



ADAPTATION FUND

AFB/PPRC.26.a-26.b/1  
20 April 2020

---

Adaptation Fund Board  
Project and Programme Review Committee

**REPORT OF THE SECRETARIAT ON INITIAL  
SCREENING/TECHNICAL REVIEW  
OF PROJECT AND 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 project/programme proposals submitted by Implementing Entities (IE) to the thirty-fifth meeting of the Board, and the process of screening and technical review undertaken by the secretariat.
2. In advance of the thirty-fifth meeting of the Board, the secretariat received proposals for both single-country proposals as well as regional proposals as encouraged by Decision B.26/3, and as observed in Decisions B.27/5 and B.31/3, and reviewed them, as detailed further below.
3. However, due to the exceptional circumstances caused by the COVID-19 pandemic, the thirty-fifth meeting of the Board could not take place as originally planned.
4. Instead, following the decision by the Board to only conduct a procedural virtual session during the initially scheduled days, and consultation between the Chair and Vice-Chair of the Board and the PPRC as well as the secretariat, the chairpersons have endorsed a plan to consider the reviews intersessionally following the process established by the Board for intersessional review cycle. The processing of the projects that had been prepared for the consideration of the PPRC and subsequently the Board at the thirty-fifth meeting of the Board would therefore be finalized using the procedure used in the intersessional review cycle.
5. The analysis of the submitted proposals is contained in a separate addendum to this document.

## Funding status and situation of the pipeline

6. At the twelfth meeting, the Board instituted a cap of 50 per cent for project funds directed through Multilateral Implementing Entities (MIEs), having decided:

*(a) That the cumulative budget allocation for funding projects submitted by MIEs, should not exceed 50 per cent of the total funds available for funding decisions in the Adaptation Fund Trust Fund at the start of each session. That cumulative allocation would be subject to review by the Board on the recommendation of the Project and Programme Review Committee at subsequent sessions;*

*(b) To request the Trustee to provide an update on the amount of funds that have been approved for projects implemented by NIEs and MIEs at each meeting of the Adaptation Fund Board; and*

*(c) To review the implementation of this decision at the fourteenth meeting of the Adaptation Fund Board.*

*(Decision B.12/9)*

7. In its seventeenth meeting, having considered the recommendation of the Ethics and Finance Committee (EFC), the Board decided to:

*(a) Maintain the 50 per cent cap on the funding of projects/programmes implemented by MIEs established by decision B.12/9, and exclude project/programme concepts from the 50 per cent calculation; [...]*

*(Decision B.17/19)*

8. According to the latest Financial Report prepared by the Trustee as of 31 December 2019 (AFB/EFC.25/7), the cumulative funding decisions for projects/programmes submitted by MIEs amounted to US\$ 374.07 million, and the cumulative funding decisions for all projects/programmes amounted to US\$ 705.97 million. Funds available to support AF Board funding decisions amounted to US\$ 191.73 million. In accordance with the Board decision B.12/9, the funds available for projects submitted by MIEs below the 50% cap amounted to US\$ 74.78 million.

### **Funding Window for Regional Projects and Programmes**

9. Since its inception and until March 2017, the Adaptation Fund Board had only approved projects and programmes implemented in individual countries. At its twenty-fifth meeting, the Board considered a proposal for a pilot programme on regional projects and programmes, and decided to:

- a. *Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;*
- b. *Set a cap of US\$ 30 million for the programme;*
- c. *Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; [...]*

*(Decision B.25/28)*

10. In accordance with the decision B.25/28 and the document AFB/B.25/6/Rev.2, the secretariat had issued, on 5 May 2015, an invitation to submit project and programme proposals for funding under the pilot programme. The invitation was sent to Designated Authorities for the Adaptation Fund, and to Multilateral and Regional Implementing Entities (RIEs) accredited by the Board.

