



## ADAPTATION FUND

AFB/PPRC. 29/40  
22 March 2022

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Adaptation Fund Board  
Project and Programme Review Committee  
Twenty-ninth Meeting  
Bonn, Germany (Hybrid)

Agenda Item 13

# **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 seventh intersessional project review cycle for readiness grants was arranged during the intersessional period between the thirty-eighth and thirty-ninth meetings of the Board. During this cycle, two proposals were received. The secretariat 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.28-29/1, was circulated together with the intersessionally reviewed proposals and was also posted on the Adaptation Fund (the Fund) website.

5. The above-mentioned report of the intersessional review cycle is presented in Annex III to this report. The current report has been prepared following the request in Decision B.28/30 subparagraph (e).

## **ANALYSIS OF THE INTERSESSIONAL CYCLE**

6. Two Readiness Package grant proposals were received during the current intersessional review cycle. Both proposals were eligible<sup>1</sup> to be considered during this intersessional review cycle.

7. The secretariat did not receive any technical assistance grant proposals for the environmental and social policy and gender policy (TA-ESGP) or any technical assistance grant proposal for the gender policy (TA-GP) during the current review cycle.

8. During initial review of the two Readiness Package grant proposals received during this intersessional review cycle, the Secretariat noted that there was a lack of comprehensive information from the applicant NIEs to enable adequate review and screening of the submitted proposals. In addition, it became apparent that the proposals did not capture information comprehensive enough to enable adequate assessment of the level of capacity gaps within the candidate NIEs seeking accreditation with the Fund; and that the proposals did not capture information justifying the rationale of the choice of candidate NIE nominated by the applicant. The secretariat noted that the grant application form could be updated to enable applicants to provide

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<sup>1</sup> According to the requirements posted on the Adaptation Fund website, to be eligible for a Readiness Package grant, all developing country Parties to the Kyoto Protocol and Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) that wish to have an NIE accredited with the Fund are eligible to receive the Readiness Package grant, including those that had previously accessed the SSC grant. For an accredited NIE providing intermediary services, the 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.

this additional information. The secretariat underscores that the proposed updates to the application form would not create a bottleneck or additional burden on the part of applicant NIEs nor the intermediary NIEs, but would provide greater clarity regarding the capacity gaps, support needs and in-country delivery of support through Readiness Package grants.

9. Following the technical review of the grant proposals carried out by the secretariat and having considered the recommendation of the PPRC, the Adaptation Fund Board considered an intersessional decision to:

- a) Request the secretariat to amend the language of decision B.36/25 to allow the Readiness Package Grant to be made available for accreditation of NIEs only, up to a maximum of US\$ 150,000 per NIE, to ensure that entities going through the accreditation process are adequately supported;
- b) Request the secretariat to update the application form and technical review sheet for Readiness Package grant proposals, and present them for consideration by the Project and Programme Review Committee (PPRC) at its twenty-ninth meeting;
- c) Not approve the proposals for the Readiness Package grants submitted by Centre de Suivi Ecologique (CSE) on behalf of the government of Cameroon;
- d) Not approve the proposals for the Readiness Package grants submitted by Centre de Suivi Ecologique (CSE) on behalf of the government of Zambia;
- e) Encourage the Government of Cameroon to consider submitting, through CSE, a proposal using the updated application form, subsequent to the approval by the Board of the updated application form and technical review sheet referred to in subparagraph (b) above;
- f) Encourage the Government of Zambia to consider submitting, through CSE, a proposal using the updated application form, subsequent to subsequent to the approval by the Board of the updated application form and technical review sheet referred to in subparagraph (b) above.

*(Draft Decision B.37-38/X)*

10. As of the issuance of this report, the intersessional decision B.37-38/X was pending approval by the Board. In anticipation of its possible approval, this report responds to draft decision B.37-38/X subparagraph (b) by the Board and presents the proposed updated application form for requesting a Readiness Package grant from the Board in Annex I, and the subsequent updated review template for submitted proposals in Annex II.

11. With no readiness grant proposals approved in this intersessional review cycle, the total number of technical assistance grants approved by the Board to date remains 25<sup>2</sup> and the number of countries that have received a grant for accreditation through peer-peer support implemented using a South-South cooperation approach remain at 17. A summary of the readiness grant

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<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.

proposals submitted during the intersessional review cycle between the thirty-seventh and thirty-eighth meetings of the Board is presented in Table 1 below.

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

Country	IE Providing Support	Type of grant	Document reference	Decision	Funding set aside (USD)
Cameroon	CSE	Readiness Package Grant	AFB/PPRC.28-29/2	Not Approved	\$0
Zambia	CSE	Readiness Package Grant	AFB/PPRC.28-29/3	Not Approved	\$0
<b>Total</b>					<b>\$0</b>

## RECOMMENDATION

12. Having considered the report of the Secretariat on the intersessional review cycle for readiness grants as set out in document AFB/PPRC.29/40, the Project and Programme Review Committee (PPRC) may want to recommend to the Board to:

- a) Approve the updated application form for readiness package grants as presented in Annex I of document AFB/PPRC.29/40;
- b) Approve the updated review template for readiness package grants as presented in Annex II of document AFB/PPRC.29/40;
- c) Request the Adaptation Fund Board Secretariat to make available on the Fund website, the updated review templates and application form mentioned in subparagraphs (a) and (b) above;
- d) Request the Adaptation Fund Board Secretariat to notify all accredited national implementing entities of the amended and new application form and review templates for readiness package grants above.

