



ADAPTATION FUND

AFB/PPRC.27/4  
8 March 2021

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Project and Programme Review Committee  
Twenty-seventh Meeting  
Bonn, Germany (virtual), 22-23 March 2021

**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 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.

## Funding status under the MIE cap

3. 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)**

4. 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)**

5. According to the latest Financial Report prepared by the Trustee as of December 31, 2020, the cumulative funding decisions for all projects/programmes amounted to US\$ 817.35 million and funds available to support AF Board funding decisions amounted to US\$ 253.50 million. The cumulative funding decisions for projects/programmes submitted by MIEs amounted to US\$ 500.08<sup>1</sup> million. The Board had instituted, through decision B.12/9, a cap of 50 per cent for projects/programmes submitted by MIEs. Some categories of proposals submitted by MIEs had been excluded from counting towards the 50 per cent, and the cumulative funding decisions for MIE projects/programmes that counted towards it amounted to US\$ 510.08 million. Therefore, the funds available below the 50 per cent cap currently amount to US\$ 36.35 million.

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<sup>1</sup> This figure reflects approvals until February 19, 2021, and an intersessional Board approval of three projects that were on the waitlist as per decision B.35.b/2, B.35.a-35.b/64, and B.35.a-35.b/65. The approval was finalized on March 12, 2021 (decisions B.35-36/21, B.35-36/22 and B.35-36/23)

## Funding Window for Regional Projects and Programmes

6. 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)**

7. 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.

8. 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)**

9. The Board considered, 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)**

10. 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)**

11. 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)**

12. For the fiscal year 2020, the decision was taken by the Board to approve the same amounts as for the year 2019 (decision B.33/12).

13. Subsequently, for the fiscal year 2021, given the extraordinary set of circumstances brought on by the pandemic, *[h]aving considered the proposal by the secretariat as contained in document AFB/PPRC.26.a26.b/22, and the recommendation by the Project and Programme Review Committee, the Adaptation Fund Board decided to:*

*(a) Include in its work plan for fiscal year 2021 the provision for an amount of US\$ 30 million to be provisionally set aside for the funding of regional project and programme proposals, including project formulation grant requests for preparing regional project and programme concept or fully-developed project documents;*

*(b) Consider the need for additional funding for regional project and programme proposals in the second half of fiscal year 2021.*

**(Decision B.35.a-35.b/75)**

14. The total amount funded for regional projects and programmes in the fiscal year 2021 to-date is US\$ 27,473,509. Accordingly, the amount of funding currently remaining from the initial amount approved for the 2021 provision for regional programming is US\$ 2,526,491 and there are no regional projects or programmes currently on the waitlist.

15. At the present meeting the secretariat again received proposals for regional projects and programmes as encouraged by decision B.26/3, and as observed in decisions B.27/5 and B.31/3, and reviewed them, as explained further below.

**Status of project/programme waitlist**

16. By the end of the second session of the thirty-sixth meeting of the Adaptation Fund Board, the status of the project/programme waitlist, which contains projects originally placed there due to the lack of funding under either the MIE cap or provision for regional projects and programmes, or both, was as follows:

Full Proposals: Single-country	Region/Countries	IE	PPRC Document number
MIE			
	Gambia	WFP	AFB/PPRC.26.b/7
Full Proposals: Regional	Region/Countries	IE	PPRC Document number
MIE			
	Jordan, Lebanon	UN-Habitat	AFB/PPRC.26.a-26.b/32
	Thailand, Viet Nam	UNEP	AFB/PPRC.26.a-26.b/33

17. Following transfers of contributions to the Trustee since the second part of the thirty-fifth meeting of the Board, based on the Trustee's latest Financial Report as at 31 December 2020, also contained in document AFB/EFC.27/4, it was determined that the funding for programming under the MIE cap was sufficient to release all three projects from the waitlist. Subsequently, they were approved as per decisions B.35-36/21; B.35-36/22; and B.35-36/23.

