviews to the PPRC at least 7 (seven) days before the meeting (para. 46 (d)).[2]

3.   Furthermore, concerning the review cycle, the OPG states that:

   e) The Fund's project cycle will be reviewed on an on-going basis and as deemed necessary by the Board (para 76).

4.   The Independent Evaluation of the Adaptation Fund: First Phase Evaluation Report[3], completed in 2015, discusses the project/programme project review process and overall finds it to be efficient. It also refers to the Board's approval of one intersessional project/program review cycle annually in order to reduce potentially long wait times related to the reduced AFB meeting schedule and to maintain or improve project review efficiency.

5.   The Second Phase Evaluation Report[4], completed in 2018, finds that the Fund is efficient in managing accreditation and project cycle processes, though time and cost pressures have increased with the expanding portfolio. Project approval processes are slowed down by the increased volume of project proposals, time needed to ensure that proposals meet the Adaptation Fund's gender and revised environmental and social policy (ESP) criteria, and some matters of institutional efficiency such as selected PPRC members being less active than others. Despite the increasing volume of project proposals, the AFB Secretariat remains efficient and responsive to project stakeholders and contributes positively to the overall project cycle efficiency of the fund.

6.   Given the outlook for the project/programme review process, namely looking at the general trends in accreditation (increasing number of implementing entities, and national implementing entities in particular), resource demand (increasing volume of submissions) and resource mobilization (meeting and/or exceeding targets), it is timely to consider the optimization of the project review cycle processes, taking into account the considerations previously stated. In addition, having to manage an expanding volume of submissions by a growing number of implementing entities has efficiency and resource implications for the Secretariat which may also be taken into account when considering any changes to the existing processes.

---

[2] The same policy applies to readiness grants and is explicitly mentioned thus in para. 60 (c)
[3] https://www.adaptation-fund.org/document/independent-evaluation-of-the-adaptation-fund-first-phase-evaluation-report/
[4] https://www.adaptation-fund.org/document/independent-evaluation-adaptation-fund-second-phase-evaluation-report-final-edited-version/

Objectives and Key Considerations

7.   The objective of the paper is to review the current project and programme review process and consider options for the potential changes to this process. As mentioned above, the specific concerns identified and expressed include:

    a) The issue of having a too-short review window (currently one week), for the PPRC to review the projects and programmes.

    b) The implementing entities have consistently raised the issue of having a too-short proposal revision window and have suggested three weeks instead of one.

8.   A review of the project and programme review process also entails considering:

    a) Options for configurations that may result in efficiency gains for the secretariat, or at least minimize efficiency loss, should the implementation of other options entail additional resources.

    b) Options that may better support other needs that may or may not have been formally discussed, including providing more direct support to the implementing entities in the proposal review process.

9.   Furthermore, a number of questions emerge when assessing the options in the review of the project and programme review process:

    a) Does the option help solve the challenges, in the order of importance?

    b) Is the option practical, i.e. most impactful with least amount of effort?

    c) Can an option be readily understood (and implemented, if needed) by a large number of our partners?

    d) Are there major implications on the Fund's administrative resources?

    e) Can and should an option be tested on a pilot basis?

    f) What are the risks with the options, if any, and how can they be managed?

    g) Other questions, as may be deemed relevant.

Options for the Review of the Project/Programme Cycle

10.   The following are some of the options that were developed with the considerations stated above. It is worth noting that all of these options would require revision of the OPG.

Option 1. Increase the PPRC Review Window by One Week (Two Weeks Total)

11.   *Background:* The objective of this option is to respond to the concern that the time currently given to the PPRC for the review of project documents, including the technical reviews prepared by the secretariat, is insufficient, especially given the significant growth in the volume of programming presented to the PPRC and Board seen over time and especially during recent review cycles.

12.   *Proposed Action:* The time that would be allocated to the PPRC for the review of project documents would be increased to two weeks instead of one. The feasibility of increasing the time to three weeks (or more) has been considered, but this presents additional challenges in scheduling Board meetings in such a way that would avoid overlap of the review cycle with critical dates. The complexity increases if time is added to the cycle to accommodate a longer window for the IEs to revise proposals, as per Option 2 below.

13.   *Potential Implications:* No major implications are foreseen on either workload or most other practical aspects, however, as mentioned, adding more than two weeks total to the review cycle leads to increasing constraints in the scheduling of Board meetings, and lowers the likelihood of an intersessional review cycle occurring. Any lengthening of the review cycle may have implications on the likelihood of an intersessional review cycle taking place, given the OPG states that "[i]ntersessional project/programme review cycle takes place during an intersessional period of 24 (twenty-four) weeks or more between two consecutive regular Board meetings".

Option 2. Increase the IE Revision Window by One Week (Two Weeks Total)

14.   *Background:* This option would provide to IEs an additional week to carry out revisions of the proposals in response to the comments made in the initial technical review, for resubmission for a second round of technical review.

15.   *Proposed Action:* The time that would be allocated to the IEs for the revision and resubmission would be increased to two weeks instead of one. As with the previous option, the feasibility of increasing the time to three weeks (or more) has been considered, but this presents challenges in scheduling Board meetings in such a way that would avoid overlap of the review cycle with critical dates.