## ANNEX I: UPDATED APPLICATION FORM/PROPOSAL TEMPLATE FOR READINESS PACKAGE GRANTS



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### READINESS PACKAGE GRANT APPLICATION FORM TEMPLATE

Application for a Grant to support NIE accreditation through the readiness package

Submission Date:

**Adaptation Fund Grant ID:**

**Country receiving support:**

**Institution to navigate accreditation process, if already identified:**

**Name of Implementing Entity delivering support:**

**Type of Implementing Entity delivering support (NIE/RIE/MIE):**

#### A. Timeframe of Activity

Expected start date of support	
Completion date of support	

#### B. Experience participating in, organizing support to, or advising other NIE candidates

- (i) Describe the support provided for accreditation through readiness grants from the Adaptation Fund to developing countries and/or entities seeking to use the Fund's Direct Access modality.

Year support started	Year support ended	Climate Fund (source of grant)	Type of support provided	Outcome of the support	Country/institution supported

- (ii) Describe any other type of support provided outside the grants from the Adaptation Fund to other national, sub-national and/or local entities relevant to the AF accreditation process.

Year support started	Year support ended	Climate Fund (source of grant)	Type of support provided	Outcome of the support	Country/institution supported

### C. Proposed activities to support NIE accreditation

- (i) Describe the initial exchange that took place with the candidate entity and with the DA e.g., state with who (director, committee, DA etc.). Also state when the discussion took place and state what conclusions were arrived at. e.g., briefly state what issues the identified candidate NIE(s) is likely to face considering its experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life cycle, and its competency for transparency, self-investigative powers and anti-corruption measures.
- (ii) Describe results of the self-assessment done by the candidate NIE or assessment done by intermediary on suitability of the candidate/nominated NIE to meet the accreditation criteria. Confirm whether any candidate NIE staff took the AF online course on accreditation and explain how the learning outcome from taking this course has been incorporated into the proposal. (The AF accreditation course can be found [here](#)).
- (iii) Briefly justify why the nominated NIE candidate is best suited to meet the accreditation criteria.
- (iv) Provide a list in chronological order of occurrence, of the main components/steps that would be implemented to address the NIE candidate gaps/challenges, the activities to be undertaken, and the requested budget to support accreditation of the NIE candidate. An example is provided within the table in italics

Component	Proposed support activities to address Gap/Challenge	Expected Output of the Activities	Tentative completion date	Requested budget for component (USD)
<i>Developing policies and manuals</i>	<i>Updating environmental and social policy</i>	<i>Updated E&amp;S policy</i>	<i>April 2021</i>	<i>00,000</i>
	<i>Developing management operational manual for</i>	<i>Manual for project quality at entry review</i>	<i>May 2021</i>	
	<i>Developing policy and procedures for internal control</i>	<i>Policy outlining the institution internal control framework</i>	<i>July 2021</i>	

Implementing entity fee				
<b>Total Grant Requested (USD)*</b>				

**\*Please provide a detailed budget (with budget notes including a note of how the management fee will be used) attached as an annex to the application**

**D. Justification of project activities**

Provide a description of each identified NIE candidate gap/challenge and explain the status core, current processes and procedures within the NIE candidate regarding the identified gap/challenge and explain how the activities to be undertaken would address the identified gaps/challenges to advance accreditation of the NIE candidate. For new policies, procedures and institutional structures that need to be newly established, also provide a timeframe for demonstrating their effective operation and submission of evidence to the Accreditation Panel (AP), including responding to feedback from the AP. *(for missing policies, manuals and institutional structures, please list and explain each one individually)*

**E. Implementing Entity**

This request has been prepared in accordance with the Adaptation Fund Board’s procedures

Head of Implementing Entity	Signature	Date (Month, day, year)	Implementing Entity Contact Person	Telephone	Email Address

**F. Record of request of support on behalf of the government**

Provide the name and position of the government official who is the Designated Authority of the Adaptation Fund in the NIE candidate country and indicate date of endorsement. The letter of endorsement from the Designated Authority should be attached as an annex to the application.