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

18. Accredited implementing entities submitted ten eligible single-country project proposals to the secretariat, with the total requested funding amounting to US\$ 43,243,906. The proposals included US\$ 3,363,297 or 8.4%<sup>2</sup> in Implementing Entities management fees and US\$ 3,628,494 or 9.2%<sup>3</sup> in execution costs.

19. Of the ten projects, seven are fully-developed project proposals. They were submitted by National and Multilateral Implementing Entities of the Fund; Partnership for Governance Reform in Indonesia (Kemitraan), National Environment Management Council (NEMC), Protected Areas Conservation Trust (PACT), International Fund for Agricultural Development (IFAD), United Nations Educational, Scientific and Cultural Organization (UNESCO), and United Nations Human Settlements Programme (UN-Habitat).

20. Two out of the 10 proposals are for small projects, i.e., they request funding not exceeding US\$ 1,000,000. Both proposals were submitted by Kemitraan.

21. 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.

22. All proposals are in compliance with Board decision B.13/17 to cap execution costs at 9.5% of the project/programme budget.

<sup>2</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>3</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.

23. 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.

24. 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)**

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

1. Full Proposals: Single-country	Country	IE	PPRC Document number
<b>NIE</b>			
	Belize	PACT	AFB/PPRC.27/7
	Indonesia (1)	Kemitraan	AFB/PPRC.27/5
	Indonesia (2)	Kemitraan	AFB/PPRC.27/6
	Tanzania (United Republic of)	NEMC	AFB/PPRC.27/8
<b>MIE</b>			
	Djibouti	IFAD	AFB/PPRC.27/9
	Syrian Arab Republic	UN-Habitat	AFB/PPRC.27/10
	Zimbabwe	UNESCO	AFB/PPRC.27/11
2. Concepts: Single-country	Country	IE	PPRC Document number
<b>MIE</b>			
	Lebanon	FAO	AFB/PPRC.27/12
	Viet Nam	FAO	AFB/PPRC.27/13
	Yemen	UN-Habitat	AFB/PPRC.27/14

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

26. Accredited IEs submitted to the secretariat seven eligible proposals for regional projects and programmes. Of the seven projects, two are fully-developed project proposals. The total requested funding of those proposals amounted to US\$ 89,445,198. Two of the proposals were fully-developed projects. The total requested funding for the fully-developed regional proposals included US\$ 6,977,722 or 8.5% in Implementing Entities' management fees and US\$ 7,820,241 or 8.9% in execution costs.

27. The proposals were submitted by four MIEs: United Nations Human Settlements Programme (UN-Habitat), United Nations Food and Agriculture Organization (FAO), World Meteorological Organization (WMO), and United Nations Environment Programme (UNEP); and one RIE: Observatoire du Sahara et du Sahel / Sahara and Sahel Observatory (OSS). Details of the regional proposals are contained in the separate PPRC working documents, as follows:

3. Full Proposals: Regional	Region/Countries	IE	PPRC Document number
RIE			
	Angola, Namibia	OSS	AFB/PPRC.27/15
MIE			
	Côte d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.27/16
4. Concepts: Regional	Region/Countries	IE	PPRC Document number
MIE			
	Azerbaijan, Iran (Islamic Republic of)	UN-Habitat	AFB/PPRC.27/17
	Chad, Sudan	FAO	AFB/PPRC.27/18
6. Pre-concepts: Regional	Region/Countries	IE	PPRC Document number
RIE			
	Guinea, Mali, Mauritania, Senegal	OSS	AFB/PPRC.27/19
MIE			
	Cameroon, Central African Republic, Chad, Niger, Nigeria	WMO	AFB/PPRC.27/20
	Costa Rica, Panama	UNEP	AFB/PPRC.27/21

### The review process

28. In accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews of the 17 project and programme proposals.

29. 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. The Implementing Entities were offered the opportunity to discuss the initial review findings with the secretariat by telephone as is the usual practice.