16.   *Potential Implications:* In some cases, the ability of the IE to revise their proposals during the review cycle has been considered as a critical stumbling block in advancing the project to the next step of the project cycle, and those projects have had to wait until the next review cycle instead. As with the previous option, no major implications are foreseen on either workload or most other practical aspects, however, any lengthening of the review cycle by more than two weeks in total may have increasingly severe implications the scheduling of Board meetings and

on the likelihood of an intersessional review cycle taking place, given the OPG states that "[i]ntersessional project/programme review cycle takes place during an intersessional period of 24 (twenty-four) weeks or more between two consecutive regular Board meetings".

Option 3. Allow Rolling-basis Submissions

17.   *Background:* The technical review, prepared by the secretariat, is the principle medium for relaying areas for indicating gaps and areas for improvement for any given proposal. On the basis of the review, the IE is given clear directions on where and how the proposal would need to change before it could be technically recommended to the PPRC and the Board. During each review cycle, proposals are reviewed twice. Currently, proposals are not reviewed outside the review cycle. However, allowing additional reviews between review cycles would allow for sustained, on-demand feedback to the IE concerning its proposal, thus, in theory, helping increasing the likelihood of the proposal being ready sooner to advance to the next stage.

18.   *Proposed Action:* Rolling basis submission would mean that submissions of proposals would be accepted virtually any time outside the normally-scheduled review cycle. Such proposals would be technically reviewed within a certain timeframe, and the results of the technical review shared with the IE. This process could be repeated until it coincided with the review cycle, at which point the review process would transition into the next phase (including a recommendation to the PPRC), and decision by the Board.

19.   *Potential Implications:* Among the implications foreseen under this option is that the total number of reviews in a year is likely to increase. This would potentially put further strain on the secretariat's already stretched resources, particularly as there would be a less predictability in the workload year-round. Furthermore, currently the review process is carefully coordinated, with a number of milestones and deadlines that apply to all. Should this option be adopted, it would mean potentially multiple parallel or overlapping processing going on independently, and at the moment the secretariat's systems are not set up to actively track each such process, which could cause difficulties (some anticipated and likely some unanticipated ones as well) especially if there would be a large number of reviews going on at any particular time. However, the advantage would be that the technical reviews would be spread out over the year, and project/programmes that are technically recommended for endorsement or approval could be potentially made ready to be included in the report and recommendation to the PPRC ahead of the regular review cycle, thus spreading the workload across time more evenly. Another option would be to limit this option (to, for example, National Implementing Entities (NIEs) only, or a particular type of project, or stage) on a pilot basis.

Option 4. Increase the Efficiency of PPRC Meetings

20.   *Background:* Given the growing number of proposals submitted to the PPRC each cycle in the recent years, through an expanding range of modalities, accompanied with a concomitant increase in policy papers, the workload of the PPRC has grown rapidly and this has already

shown efficacy and resource implications, as with the twenty-fourth meeting, when the PPRC was unable to go through the entire agenda due to insufficient time.

21.   *Proposed Action:* The PPRC could adopt a more streamlined approach to project review. There are a number of ways that the PPRC could pursue, for instance by requesting the secretariat to present to the PPRC/Board only certain proposals. Other proposals would continue to be reviewed by the secretariat following review cycles (either as they are now or as amended). The possible categories of proposals to be presented to the PPRC could include:

> a) All Fully-developed Project Documents, and technically recommended Project Concepts and Project Pre-concepts only;
>
> b) All Project Concepts and Project Pre-concepts, and technically recommended Fully-developed Project Documents only;
>
> c) Technically recommended proposals at any stage only;
>
> d) Some other combination.

22.   Potential Implications: At the secretariat level, no major implications are foreseen. However, this would mean that the PPRC and the Board place greater responsibility on the secretariat. The PPRC would have fewer opportunities to review and discuss some of the proposals (i.e. those that are not being presented). Conversely, however, by restricting the discussion to a subset of proposals, the PPRC may find it easier to engage more in-depth discussion on those proposals, therefore having a potentially greater technical input on those proposals that are prioritized by a process that may be developed and implemented under this option.

General Considerations

23.   It is worth highlighting that the changes to the review cycle length has implications on the scheduling of future Board meetings and the possibility of having intersessional review cycles, at least under the current OPG policy. Given that the thirty-fifth meeting of the Board has already been set, and that increasing the review cycle length by even one week would overlap with the end-of-year holidays, it is advised that the potential implementation of such a change does not take place until after the thirty-fifth meeting, and that this consideration is taken into account when scheduling Board meetings in the future.

Recommendation

24.   The Board may want to consider document AFB/B.34/10 and decide to:

> a) Request the secretariat to further elaborate [e.g. Option X] and present at the [Meeting] [including the following considerations];

b) Request the secretariat to pilot [e.g. Option X] starting [Date or Milestone, e.g. "next review cycle"];

c) Request the secretariat to accordingly revise the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund and present the document to the Board at the [Meeting];

d) Consider the decisions made in the scheduling of the upcoming meetings of the Board;

e) Communicate the decisions to the implementing entities.