



ADAPTATION FUND

AFB/PPRC.25/33
30 September 2019

Adaptation Fund Board
Project and Programme Review Committee
Twenty-fifth Meeting
Bonn, Germany, 7-9 October 2019

Agenda item 6 a)

**REPORT OF THE SECRETARIAT ON INITIAL
SCREENING/TECHNICAL REVIEW
OF INNOVATION MULTILATERAL IMPLEMENTING ENTITY
AGGREGATOR 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 innovation Multilateral Implementing Entity (MIE) aggregator proposals submitted by the United Nations Development Programme (UNDP) and United Nations Environment Programme (UN Environment) 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.

3. At its thirtieth meeting, the Adaptation Fund Board discussed the draft medium-term strategy, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.30/5/Rev.1. Having considered that document, the Board decided:

- (a) *To adopt the medium-term strategy as amended by the Board, as contained in the Annex 1 of the document AFB/B.30/5/Rev.1 (the MTS); and*
- (b) *To request the secretariat:*
 - (i) *To broadly disseminate the MTS and work with key stakeholders to build understanding and support;*
 - (ii) *To prepare, under the supervision of the MTS task force, a draft implementation plan for operationalizing the MTS, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and political risks, for consideration by the Board at its thirty-first meeting; and*
 - (iii) *To draft, as part of the implementation plan, the updates/modifications to the operational policies and guidelines of the Adaptation Fund needed to facilitate implementation of the MTS, for consideration by the Board at its thirty-first meeting.*

(Decision B.30/42)

4. Pursuant decision B.30/42, subparagraph b (ii), the secretariat prepared a draft implementation plan for the MTS, including an assessment of assumptions and risks. The secretariat shared a version of the draft with the MTS task force for comments.

5. The draft implementation plan also contains suggestions for specific funding windows that might be opened under the MTS in complement of the Fund's existing funding windows for single-country and regional adaptation projects and readiness support projects. Following the approval of the implementation plan, the secretariat would present specific proposed details for each new

funding window at subsequent meetings of the Board for its consideration, in accordance with the timeline contained in the implementation plan.

6. At its thirty-first meeting, the Adaptation Fund Board discussed document the draft implementation plan for the MTS, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.31/5/Rev.1. Having considered that document, the Board decided:

- (a) *To approve the implementation plan for the medium-term strategy for the Fund for 2018–2022 contained in the Annex I to document AFB/B.31/5/Rev.1 (the plan);*
- (b) *To request the secretariat:*
 - (i) *To facilitate the implementation of the plan during the period 2018–2022;*
 - (ii) *To include the administrative budget for implementing the plan in the secretariat’s annual administrative budget during the strategy period, for consideration by the Fund’s Ethics and Finance Committee;*
 - (iii) *To prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features and submit it to the Board for its consideration in accordance with the tentative timeline contained in Annex I to document AFB/B.31/5/Rev.1, with input from the Board’s committees;*
 - (iv) *Following consideration of the new types of support mentioned in subparagraph (b)(iii), to propose, as necessary, amendments to the Fund’s operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and*
 - (v) *To monitor the progress of implementation of the MTS and report on it annually as part of the annual performance reports of the Fund, and if necessary, propose possible adjustments to the plan during its implementation in conjunction with consideration of the annual work plan; and*
- (c) *To request the Technical Evaluation Reference Group of the Adaptation Fund (AFTERG) to undertake a mid-term review of the medium-term strategy and the plan and report to the Board at its thirty-sixth meeting.*

(Decision B.31/32)

7. In line with the decision (b)(iii) above, the secretariat, at the thirty-second meeting of the Board, presented document AFB/PPRC.23/5/Rev.1, Programme on Innovation: Selection of the Multilateral Implementing Entity to administer small grants projects, and the Board decided:

(a) To select and invite both the United Nations Development Programme and United Nations Environment Programme to serve as the multilateral implementing entity (MIE) aggregator(s) for small grants for innovation;

(b) To request the secretariat to prepare a joint announcement of the initiative in conjunction with the twenty-fourth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change;

(c) To request the secretariat to develop guidance to the MIE aggregators for preparing proposals for small grant programmes for innovation;

(d) To establish a task force that would advise the secretariat on the development of the guidance¹; and

(e) To invite the two MIE aggregators to prepare respective proposals for the consideration of the Board.

(Decision B.32/5)

8. The two MIE aggregators, UNDP and UN Environment, submitted respective programmes and the details of the proposals are contained in the separate PPRC working documents, as follows:

- a. MIE Aggregator (1), UN Environment: AFB/PPRC.25/35; and
- b. MIE Aggregator (2), UNDP: AFB/PPRC.25/36.

Review Process

9. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the proposals submitted. They met the requirements for undergoing a complete technical review.

10. In line with the Board request at its tenth meeting, the secretariat shared the initial technical review findings with the MIEs 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.

¹ Although the AFB secretariat made an effort to constitute a Task Force, ultimately this was not feasible during the intersessional period between the thirty-second and thirty-third meetings of the Board.

11. 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.25/34/Add.1).

III. ISSUES IDENTIFIED DURING THE REVIEW PROCESS

12. While it should be noted that this is a special and unique modality used for the first time, there were no major issues identified during the review process.

Table 1: Innovation MIE Aggregator proposals submitted to the regular review cycle for consideration at the thirty-fourth Adaptation Fund Board meeting

Innovation Small Grant	IE	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
MIE						
	UN Environment	5,000,000	425,625	9.30%	434,625	9.50%
	UNDP	5,000,000	391,705	8.50%	138,250	3.00%
TOTAL		10,000,000	817,330		572,875	