11. The Board decided, at its twenty-sixth meeting,

*[...] to request the secretariat to inform the Multilateral Implementing Entities and Regional Implementing Entities that the call for proposals under the Pilot programme for Regional Projects and Programmes is still open and to encourage them to submit proposals to the AFB at its 27th meeting, bearing in mind the cap established by decision B.25/28.*

*(Decision B.26/3)*

12. The Board considered, at its twenty-seventh meeting, at its twenty-seventh meeting, issues related to the pilot programme on regional projects and programmes and decided to:

- (a) Continue consideration of regional project and programme proposals under the pilot programme, while reminding the implementing entities that the amount set aside for the pilot programme is US\$ 30 million;*
- (b) Request the secretariat to prepare for consideration by the Project and Programme Review Committee at its nineteenth meeting, a proposal for prioritization among regional*

*project/programme proposals, including for awarding project formulation grants, and for establishment of a pipeline; and*

- (c) *Consider the matter of the pilot programme for regional projects and programmes at its twenty-eighth meeting.*

*(Decision B.27/5)*

13. The proposal requested in (b) above was presented to the nineteenth meeting of the PPRC as document AFB/PPRC.19/5. The Board subsequently decided:

- a) *With regard to the pilot programme approved by decision B.25/28:*

- (i) *To prioritize the four projects and 10 project formulation grants as follows:*

1. *If the proposals recommended to be funded in a given meeting of the PPRC do not exceed the available slots under the pilot programme, all those proposals would be submitted to the Board for funding;*

2. *If the proposals recommended to be funded in a given meeting of the PPRC do exceed the available slots under the pilot programme, the proposals to be funded under the pilot programme would be prioritized so that the total number of projects and project formulation grants (PFGs) under the programme maximizes the total diversity of projects/PFGs. This would be done using a three-tier prioritization system: so that the proposals in relatively less funded sectors would be prioritized as the first level of prioritization. If there are more than one proposal in the same sector: the proposals in relatively less funded regions are prioritized as the second level of prioritization. If there are more than one proposal in the same region, the proposals submitted by relatively less represented implementing entity would be prioritized as the third level of prioritization;*

- (ii) *To request the secretariat to report on the progress and experiences of the pilot programme to the PPRC at its twenty-third meeting; and*

- b) *With regards to financing regional proposals beyond the pilot programme referred to above:*

(i) *To continue considering regional proposals for funding, within the two categories originally described in document AFB/B.25/6/Rev.2: ones requesting up to US\$ 14 million, and others requesting up to US\$ 5 million, subject to review of the regional programme;*

(ii) *To establish two pipelines for technically cleared regional proposals: one for proposals up to US\$ 14 million and the other for proposals up to US\$ 5 million, and place any technically cleared regional proposals, in those pipelines, in the order described in decision B.17/19 (their date of recommendation by the PPRC, their submission date, their lower "net" cost); and*

(iii) *To fund projects from the two pipelines, using funds available for the respective types of implementing entities, so that the maximum number of or maximum total funding for projects and project formulation grants to be approved*

*each fiscal year will be outlined at the time of approving the annual work plan of the Board.*

*(Decision B.28/1)*

14. At its thirty-first meeting, the Board subsequently decided:

*(a) To merge the two pipelines for technically cleared regional proposals established in decision B.28/1(b)(ii), so that starting in fiscal year 2019 the provisional amount of funding for regional proposals would be allocated without distinction between the two categories originally described in document AFB/B.25/6/Rev.2, and that the funding of regional proposals would be established on a 'first come, first served' basis; and*

*(b) To include in its work programme for fiscal year 2019 provision of an amount of US\$ 60 million for the funding of regional project and programme proposals, as follows:*

*(i) Up to US\$ 59 million to be used for funding regional project and programme proposals in the two categories of regional projects and programmes: ones requesting up to US\$ 14 million, and others requesting up to US\$ 5 million; and*

*(ii) Up to US\$ 1 million for funding project formulation grant requests for preparing regional project and programme concepts or fully-developed project and programme documents.*

*(Decision B.31/3)*

15. At the thirty-third meeting of the Board, [*h*]aving considered the recommendation of the PPRC, the Adaptation Fund Board decided to include in its work plan for fiscal year 2020 the provision for an amount of US\$ 60 million to be provisionally set aside, as follows:

*a) Up to US\$ 59 million for the funding of regional project and programme proposals; and*

*b) Up to US\$ 1 million for the funding of project formulation grant requests for preparing regional project and programme concept or fully-developed project documents.*

*(Decision B.33/12)*

16. As of the date of this report, the amount of funding that had been provisionally set aside via Decision B.33/12 has been exhausted, and there are no waitlisted projects. If the PPRC should recommend the approval of any of the regional projects considered during this review cycle, the Board may wish to decide to place them in a waitlist as described in decisions B.28/1 and B.31/3, until such time that the Board decides to make available additional funding for regional projects and programmes.

