



ADAPTATION FUND

AFB/PPRC.28/39
11 October 2021

Adaptation Fund Board
Project and Programme Review Committee
Twenty-eighth Meeting
Bonn, Germany (virtual), 11-13 October 2021

Agenda item 12

**REPORT OF THE SECRETARIAT ON INITIAL SCREENING/TECHNICAL
REVIEW OF LEARNING GRANT AND PROJECT SCALE-UP GRANT
PROPOSALS**

Background

1. This document has been prepared as a joint report for the review cycle for project scale-up grant and learning grant proposals following the decisions by the Adaptation Fund Board (the Board) at its thirty-fourth meeting which requested the Project and Programme Review Committee (PPRC) of the Board to consider whether proposals submitted for project scale-up (PSU) grants and learning grants respectively could be reviewed intersessionally.

2. At the thirty-fourth meeting:

Having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) That proposals for project scale-up grants should be submitted for consideration by the Board during the regular meetings of the Board;*
- (b) To align the review cycle for project scale-up grants with the regular review cycle for concrete projects and programmes;*
- (c) To request the secretariat to continue to review project scale-up grants in line with the review cycles for concrete projects and programmes at regular meetings of the Board;*
- (d) To request the PPRC to consider, at its twenty-eighth meeting, the possibility of including an intersessional review cycle for project scale-up grants;*

[...]

(Decision B.34/38)

and

having considered the recommendation of the Project and Programme Review Committee, the Adaptation Fund Board decided:

- (a) That proposals for learning grants should be submitted for consideration by the Board during the regular meetings of the Board;*
- (b) To align the review cycle for learning grants with the regular review cycle for concrete projects and programmes;*
- (c) To request the secretariat to continue to review learning grants in line with the review cycles for concrete projects and programmes at regular meetings of the Board;*
- (d) To request the PPRC to consider, at its twenty-eighth meeting, the possibility of including an intersessional review cycle for learning grants;*

[...]

(Decision B.34/41)

3. This report responds to part (d) of decisions B.34/38 and B.34/41 whilst simultaneously addressing part (c) of both decisions by presenting a joint initial screening/technical review report for both types of grants.

Funding window for project scale-up grants

4. The Adaptation Fund Board Secretariat (the secretariat) did not receive any proposals for a project scale-up (PSU) grant during the current review cycle. This report will therefore not present the review cycle for project scale-up grants but will include project scale-up grants in the analysis of the review cycle section which will cover both grants. This is because whilst no proposals were received in the current review cycle, the launch, review and approval process for both PSU and learning grants is very similar.

5. The Board approved similar processes for PSU grants and learning grants in order to establish streamlined review criteria and approval processes for these relatively small size grants. The streamlined review and approval processes were approved by the Board following its adoption of the Adaptation Fund (the Fund) Medium-Term Strategy (MTS) at the thirtieth meeting of the Board and approval of the MTS Implementation Plan at its thirty-first meeting as outlined in paragraph nine below. The decision to approve the review criteria and approval process for PSU grants is presented in paragraph six below.

6. For project scale-up grants:

Having considered the proposed approach, application process, review criteria and features of the project scale-up grants as set out in document AFB/B.32/10, the Adaptation Fund Board (the Board) decided:

(a) To make project scale-up grants available for national implementing entities between fiscal year 2019 and 2023 up to a maximum of US\$ 200,000 per year as direct transfers from the resources of the Adaptation Fund Trust Fund;

(b) That the project scale-up grants would not count against the country cap approved by the Board in decision B.13/23;

(c) To approve:

(i) The features and implementation arrangements of the project scale-up grants as set out in document AFB/B.32/10; and

(ii) The application form, review criteria and review template for the project scale-up grants as set out in Annexes I, II and III of document AFB/B.32/10;

(d) To request the secretariat to issue a call for proposals for project scale-up grants in accordance with the tentative timeline set out in Annex I to document AFB/B.31/5/Rev.1 and the budget pursuant to (a) above;

(e) To request the secretariat to develop and present to the Board at its thirty-third meeting:

(i) A standard legal agreement for project scale-up grants;

