



ADAPTATION FUND

AFB/PPRC.25/Inf.1  
September 2019

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

Agenda item 3

## **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 sixth intersessional project/programme review cycle was arranged during the intersessional period between the thirty-third and thirty-fourth 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.24-25/1, 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 nine single country project proposals, and four regional project proposals were submitted. Of those, eight and four, respectively, were full sized projects. All nine single country country project proposals and three out of the four regional proposals underwent the full review process during the intersessional project/programme review cycle.

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

1. Full Proposals: Single-country	Country	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
<b>NIE</b>								
	Indonesia(1)	Kemitraan	AFB/PPRC.24-25/2	835,465	64,758	8.40%	68,373	8.87%
	Indonesia(2)	Kemitraan	AFB/PPRC.24-25/3	4,127,065	55,771	1.37%	353,217	8.68%
<b>RIE</b>								
	Saint Lucia	CDB	AFB/PPRC.24-25/4	9,858,570	705,325	7.71%	855,310	9.34%
<b>MIE</b>								
	Iran (Islamic Republic of)	UNDP	AFB/PPRC.24-25/5	9,865,651	772,885	8.50%	829,839	9.13%
	Lao People's Democratic	UN-Habitat	AFB/PPRC.24-25/6	5,500,000	430,876	8.50%	481,567	9.50%
	Lesotho	WFP	AFB/PPRC.24-25/7	9,999,894	783,402	8.50%	875,850	9.50%
	Sierra Leone	IFAD	AFB/PPRC.24-25/8	9,916,925	776,902	8.50%	182,200	1.99%
	Tajikistan	UNDP	AFB/PPRC.24-25/9	9,996,441	783,131	8.50%	776,000	8.42%
	Turkmenistan	UNDP	AFB/PPRC.24-25/10	7,000,040	548,390	8.50%	559,000	8.66%
<b>Sub-total, USD</b>				<b>67,100,051</b>	<b>4,921,440</b>		<b>4,981,356</b>	
2. Full Proposals: Regional	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
<b>RIE</b>								
	Djibouti, Kenya, Sudan, Uganda	OSS	AFB/PPRC.24-25/11	13,079,540	1,024,660	8.50%	1,045,860	8.68%
<b>MIE</b>								
	Chile, Colombia,	WMO	AFB/PPRC.24-25/12	7,432,250	582,250	8.50%	650,000	9.49%
<b>Sub-total, USD</b>				<b>20,511,790</b>	<b>1,606,910</b>		<b>1,695,860</b>	
3. Concepts: Regional	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
<b>MIE</b>								
	El Salvador,	WFP	AFB/PPRC.24-25/13	13,900,478	1,088,978	8.50%	1,111,500	8.68%
<b>Sub-total, USD</b>				<b>13,900,478</b>	<b>1,088,978</b>		<b>1,111,500</b>	
4. Project Formulation Grants: Regional Concepts	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
<b>MIE</b>								
	El Salvador, Honduras	WFP	AFB/PPRC.24- 25/13/ Add.1	80,000				
<b>Sub-total, USD</b>				<b>80,000</b>				
<b>Sub-total, USD</b>								
<b>GRAND TOTAL (1+2+3+4)</b>				<b>101,592,319</b>	<b>7,617,328</b>	<b>-</b>	<b>7,788,716</b>	<b>-</b>



ADAPTATION FUND

AFB/PPRC.24-25/1  
10 June 2019

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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 nine single-country project proposals to the secretariat, with the total requested funding amounting to US\$ 67,100,051. The proposals included US\$ 4,921,440 or 7.61%<sup>1</sup> in Implementing Entities management fees and US\$ 4,981,356 or 8.23%<sup>2</sup> in execution costs.

9. All nine are fully-developed project proposals. They were submitted by National, Regional, and Multilateral Implementing Entities of the Fund; the Partnership for Governance Reform in Indonesia (Kemitraan), Caribbean Development Bank (CBD), United Nations Development Programme (UNDP), United Nations Human Settlements Programme (UN-Habitat), World Food Programme (WFP) and International Fund for Agricultural Development (IFAD). Kemitraan submitted two single-country proposals, one small- and one regular-sized, for Indonesia. CBD submitted a proposal for Saint Lucia. UNDP submitted three proposals for Iran, Tajikistan, and Turkmenistan. UN-Habitat submitted a proposal for Lao People's Democratic Republic, WFP submitted a proposal for Lesotho, and IFAD submitted a proposal for Sierra Leone.

10. Eight out of nine proposal submissions are for regular projects and programmes, i.e. they request funding exceeding US\$ 1,000,000.

<sup>1</sup> 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.

<sup>2</sup> 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.

