



ADAPTATION FUND

AFB/PPRC.28/31
1 October 2021

Project and Programme Review Committee
Twenty-Eighth Meeting
Bonn, Germany (virtual), 11-13 October 2021

**REPORT OF THE SECRETARIAT ON INITIAL
SCREENING/TECHNICAL REVIEW
OF LARGE INNOVATION 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 large innovation project proposals submitted by Multilateral Implementing Entities and National Implementing Entities (NIE) 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.

3. At its thirtieth meeting, having considered document AFB/B.30/5/Rev.1, the Adaptation Fund Board decided:

(a) *To adopt the medium-term strategy as amended by the Board, as contained in the Annex 1 of the document AFB/B.30/5/Rev.1 (the MTS); and*

(b) *To request the secretariat:*

(i) *To broadly disseminate the MTS and work with key stakeholders to build understanding and support;*

(ii) *To prepare, under the supervision of the MTS task force, a draft implementation plan for operationalizing the MTS, containing a draft budget and addressing key assumptions and risks, including but not limited to funding and political risks, for consideration by the Board at its thirty-first meeting; and*

(iii) *To draft, as part of the implementation plan, the updates/modifications to the operational policies and guidelines of the Adaptation Fund needed to facilitate implementation of the MTS, for consideration by the Board at its thirty-first meeting.*

(Decision B.30/42)

4. Pursuant to decision B.30/42, subparagraph (b)(ii), the secretariat prepared a draft implementation plan for the MTS, including an assessment of assumptions and risks. The secretariat shared a version of the draft with the MTS task force for comments.

5. The draft implementation plan also contains suggestions for specific funding windows that might be opened under the MTS in complement of the Fund's existing funding windows for single-country and regional adaptation projects and readiness support projects. Following the approval of the implementation plan, the secretariat would present specific proposed details for each new funding window at subsequent meetings of the Board for its consideration, in accordance with the timeline contained in the implementation plan.

6. At its thirty-first meeting, the Adaptation Fund Board discussed the draft implementation plan for the MTS, and members of the Board proposed amendments to the document. The secretariat then presented a revised draft, in document AFB/B.31/5/Rev.1. Having considered that document, the Board decided:

(a) *To approve the implementation plan for the medium-term strategy for the Fund for 2018–2022 contained in the Annex I to document AFB/B.31/5/Rev.1 (the plan);*

(b) *To request the secretariat:*

[...]

(iii) To prepare, for each proposed new type of grant and funding window, a specific document containing objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features and submit it to the Board for its consideration in accordance with the tentative timeline contained in Annex I to document AFB/B.31/5/Rev.1, with input from the Board's committees;

(iv) Following consideration of the new types of support mentioned in subparagraph (b)(iii), to propose, as necessary, amendments to the Fund's operational policies and guidelines Fund to better facilitate the implementation of such new types of support; and

[...]

(Decision B.31/32)

7. At the second session of its thirty-fifth meeting, the Board considered document AFB/PPRC.26.b/16 , Program on Innovation: Large Grants for Innovation, and the Board decided:

(a) To approve the process for providing funding for innovation through large grants to Implementing Entities (IEs) as described in document AFB/PPRC.26.b/16; including the proposed objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features as described in the document;

(b) That the large grants for innovation would fall outside the country cap approved by the Board in decision B.13/23 or, in the case of regional or multi-regional proposals, the regional provision, whereas they would count against the Multilateral Implementing Entity cap as per decision B.12/9;

(c) To request the secretariat to prepare the first Request for Proposals to IEs for a total amount of US \$30 million to be launched by the first quarter of calendar year of 2021; and

(d) To request the secretariat to consider the need to develop specific objectives and indicators for the innovation aspects of the projects, beyond what is included in the regular project performance reporting process and make relevant recommendations to the Board at its thirty-seventh meeting.

(Decision B.35.b/8)

8. At its thirty-sixth meeting, the Board considered the document AFB/PPRC.27/28, Programme on Innovation: Operationalization of Large Grants for Innovation, and the Board decided:

(a) *To approve the Innovation Large Grant Project Proposal template, the Review Criteria template and the Instructions for Preparing a Proposal for Innovation Large Grants, as described in annexes II, III and IV to document AFB/PPRC.27/28;*

(b) *To launch the request for proposals so that submissions of Innovation Large Grants proposals are invited to be considered as early as the thirty-seventh meeting of the Board.*

(Decision B.36/24)

Subsequently, the first call for project and programme proposals under the indicative set-aside amount of US\$ 30 million was issued to eligible Parties to submit innovation large grant project and programme proposals to the Fund through accredited NIEs, RIEs and MIEs.

Large Innovation Project Proposals Submitted by Multilateral and National Implementing Entities

9. Accredited multilateral and national implementing entities submitted four large innovation project proposals to the secretariat, with the total requested funding amounting to US\$ 20,020,000 including one project formulation grant and one project formulation assistance grant of US\$ 30,000 and US\$ 20,000 respectively. All four submissions met the requirements for undergoing a complete technical review. These proposals included US\$ 1,533,630 (average of 8 %) in Implementing Entities management fees and US\$ 1,679,461 or an average of 9.11% in execution costs.

10. The projects were submitted for Belize by the National Implementing Entities (NIE) for Belize, and three projects, including one regional project were submitted by Multilateral Implementing Entities (MIEs). Details of the proposals are contained in the separate PPRC working documents, as follows:

- (a) Belize: AFB/PPRC.28/32;
- (b) Somalia: AFB/PPRC.28/33;
- (c) Viet Nam: AFB/PPRC.28/34; and
- (d) Kenya and Uganda: AFB/PPRC.28/35

Review Process

11. The secretariat subsequently reviewed the supplementary information provided by the IEs and compiled a recommendation that is presented in the addendum to this document (AFB/PPRC.28/31/Add.1)

Table 1: Large innovation project proposals submitted to the second session of the thirty-seventh Board meeting

12. Concepts Single-country: Large Innovation Projects	Country	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
NIE								
	Belize	PACT	AFB/PPRC/28/32	4,970,000	389,300	8.50%	435,166	9.50%
MIE								
	Somalia	UNEP	AFB/PPRC/28/33	5,000,000	384,625	8.33%	475,000	10.29%
	Viet Nam	IFAD	AFB/PPRC/28/34	5,000,000	368,000	7.94%	332,000	7.17%
Sub-total, USD				14,970,000	1,141,925		1,242,166	
14. Pre-concepts Regional: Large Innovation Projects	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
MIE								
	Kenya, Uganda	UNIDO	AFB/PPRC/28/35	5,000,000	391,705	8.50%	437,295	9.49%
Sub-total, USD				5,000,000	391,705		437,295	

13. Project Formulation Grants (PFG) / Project Formulation Assistance (PFA): Single-country Large Innovation Projects	Region/Countries	IE	PPRC Document number	Grant Size, USD
NIE				
PFG	Belize	PACT	AFB/PPRC/28/32/Add.1	30,000
PFA	Belize	PACT	AFB/PPRC/28/32/Add.2	20,000
Sub-total, USD				50,000