- (ii) *Notification templates for project start and project completion for project scale-up grants;*
- (iii) *Monitoring and evaluation templates for project scale-up grants; and*
- (iv) *A results framework for project scale-up grants;*
- (f) *To request the Project and Programme Review Committee (PPRC) to review project scale-up grant proposals and make recommendations to the Board in line with readiness grant approval procedures approved by the Board; and*
- (g) *To request the secretariat to report to the Board annually on the implementation progress for project scale-up grants through the annual performance report; and*
- (h) *To request the secretariat to present to the PPRC at its twenty-fifth meeting an analysis of the project review cycle for project scale-up grants, with potential options, for its consideration.*

(Decision B.32/39)

Funding window for learning grants

7. This section of the report presents to the PPRC an overview of the learning grant proposals submitted to the current meeting by NIEs and the subsequent review process.

8. The analysis of the proposals mentioned above is contained in a separate addendum to this document.

9. At its thirtieth meeting, the Board adopted the medium-term strategy (MTS) for the Fund through decision B.30/42, and subsequently approved the implementation plan for the strategy at its thirty-first meeting. At this meeting, 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:*

(i) *To facilitate the implementation of the plan during the period 2018–2022;*

[..]

(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;*

[..]

10. At the thirtieth-second meeting of the Board, the secretariat had presented document AFB/B.32/9 which outlines the objectives, review criteria, expected grant sizes, implementation modalities, review process and eligibility criteria for learning grants. Having considered the proposed approach, application process, review criteria and features of the learning grants as set out in document AFB/B.32/9, the Board decided:

- (a) *To make learning grants available for national implementing entities between financial year 2019 and financial year 2023 up to a maximum of US\$ 400,000 per year as direct transfers from the resources of the Adaptation Fund Trust Fund;*
- (b) *That the learning grants would not count against the country cap approved by the Board in decision B.13/23;*
- (c) *To approve:*
 - (i) *The features and implementation arrangements of the learning grants as set out in document AFB/B.32/9; and*
 - (ii) *The application form, review criteria and review template for the learning grants as set out in annexes II, III and IV of document AFB/B.32/9;*
- (d) *To request the secretariat to issue a call for proposals for learning grants in accordance with the tentative timeline set out in the annex to document AFB/B.31/5/Rev.1 and the budget pursuant to (a) above;*
- (e) *To request the secretariat to develop and present to the Board at its thirty-third meeting:*
 - (i) *A standard legal agreement for learning grants;*
 - (ii) *Notification templates for project start and project completion for learning grants;*
 - (iii) *Monitoring and evaluation templates for learning grants; and*
 - (iv) *A results framework for learning grants;*
- (f) *To request the Project and Programme Review Committee (PPRC) of the Board to review learning grant proposals and make recommendations to the Board in line with other grant approval procedures approved by the Board; and*
- (g) *To request the secretariat to report to the Board annually on the implementation progress for learning grants through the annual performance report; and*
- (h) *To request the secretariat to present to the PPRC at its twenty-fifth meeting an analysis of the project review cycle for learning grants, with potential options, for its consideration.*

(Decision B.32/38)

11. In accordance with decision B.32/39, Subparagraph (e), the call for learning grant proposals was issued in July 2019 and eligible national implementing entities (NIEs) were given the opportunity to submit proposals.

12. At its thirty-third meeting the Board had expressed that it would like to consider proposals for small grants under the medium-term strategy (MTS) at its regular meetings. The proposals submitted therefore followed the regular review cycle for concrete adaptation projects and programmes.

13. The secretariat received proposals for learning grants and reviewed them as explained below.

Learning grants submitted by national implementing entities

14. One proposal was submitted to the secretariat by accredited NIEs with the total requested funding amounting to US\$ 149,994. The proposal was submitted by the Fundecooperación para el Desarrollo Sostenible (Fundecooperación) of Costa Rica.

15. The proposal was deemed eligible to be considered and the details of this proposal is contained in the following PPRC document:

AFB/PPRC.28/40 Proposal for learning grant for Costa Rica

16. The proposal submitted by the Fundecooperación para el Desarrollo Sostenible (Fundecooperación) of Costa Rica included US\$ 11,689 or 8.45%¹ in Implementing Entity (IE) management fees.