17. 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:

- (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)*

18. As the intersessional process applies to the proposals being currently considered, a number of proposals that had been reviewed to be considered in a regular Board meeting, were rendered ineligible due to being first-time submissions. Specifically, eight first-time submissions, of which seven were single-country proposals, could not be finalized in accordance with the intersessional process. Out of the seven country proposals, two were for fully-developed projects. The one first-time submission of a regional proposal was for a concept.

### **Project/programme proposals submitted by implementing entities: single-country proposals**

19. Accredited implementing entities submitted 15 eligible single-country project proposals to the secretariat, with the total requested funding amounting to US\$ 66,044,277. The proposals included US\$ 4,712,401 or 7.30%<sup>1</sup> in Implementing Entities management fees and US\$ 4,467,405 or 8.83%<sup>2</sup> in execution costs.

20. All 15 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), National Environment Management Council (NEMC), Secretariat of the Pacific Regional Environment Programme (SPREP), International Fund for Agricultural

---

<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.

Development (IFAD), United Nations Human Settlements Programme (UN-Habitat), United Nations Educational, Scientific and Cultural Organization (UNESCO), and World Food Programme (WFP).

21. Two out of the 15 proposals are for small projects, i.e. they request funding not exceeding US\$ 1,000,000. Both proposals were submitted by Kemitraan.

22. The 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.

23. 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\$ 319,100.

24. 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.

25. The total requested funding for the fully-developed NIE project documents submitted to the current intersessional review cycle amounts to US\$ 13,651,140 including 6.26% in management fees.

26. 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)*

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

<b>1. Full Proposals: Single-country</b>	<b>Country</b>	<b>Implementing Entity</b>	<b>PPRC Document Number</b>
<b>NIE</b>			
	Indonesia (1)	Kemitraan	AFB/PPRC.26.a-26.b/2
	Indonesia (2)	Kemitraan	AFB/PPRC.26.a-26.b/3
	Indonesia (3)	Kemitraan	AFB/PPRC.26.a-26.b/4
	Indonesia (4)	Kemitraan	AFB/PPRC.26.a-26.b/5
	Tanzania, United Republic of (1)	NEMC	AFB/PPRC.26.a-26.b/6
	Tanzania, United Republic of (2)	NEMC	AFB/PPRC.26.a-26.b/7
	Tanzania, United Republic of (3)	NEMC	AFB/PPRC.26.a-26.b/8
	Tanzania, United Republic of (4)	NEMC	AFB/PPRC.26.a-26.b/9

<b>RIE</b>			
	Kiribati	SPREP	AFB/PPRC.26.a-26.b/10
<b>MIE</b>			
	Cambodia	UN-Habitat	AFB/PPRC.26.a-26.b/11
	Cameroon	IFAD	AFB/PPRC.26.a-26.b/12
	Pakistan	UN-Habitat	AFB/PPRC.26.a-26.b/13
	Tunisia	IFAD	AFB/PPRC.26.a-26.b/14
	Viet Nam	UN-Habitat	AFB/PPRC.26.a-26.b/15
	Zimbabwe	UNESCO	AFB/PPRC.26.a-26.b/16

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

28. Accredited MIEs submitted to the secretariat three eligible proposals for regional projects and programmes. The total requested funding of those proposals amounted to US\$ 27,468,139, including one Project Formulation Grant request. All three proposals were fully-developed projects. The total requested funding for the fully-developed regional proposals included \$2,124,147 or 8.33% in Implementing Entities' management fees and US\$ 1,926,450 or 6.83% in execution costs.

29. The proposals were submitted by three MIEs; the United Nations Human Settlements Programme (UN-Habitat), United Nations Educational, Scientific and Cultural Organization (UNESCO), and United Nations Environment Programme (UNEP). Details of the regional proposals are contained in the separate PPRC working documents, as follows:

<b>4. Full Proposals: Regional</b>	<b>Region/Countries</b>	<b>Implementing Entity</b>	<b>PPRC Document Number</b>
<b>MIE</b>			
	Jordan, Lebanon	UN-Habitat	AFB/PPRC.26.a-26.b/17
	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan	UNESCO	AFB/PPRC.26.a-26.b/18
	Thailand, Viet Nam	UNEP	AFB/PPRC.26.a-26.b/19

### The review process

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

31. 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.



