



ADAPTATION FUND

AFB/PPRC.26.b/Inf.2  
8 October 2020

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Adaptation Fund Board  
Project and Programme Review Committee  
Twenty-sixth Meeting  
Bonn, Germany (virtual), 13-14 October 2020

**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 fifth intersessional project review cycle for readiness grants was arranged during the intersessional period between the thirty-fourth and thirty-fifth meetings of the Board. During this cycle, five 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.25-26/1, 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).

6. It should be noted that the current report would have been presented at the thirty-fifth meeting of the Board but due to the ongoing COVID-19 pandemic, which has seen the Board adapt the manner it is conducting its meetings during these unprecedented times to allow for virtual decision-making, the report is presented on an exceptional basis at the current virtual meeting.

## **ANALYSIS OF THE INTERSESSIONAL CYCLE**

7. Two South-South Cooperation (SSC) 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. Whilst all five proposals received were eligible<sup>1</sup> to be considered during the review cycle, the number of grant proposals submitted during this intersessional review cycle reflects a decrease compared to the previous intersessional review cycle, in which seven proposals were submitted.

8. The number of SSC grant proposals received in the current review cycle is consistent with the proposals submitted in previous years. On average, three SSC grant proposals have been submitted each financial year since FY14, with the highest number (five proposals) having been submitted in FY16, and the least (two proposals) having been submitted in FY17 and FY19. The decrease has therefore mainly been due to the reduced number of technical assistance grants received (both TA-ESGP and TA-GP grants). Three TA-ESGP grant applications were submitted,

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<sup>1</sup> 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 SSC 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.

and no TA-GP grant applications were submitted in the current review cycle. Out of the 31 accredited NIEs as of October 2019 when the call for readiness grants closed, 13 TA-ESGP grants and three TA-GP grants had been approved by the Board. As NIEs can only access the technical assistance grants as a once off, this means 15 entities are yet to submit a proposal for a technical assistance grant. However, as some NIEs had autonomously established adequate gender and environmental and social safeguard policies, screening and management procedures and manuals, it would therefore be expected that not all NIEs would request these grants. The decrease in proposals submitted for the technical assistance grants could also be attributed to entities focusing more on concrete proposal preparation and submission under the US\$ 10 million cap and low absorption capacity which affects how quickly an NIE can submit proposals for the readiness grants. The secretariat will continue to work closely with NIEs to raise awareness through the Fund website and through readiness events on the availability and access procedures for all readiness grants.

9. The Board approvals in this intersessional review bring the total number of technical assistance grants approved by the Board to 22<sup>2</sup> and the number of countries that have received a grant for peer-peer support for accreditation through the SSC grants to 17.

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

Country	IE receiving or providing support	Type of grant	Document reference	Decision	Funding set aside (USD)
Botswana	NEMA	S-S	AFB/PPRC.25-26/5	Approved	\$50,000
Mozambique	NEMA	S-S	AFB/PPRC.25-26/6	Approved	\$50,000
Tanzania	NMEC	TA-ESGP	AFB/PPRC.25-26/4	Approved	\$25,000
Uganda	MoWE	TA-ESGP	AFB/PPRC.25-26/3	Approved	\$25,000
Zimbabwe	EMA	TA-ESGP	AFB/PPRC.25-26/2	Approved	\$25,000
<b>Total</b>					<b>\$175,000</b>

<sup>2</sup> This includes six technical assistance grants for the environmental and social policy (TA-ESP) approved by the Board in FY16 but this type of grant was later replaced by the TA-ESGP following approval of the Fund's Gender Policy in March 2016.

**ANNEX I: REPORT OF THE SECRETARIAT ON INITIAL SCREENING/TECHNICAL REVIEW  
OF GRANT PROPOSALS UNDER THE READINESS PROGRAMME**



**ADAPTATION FUND**

AFB/PPRC.25-26/1  
21 October 2019

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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 Board<sup>3</sup> to enhance capacities for accreditation through South-South cooperation (SSC), 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 presented 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 SSC 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)**

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<sup>3</sup> Decision B.22/24

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 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.33/49 by the Board to approve the secretariat work schedule and work plan for fiscal year 2020 as contained in document AFB/EFC.24/7, the secretariat launched a call for project proposals intersessionally between the thirty-third and thirty-fourth Board meetings and eligible countries and accredited NIEs were given the opportunity to submit applications for technical assistance grants and SSC 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 GP (TA-ESGP) or a TA Grant for the Gender Policy (TA-GP). NIEs eligible to submit proposals for the 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 the (TA-GP) would be those that had previously received a technical assistance grant before the GP had been approved or those that would like to integrate gender considerations into existing robust ESP and environmental and social safeguards 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. Accredited NIEs submitted three TA-ESGP grant proposals to the secretariat, with the total requested funding amounting to US\$ 75,000. None of the proposals include implementing entity management fees.