17. The total funding requested is within the funding limit per project outlined in document AFB/B.32/9 and approved by the Board through decision B.32/38.

Table 1: Project learning grant proposals submitted to the 36th Adaptation Fund Board meeting

Country	NIE	Financing Requested (USD)	IE Fee (USD)	IE Fee, %
Costa Rica	Fundecooperación	\$149,994	\$11,689	8.45%
Total		\$149,994	\$11,689	8.45%

¹ The implementing entity management fee percentage is calculated compared to the project budget including the project activities, before the management fee.

The review process for learning grants

18. In accordance with Decision B.32/38 by the Board, the secretariat issued a call for proposals for learning grants and screened and prepared technical reviews of the submitted proposal in line with other small grant approval procedures approved by the Board. The proposal was submitted to the current review cycle in response to the call for proposals.

19. In line with the Board request at its tenth meeting, the secretariat shared the initial technical review findings with the IE that had submitted the proposals and solicited its response to specific items requiring clarification. Responses were requested by e-mail, and the time allowed for the IEs to respond was one week. The IE was also offered the opportunity to discuss the initial review findings with the secretariat by telephone.

20. The secretariat subsequently reviewed the resubmission by the IE and its responses to the clarification requests, and compiled comments and recommendations that are presented in the addendum to this document (AFB/PPRC.28/39/Add.1).

Analysis of the review cycle for project scale-up grants and learning grants

21. As per Board decisions B.34/38 and B.34/41 the review cycles for PSU and learning grant proposals respectively have followed the regular review cycle for concrete projects and programmes and proposals have only been considered at regular meetings of the Board. This approach has worked well because NIEs were already familiar with the timeline and proposal submission procedure for the review process. As the grants were still new, this approach also allowed the Board to have in depth discussion on any issues that could arise concerning proposal submission, review and approval. In addition, any issues affecting the Fund's portfolio of concrete projects that the Board would discuss at its regular meetings that would have implications on the decisions made by the Board for scaling-up and learning grants could be discussed at the same meeting. However, it should be noted that following 4 review cycles and as at the time of the current document, no significant issues regarding the submission and review of project scale-up or learning grant proposals arose and the Board did not make changes to the nature, scope, review and approval processes for the grants.

22. As at the time of the current document, only a small number of proposals had been received from NIEs since the first review cycles for the grants (a total of two PSU grants were received out of which one was approved, and a total of 4 learning grants were received out of which 2 were approved, one having been submitted twice). Whilst this trend has been mostly due to a slowdown experienced in many countries due to the Covid-19 pandemic, this has also kept the workload of the Board and secretariat manageable with respect to the volume of work at regular meetings of the Board. However, as the spread of the pandemic is falling under control and many operations resume normally in many countries, the number of proposals submitted is expected to rise which could have implications on the workload of the Board and secretariat.

23. The PPRC may therefore wish to consider the possibility of intersessional review of PSU and learning grants to manage the workload of the Board and secretariat during each calendar

year. The intersessional review could be aligned to the intersessional review of concrete projects and programmes to remain consistent with the review of PSU and learning grants at regular meetings of the Board.

Draft recommendation

24. The Project and Programme Review Committee (PPRC) may want to consider and recommend to the Board:

- (a) That proposals for project scale-up grants and learning grants can be submitted for consideration by the Board intersessionally during an intersessional period of 24 (twenty-four) weeks or more between two consecutive regular Board meetings;
- (b) To align the intersessional review cycle for project scale-up grants and learning grants with the intersessional review cycle for concrete projects and programmes;
- (c) To request the Project and Programme Review Committee (PPRC) of the Board to review project scale-up and learning grant proposals intersessionally as per subparagraphs (a) and (b) and make recommendations to the Board in line with intersessional grant approval procedures for concrete projects and programmes approved by the Board;
- (d) To request the secretariat to present to the PPRC at each regular and intersessional review cycle, an analysis of the project review cycle for project scale-up grants and learning grants for its consideration;
- (e) To request the secretariat to notify accredited national implementing entities of the availability of the intersessional review cycle for project scale-up grants and learning grants.