



AFB/PPRC.25/49
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Adaptation Fund Board
Project and Programme Review Committee
Twenty-fifth Meeting
Bonn, Germany, 7-9 October 2019

Agenda Item 17

REPORT OF THE SECRETARIAT ON THE INTERSESSIONAL REVIEW CYCLE FOR READINESS GRANTS



AFB/PPRC.24/6
5 March 2019

Adaptation Fund Board
Project and Programme Review Committee
Bonn, Germany, 12-13 March 2019

Agenda Item 7

REPORT OF THE SECRETARIAT ON THE INTERSESSIONAL REVIEW CYCLE FOR READINESS GRANTS

Background

1. At the twenty-sixth meeting of the Adaptation Fund Board (the Board), the Project and Programme Review Committee (PPRC) had discussed readiness grant proposals that national implementing entities (NIEs) had submitted during the intersessional period between the twenty-fifth and twenty-sixth meetings of the Board. The PPRC had discussed that the Adaptation Fund Board secretariat (the secretariat) did not have a mandate to submit those proposals for intersessional approval by the Board. The secretariat had presented to the PPRC that the proposals were fairly simple and straightforward and did not necessarily require in-session discussion. In order to avoid having to wait until the twenty-seventh meeting of the Board, the PPRC recommended to the Board that the secretariat review the proposals for decision by the Board intersessionally between its twenty-sixth and twenty-seventh meetings. Having considered the comments and recommendation of the PPRC, the Adaptation Fund 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)

2. At its twenty-seventh meeting, the Board had discussed the progress made under phase II of the Readiness Programme and the proposal outlined in document AFB/B.27/7 which had presented progress made by the Readiness Programme and a proposal to make the programme a more permanent feature of the Adaptation Fund (the Fund). Having considered document AFB/B.27/7, the Adaptation Fund Board decided to:

[..]

(b) Integrate the Readiness Programme into the Adaptation Fund work plan and budget;

[..]

(Decision B.27/38)

3. At its twenty-eighth meeting, the Board had discussed a recommendation by the Project and Programme Review Committee (PPRC) of the Board to establish a standing rule following on decision B.26/28 on the intersessional project review cycle 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)

4. The fourth intersessional project review cycle for readiness grants was arranged during the intersessional period between the thirty-second and thirty-third meetings of the Board. During this cycle, six 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 for concrete projects/programmes. That report, contained in document AFB/PPRC.23-24/1, was circulated together with the intersessionally reviewed proposals and was also posted on the Adaptation Fund website.

5. 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.28/30 subparagraph (e).

ANALYSIS OF THE INTERSESSIONAL CYCLE

6. Two South-South (S-S) cooperation grant proposals and three technical assistance grant proposals for the environmental and social policy and gender policy (TA-ESGP) were received during the intersessional review cycle. A technical assistance grant proposal for the gender policy (TA-GP) was also received but was withdrawn by the applicant as they had previously received a TA-ESGP. The total number of eligible¹ readiness grant proposals submitted during this intersessional review cycle reflects an increase of one compared to the last intersessional review cycle. The Board approvals in this intersessional review bring the total number of national implementing entities (NIEs) that have received a grant for technical assistance to 12 out of the 28 accredited national implementing entities, and the number of countries that have received a grant for peer-peer support for accreditation through the S-S cooperation grants to 10.

¹ According to the requirements posted on the Adaptation Fund website, all accredited NIEs of the Fund that have not previously received a technical assistance grant are eligible for the grant. To be eligible for a S-S cooperation grant, an accredited NIE will need to demonstrate experience implementing an Adaptation Fund project/programme, and also demonstrate experience participating in, organizing support to, or advising other NIEs, entities or governments relevant to accreditation or capacity building to receive climate finance for adaptation projects/programmes.

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

| Country | IE receiving or providing support | Type of grant | Document reference | Decision | Funding set aside (USD) |
|--------------------|--|----------------------|---------------------------|-----------------|--------------------------------|
| Afghanistan | NABARD | S-S | AFB/PPRC.23-24/5 | Approve | \$50,000 |
| Armenia | EPIU | TA-ESGP | AFB/PPRC.23-24/4 | Approve | \$19,500 |
| Bhutan | BTFEC | TA-ESGP | AFB/PPRC.23-24/2 | Approve | \$25,000 |
| Dominican Republic | IDDI | TA-ESGP | AFB/PPRC.23-24/3 | Approve | \$22,700 |
| Mauritius | CSE | S-S | AFB/PPRC.23-24/6 | Approve | \$49,910 |
| Total | | | | | \$167,110 |



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 Board² 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 for

² Decision B.22/24

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 (BTSEC), 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%³ 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 ⁴ (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

³ 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.

⁴ Final technical assistance grant financing requested after the secretariat's initial technical review and request for further clarification to the applicant.

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

14. Under the Adaptation Fund's Readiness Programme, eligible⁵ 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%⁶ 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 (USD), (current period) ⁷ | 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% |

⁵ 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.

⁶ 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.

⁷ Final S-S cooperation grant financing requested after the secretariat's initial technical review and request for further clarification to the applicant.

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.

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.