32. 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.26.a-26.b/1/Add.1).

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

33. It has become apparent early in the early stage of the review process that the entities continue to find unclear the distinction between the Project Formulation Grants (PFG) and Project Formulation Assistance grants (PFAs). Given the insignificant differences between the two types of grants, the PPRC may wish to consider in the future eliminating PFAs entirely and revising the PFG maximum amount instead.

34. Given that the funding that had been provisionally set aside via Decision B.33/12, for regional projects and programmes in Fiscal Year 2020, has been exhausted, any regional projects or programmes that are considered technically cleared for approval would need to be placed in a waitlist as described in decisions B.28/1 and B.31/3, and await such a time that the Board decides to make available additional funding for regional projects and programmes.

**Table: Project proposals submitted to the intersessional review cycle between the 35.a and 35.b 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.26.a-26.b/2	963,455.31	75,478.07	8.50%	84,357.84	9.50%
	Indonesia (2)	Kemitraan	AFB/PPRC.26.a-26.b/3	1,125,015	88,134.83	8.50%	98,503.09	9.50%
	Indonesia (3)	Kemitraan	AFB/PPRC.26.a-26.b/4	710,000		0.00%	71,836.01	10.12%
	Indonesia (4)	Kemitraan	AFB/PPRC.26.a-26.b/5	5,972,670	88,266	1.50%	559,018	9.49%
	Tanzania, United Republic of (1)	NEMC	AFB/PPRC.26.a-26.b/6	1,400,000	107,000	8.28%	126,000	9.74%
	Tanzania, United Republic of (2)	NEMC	AFB/PPRC.26.a-26.b/7	1,200,000	86,554.23	7.77%	95,160.77	8.55%
	Tanzania, United Republic of (3)	NEMC	AFB/PPRC.26.a-26.b/8	1,280,000	92,203.40	7.76%	103,050.60	8.68%
	Tanzania, United Republic of (4)	NEMC	AFB/PPRC.26.a-26.b/9	1,000,000	72,000	7.76%	80,400	8.66%
<b>RIE</b>								
	Kiribati	SPREP	AFB/PPRC.26.a-26.b/10	9,974,655	781,420	8.50%	796,000	8.66%
<b>MIE</b>								
	Cambodia	UN-Habitat	AFB/PPRC.26.a-26.b/11	5,000,000	391,705	8.50%	454,788	9.87%
	Cameroon	IFAD	AFB/PPRC.26.a-26.b/12	9,982,000	782,000	8.50%	500,000	5.43%
	Pakistan	UN-Habitat	AFB/PPRC.26.a-26.b/13	6,094,000	477,410	8.50%	533,576	9.50%
	Tunisia	IFAD	AFB/PPRC.26.a-26.b/14	9,997,190	783,190	8.50%	530,067	5.75%
	Viet Nam	UN-Habitat	AFB/PPRC.26.a-26.b/15	6,345,292	495,347	8.47%	555,877	9.50%
	Zimbabwe	UNESCO	AFB/PPRC.26.a-26.b/16	5,000,000	391,692	8.50%	437,789	9.50%
<b>Sub-total, USD</b>				<b>66,044,277</b>	<b>4,712,401</b>	<b>7.30%</b>	<b>4,467,405</b>	<b>8.83%</b>

<b>4. 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>
<b>MIE</b>								
	Jordan, Lebanon	UN-Habitat	AFB/PPRC.26.a-26.b/17	13,968,139	1,094,278	8.50%	1,223,272	9.50%
	Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan	UNESCO	AFB/PPRC.26.a-26.b/18	6,500,000	481,481	8.00%	90,275	1.50%
	Thailand, Viet Nam	UNEP	AFB/PPRC.26.a-26.b/19	7,000,000	548,388	8.50%	612,903	9.50%
<b>Sub-total, USD</b>				<b>27,468,139</b>	<b>2,124,147</b>	<b>8.33%</b>	<b>1,926,450</b>	<b>6.83%</b>
<b>GRAND TOTAL (1+2+3+4)</b>				<b>93,512,416</b>	<b>6,836,548</b>		<b>6,393,855</b>	