30. 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/PPRC27/4/Add.1).

### Issues identified during the review process

#### Issues identified with the letters of endorsement

31. In the current cycle, as has occurred in prior cycles, a number of proposals is received by the secretariat with letters of endorsement (LOEs) that are not valid and require either changes in the letter or that the Fund receives an official nomination letter of a new Designated Authority (DA) duly signed by a Minister, Ambassador or an authority at Cabinet level. In such cases, it often is not possible for the IE to procure the correct letter or letters, and, as a result, one or more proposals cannot be processed for the PPRC.



32. As a result, for future review cycles, the secretariat will advise and encourage the IEs of the Fund to submit the LOEs some time ahead of the proposals' submission deadline. This would enable the secretariat to confirm the receipt and validity of the LOEs and to provide the necessary feedback to the IEs, thus allowing them more time to address any issues that there may be with the LOEs and subsequently allowing the proposals to undergo the review process.

Issues identified in connection with financing arrangements

33. Some proposals submitted to the Board present co-financing arrangements that would enable leveraging the impact of the project. However, the current condition of the Fund that requests that "the AF project should be able to deliver its outcomes and outputs regardless of the success of other project(s)" presents some challenges in practice that often discourage co-financing and could be seen to ultimately result in a missed opportunity to leverage financing for bigger impact. In practice, it is often hard to demonstrate that an AF project would deliver its outcomes regardless of the co-financing. Often, effective co-financing is one that blends activities, creating synergies between the outcomes. At the same time, the non-materialization of envisaged co-finance could present new types of challenges for projects, and the consideration of the abovementioned opportunities should be balanced with that of those potential risks. At times, it has been challenging for the secretariat to advise IEs that have asked for guidance on how to demonstrate this criterion, without eliminating the co-finance.

34. Another point that presents a challenge in such cases is the application of the Fund's Environmental and Social Policy and Gender Policy, and particularly where the project is funded with blended finance, if the IE is expected to apply the Fund's policies on the totality of the project activities (even those not funded by the AF).

35. The above matters are discussed in further detail in document AFB/PPRC.27/3, separately presented for consideration by the PPRC.

Issues pertaining to submissions of revised proposals

36. The secretariat has noticed that proposal resubmissions occasionally include revisions that have not been signaled in track-change or highlighted by the IE. If the changes are not shown as required, there is a risk that the secretariat may not be able to complete the review in time and the proposal might not be processed. The secretariat intends to remind the IEs to track the changes consistently as to not risk the situation where the review of the proposal resubmission cannot be completed due to discovery of discrepancies.

Regional project and programme funding provision for fiscal year 2022

37. Following the established practice to determine the funding provision for the subsequent fiscal year at the spring meeting of the PPRC and the Board, and in line with decisions B.31/3 and B.33/12, the PPRC may wish to recommend to the Board to include in its work programme for fiscal year 2022 the provision for an amount of US\$ 60 million to be provisionally set aside for funding regional projects and programmes.

Enhanced Direct Access funding provision for fiscal year 2022

38. Recalling decision B.35.b/10 and document AFB/PPRC.26.b/18, the PPRC may wish to recommend to the Board to include in its work programme for fiscal year 2022 the provision for an

amount of US\$ 20 million to be provisionally set aside for Enhanced Direct Access projects and programmes.