10. The proposals were submitted by the Environmental Management Agency (EMA) of Zimbabwe, the Ministry of Water and Environment (MoWE) of Uganda, and the National Environment Management Council (NEMC) of Tanzania. The three proposals were all eligible to be considered and the details of these proposals are contained in the PPRC working documents as follows:

AFB/PPRC.25-26/2 TA-ESGP - Environmental Management Agency (Zimbabwe)

AFB/PPRC.25-26/3 TA-ESGP - Ministry of Water and Environment (Uganda)

AFB/PPRC.25-26/4 TA-ESGP - National Environment Management Council (Tanzania)

11. All proposals requested funding within the cap of US\$ 25,000 for TA-ESGP grants as outlined in document AFB/B.27/7 which presented the proposal for the Readiness Programme for the fiscal year 2017 (FY17) approved by the Board at its twenty-seventh meeting through decision B.27/38.

12. 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. A summary of the proposals is provided in Table 1 below.

**Table 1: TA-ESGP grant proposals submitted to the intersessional period between the thirty-fourth and thirty-fifth meetings of the Adaptation Fund Board**

Country	IE	Initial Financing Requested (USD), (current period)	Final Financing Requested <sup>4</sup> (USD), (current period)	IE Fee (USD)	IE Fee, %
Zimbabwe	EMA	\$25,000	\$25,000	\$0	0%
Uganda	MWE	\$25,000	\$25,000	\$0	0%
Tanzania	NEMC	\$25,000	\$25,000	\$0	0%
<b>Total</b>		<b>\$75,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>0%</b>

#### *Technical Assistance Grants for the Gender Policy (TA-GP)*

13. The secretariat did not receive any proposals for a technical assistance grant for the gender policy (TA-GP).

#### **South-South Cooperation Grant Proposals Submitted by Implementing Entities**

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



14. Under the Adaptation Fund's Readiness Programme, eligible<sup>5</sup> NIEs wishing to support other countries that are seeking accreditation with the Board can submit proposals for South-South cooperation (SSC) grants on behalf of those countries seeking accreditation to enable the accredited NIEs to provide peer support for accreditation through the grants.

15. In response to the call by the secretariat accredited NIEs of the Fund could submit proposal documents for the SSC grant to enable them to provide peer support to those entities in countries seeking direct access to the Fund's resources, to prepare and submit applications for accreditation to the Fund. The secretariat received two SSC grant proposals, with the total requested funding amounting to US\$ 120,000. Following the initial technical review carried out by the secretariat, budget requests from some proposals were altered. The final total requested funding of the two proposals amounted to US\$ 100,000. The proposals included US\$ 7,600 or 8.2% in Implementing Entity (IE) management fees.

16. The two SSC cooperation grant proposals were submitted by the same NIE on behalf of two countries. The proposals were submitted by the National Environmental Management Authority (NEMA) of Kenya on behalf of the governments of Botswana and Mozambique. Details of these proposals are contained in the PPRC working documents as follows:

AFB/PPRC.25-26/5 *SSC Grant Proposal to support national implementing entity accreditation for Botswana (NEMA)*

AFB/PPRC.25-26/6 *SSC Grant Proposal to support national implementing entity accreditation for Mozambique (NEMA)*

17. All proposals requested funding within the cap of US\$ 50,000 for SSC grants as outlined in document AFB/B.27/7 which presented the proposal for the Readiness Programme for the fiscal year 2017 (FY17) approved by the Board at its twenty-seventh meeting through decision B.27/38.

18. The submitted SSC grant proposals provide an explanation and a basic breakdown of the costs associated with providing peer support to help those entities applying for accreditation as an NIE prepare and submit their application. The two proposals submitted by NEMA each included US\$ 3,800 or 8.2%<sup>6</sup> in IE management fees, which complies with Board Decision B.11/16 to cap management fees at 8.5% of the project/programme budget. A summary of the proposals is provided in Table 2 below.

**Table 2: SSC grant proposals submitted to the intersessional review cycle between the thirty-fourth and thirty-fifth meetings of the Adaptation Fund Board**

Country	IE providing support	Initial Financing Requested (USD), (current period)	Final Financing Requested (USD), (current period)	IE Fee (USD)	IE Fee, %
Botswana	NEMA	\$50,000	\$50,000	\$3,800	8.2%
Mozambique	NEMA	\$70,000	\$50,000	\$3,800	8.2%

<sup>5</sup> 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.

<sup>6</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.

<b>Total</b>	<b>\$120,000</b>	<b>\$100,00</b>	<b>\$7600</b>	<b>8.2%</b>
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### **The review process**

19. 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.

20. 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. The Implementing Entities were offered the opportunity to discuss the initial review findings with the secretariat by telephone.

21. The secretariat subsequently reviewed the NIEs' responses to the clarification requests, and compiled comments and recommendations that are presented in the addendum (AFB/PPRC.25-26/1/Add.1) to this document.

### **Issues Identified During the Review Process**

22. There were no particular issues identified during this review process.