11. These proposals do not request management fees in excess of 8.5% and are thus in compliance with Board Decision B.11/16. 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\$ 553,484.

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 documents submitted to the current intersessional review cycle amounts to US\$ 4,962,530, including 4.9% in management fees.

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)*

16. Details of the single-country proposals are contained in the separate PPRC working documents, as follows:

PPRC Document number	Country
AFB/PPRC.24-25/2	Indonesia (1)
AFB/PPRC.24-25/3	Indonesia (2)
AFB/PPRC.24-25/4	Saint Lucia
AFB/PPRC.24-25/5	Iran (Islamic Republic of)
AFB/PPRC.24-25/6	Lao People's Democratic Republic
AFB/PPRC.24-25/7	Lesotho
AFB/PPRC.24-25/8	Sierra Leone
AFB/PPRC.24-25/9	Tajikistan
AFB/PPRC.24-25/10	Turkmenistan

### **Project/programme proposals submitted by implementing entities: regional proposals**

17. Accredited MIEs and RIE submitted to the secretariat four proposals for regional projects and programmes. Out of the four, three underwent the full review process in this intersessional cycle. The total requested funding of those proposals amounted to US\$ 34,492,268, including one Project Formulation Grant request. Among the proposals were two fully-developed projects with a requested funding of US\$ 27,060,018, and one project concept proposal requesting funding of US\$ 13,900,478. The total requested funding for the fully-developed regional proposals included \$1,606,910 or 8.5% in Implementing Entities' management fees and US\$ 1,695,860 or 9.08% in



execution costs. The requested funding for the single concept included US\$ 1,088,978 or 8.5% in Implementing Entities' management fees and US\$ 1,111,500 or 8.68% in execution costs.

18. The proposals were submitted by a RIE, the Sahara and Sahel Observatory (OSS), and two MIEs; the World Meteorological Organization (WMO) and World Food Programme (WFP). OSS submitted a fully-developed project proposal for Djibouti, Kenya, Sudan and Uganda, while WMO submitted a fully-developed project proposal for Chile, Colombia and Peru. WFP submitted a concept proposal for El Salvador and Honduras, as well as a Project Formulation Grant. Details of the regional proposals are contained in the separate PPRC working documents, as follows:

PPRC Document number	Region/Countries
AFB/PPRC.24-25/11	Djibouti, Kenya, Sudan, Uganda
AFB/PPRC.24-25/12	Chile, Colombia, Peru
AFB/PPRC.24-25/13	El Salvador, Honduras

### **The review process**

19. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the thirteen project and programme proposals.

20. 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.

21. 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.24-25/1/Add.1).

### **Issues identified during the review process**

22. There were no new issues of note identified during this review process.

**Table: Project proposals submitted to the intersessional review cycle between the thirty-third and thirty-fourth Adaptation Fund Board meetings**

<b>1. Full Proposals: Single-country</b>	<b>Country</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>Grant Size, USD</b>	<b>IE Fee, USD</b>	<b>IE Fee %</b>	<b>Execution Cost, USD</b>	<b>EC %</b>
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	<b>Sub-total, USD</b>			<b>67,100,051</b>	<b>4,921,440</b>		<b>4,981,356</b>	
<b>2. Full Proposals: Regional</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>Grant Size, USD</b>	<b>IE Fee, USD</b>	<b>IE Fee %</b>	<b>Execution Cost, USD</b>	<b>EC %</b>
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	<b>Sub-total, USD</b>			<b>20,511,790</b>	<b>1,606,910</b>		<b>1,695,860</b>	
<b>3. Concepts: Regional</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>Grant Size, USD</b>	<b>IE Fee, USD</b>	<b>IE Fee %</b>	<b>Execution Cost, USD</b>	<b>EC %</b>
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	<b>Sub-total, USD</b>			<b>13,900,478</b>	<b>1,088,978</b>		<b>1,111,500</b>	
<b>4. Project Formulation Grants: Regional Concepts</b>	<b>Region/Countries</b>	<b>IE</b>	<b>PPRC Document number</b>	<b>Grant Size, USD</b>	<b>IE Fee, USD</b>	<b>IE Fee %</b>	<b>Execution Cost, USD</b>	<b>EC %</b>
<b>MIE</b>								
	El Salvador, Honduras	WFP	AFB/PPRC.24- 25/13/ Add.1	80,000				
	<b>Sub-total, USD</b>			<b>80,000</b>				
	<b>Sub-total, USD</b>							
<b>GRAND TOTAL (1+2+3+4)</b>				<b>101,592,319</b>	<b>7,617,328</b>	<b>-</b>	<b>7,788,716</b>	<b>-</b>