**Table: Project proposals submitted to the first session of the thirty-sixth Adaptation Fund Board meeting (36)**

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>								
	Belize	PACT	AFB/PPRC.27/7	4,000,000	313,364	8.50%	350,230	9.50%
	Indonesia (1)	Kemitraan	AFB/PPRC.27/5	963,456	75,478	8.50%	84,358	9.50%
	Indonesia (2)	Kemitraan	AFB/PPRC.27/6	824,835	64,618	8.50%	72,221	9.50%
	Tanzania (United Republic of)	NEMC	AFB/PPRC.27/8	1,400,000	107,000	8.28%	120,000	9.28%
<b>MIE</b>								
	Djibouti	IFAD	AFB/PPRC.27/9	5,339,285	418,285	8.50%	465,000	9.45%
	Syrian Arab Republic	UN-Habitat	AFB/PPRC.27/10	9,997,156	783,187	8.50%	722,519	7.84%
	Zimbabwe	UNESCO	AFB/PPRC.27/11	5,000,000	370,370	8.00%	437,789	9.46%
	<b>Sub-total, USD</b>			<b>27,524,732</b>	<b>2,132,302</b>		<b>2,252,117</b>	
2. Concepts: Single-country	Country	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
<b>MIE</b>								
	Lebanon	FAO	AFB/PPRC.27/12	2,139,174	167,585	8.50%	187,301	9.50%
	Viet Nam	FAO	AFB/PPRC.27/13	3,580,000	280,000	8.48%	313,500	9.50%
	Yemen	UN-Habitat	AFB/PPRC.27/14	10,000,000	783,410	8.50%	875,576	9.50%
	<b>Sub-total, USD</b>			<b>15,719,174</b>	<b>1,230,995</b>		<b>1,376,377</b>	
3. Full Proposals: Regional	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
<b>RIE</b>								
	Angola, Namibia	OSS	AFB/PPRC.27/15	11,941,038	900,000	8.15%	920,183	8.33%
<b>MIE</b>								
	Côte d'Ivoire, Ghana	UN-Habitat	AFB/PPRC.27/16	13,951,160	1,092,948	8.50%	1,195,600	9.30%
	<b>Sub-total, USD</b>			<b>25,892,198</b>	<b>1,992,948</b>		<b>2,115,783</b>	
4. Concepts: Regional	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
<b>MIE</b>								
	Azerbaijan, Iran (Islamic Republic of)	UN-Habitat	AFB/PPRC.27/17	14,000,000	1,190,000	9.29%	1,110,000	8.67%
	Chad, Sudan	FAO	AFB/PPRC.27/18	14,000,000	1,095,000	8.49%	1,225,000	9.49%
	<b>Sub-total, USD</b>			<b>28,000,000</b>	<b>2,285,000</b>		<b>2,335,000</b>	
6. Pre-concepts: Regional	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
<b>RIE</b>								
	Guinea, Mali, Mauritania, Senegal	OSS	AFB/PPRC.27/19	14,000,000	1,096,774	8.50%	1,119,458	8.68%
<b>MIE</b>								
	Cameroon, Central African Republic, Chad, Niger, Nigeria	WMO	AFB/PPRC.27/20	10,620,000	765,000	7.76%	855,000	8.68%
	Costa Rica, Panama	UNEP	AFB/PPRC.27/21	10,693,000	838,000	8.50%	855,000	8.68%
	<b>Sub-total, USD</b>			<b>35,313,000</b>	<b>2,699,774</b>		<b>2,829,458</b>	

5. Project Formulation Grants: Regional Concepts	Region/Countries	IE	PPRC Document number	Grant Size, USD
<b>MIE</b>				
	Azerbaijan, Iran (Islamic Republic of)	UN-Habitat	AFB/PPRC.27/17/Add.1	80,000
	Chad, Sudan	FAO	AFB/PPRC.27/18/Add.1	100,000
<i>Sub-total, USD</i>				<b>180,000</b>
7. Project Formulation Grants: Regional pre-concepts	Region/Countries	IE	PPRC Document number	Grant Size, USD
<b>RIE</b>				
	Guinea, Mali, Mauritania, Senegal	OSS	AFB/PPRC.27/19/Add.1	20,000
<b>MIE</b>				
	Cameroon, Central African Republic, Chad, Niger, Nigeria	WMO	AFB/PPRC.27/20/Add.1	20,000
	Costa Rica, Panama	UNEP	AFB/PPRC.27/21/Add.1	20,000
<i>Sub-total, USD</i>				<b>60,000</b>