<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>
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## ANNEX II: UPDATED TECHNICAL REVIEW TEMPLATE FOR READINESS PACKAGE GRANT PROPOSALS



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## ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY Readiness Package Grant

**Readiness Package support recipient Country:**  
**Accredited Implementing Entity (Intermediary) delivering support:**  
**Nominated National Implementing Entity (NIE) Candidate:**  
**Type of accredited Implementing Entity (NIE/RIE/MIE):**  
**Requested Financing from Adaptation Fund (US Dollars):**  
**AF Project ID:**  
**Reviewer and contact person:** **Co-reviewer(s):**  
**IE Contact Person:**

<b>Technical Summary</b>	<p>The project to support NIE accreditation in [insert country name] will be done through the [insert number, e.g. three] components below:</p> <p><u>Component 1:</u> [Name] (USD xxx).</p> <p><u>Component 2:</u> [Name] (USD xxx)</p> <p><u>Component 3:</u> [Name] (USD xxx).</p> <p><u>Requested financing overview:</u>  Total Project/Programme Cost: USD xxx  Implementing Entity Fee: USD xxx  Financing Requested: USD xxx</p> <p>The initial technical review [raises/ raised] [some/several issues], such as [list only main issues, please keep it short], as is discussed in the number of Clarification Requests (CRs) and Corrective Action Request (CAR) raised in the review.</p>
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	The final technical review finds that the proposal [has/has not] addressed [some/ most/ all] of the CR and CAR requests. [Namely, please name out main outstanding issues, if any]
Date:	

Review Criteria	Questions	Comments
Country Eligibility	1. Is the country that does not yet have an accredited NIE a Party to the Kyoto Protocol?	
Eligibility of IE (Intermediary)	1. Is the project submitted through an Implementing Entity with an “accredited status with the Fund?	
	2. Does the Implementing Entity have an approved project by the Adaptation Fund Board and has submitted at least one project performance report (PPR)?	
	3. Has the Implementing Entity demonstrated adequate experience providing capacity building support to NIE candidates and other national/sub-national entities for access to climate change adaptation finance?	
Eligibility of nominated NIE candidate	1. Has the nominated NIE candidate taken the AF online course on accreditation and demonstrated adequate results during the self-assessment to meet accreditation criteria of the Fund?	

	2. Is the suitability of the candidate NIE to meet the accreditation criteria justified considering its experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life cycle, and its competency for transparency, self-investigative powers and anti-corruption measures?	
Project Eligibility	1. Has the designated authority for the Adaptation Fund in the country seeking accreditation endorsed the project?	
	2. Has the intermediary undertaken an assessment or had dialogue on the NIE candidate gaps/challenges and ability of the candidate NIE to meet the requirements stipulated in the AF accreditation application form?	
	3. Have accreditation gaps/challenges been clearly identified and the approaches to address them clearly outlined?	
	4. Are the proposed activities to address identified gaps/challenges for the NIE candidate to obtain accreditation with the Fund justified?	
Resource Availability	1. Is the requested project funding within the cap for the Readiness Package grants set by the Board?	
	2. Is the Implementing Entity Management Fee at or below 8.5 per cent of the total project/programme budget before the fee?	

	3. Is there budget set aside to continue support post submission of a complete application for accreditation to the AF secretariat?	
Implementation Arrangements	1. Has adequate time been provided to respond to and address comments and feedback that may be made by the Accreditation Panel?	
	2. Is a detailed budget including budget notes included?	

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



**ADAPTATION FUND**

AFB/PPRC.28-29/1  
24 January 2022

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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 (NIEs) 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 grant proposals/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. At the thirty-sixth meeting of the Board, the PPRC had recommended to the Board to approve the Readiness Package Grant as a standing grant to support accreditation to the Fund. The Readiness Package Grant would replace South-South Cooperation Grants and continue to facilitate peer-peer support for accreditation through South-South cooperation using a more enhanced and comprehensive approach. Having considered the comments and recommendation of the Project and Programme Review Committee, the Board decided:

- a) *To approve the Readiness Package Grant as a standing window and replacement to South-South Cooperation Grants under the Readiness Programme to provide support for the accreditation of a National Implementing Entity (NIE) of the Fund;*
- b) *That the Readiness Package Grant shall be available for accreditation of NIEs only, up to a maximum of US\$ 150,000 per country;*
- c) *That Implementing Entities submitting proposals for the Readiness Package Grant should do so using the application form in Annex I of document AFB/PPRC.27/29 and that such proposals should be reviewed using the review sheet in Annex II of document AFB/PPRC.27/29;*
- d) *That the review cycle and approval of Readiness Package Grants shall follow the review and approval process as well as reporting requirements for readiness grants under the Fund;*
- e) *That already approved South-South Cooperation grants should continue implementation and fulfil all reporting requirements until completion;*

f) *To request the secretariat to prepare an analysis for opening the Readiness Package Grant to non-NIE intermediaries that are accredited implementing entities of the Fund;*

g) *To also request the secretariat to notify all accredited implementing entities of this decision by the Board on the Readiness Package Grant and South-South Cooperation Grants.*

*(Decision B.36/25)*

8. At its thirty-sixth meeting, the Board had, through Decision B.36/30, approved the readiness workplan for FY22 as contained in the secretariat work schedule and work plan, document AFB/EFC.27/5. Following Decision B.36/30 by the Board, the secretariat launched a call for project proposals intersessionally between the thirty-sixth and thirty-seventh meetings of the Board and eligible countries and accredited NIEs were given the opportunity to submit applications for technical assistance and Readiness Package grants.

#### **Technical Assistance Grant Proposals Submitted by NIEs**

9. The secretariat did not receive any proposals for Technical Assistance (TA) grants during the current review cycle.

#### **Readiness Package Grant Proposals Submitted by NIEs**

10. In response to the call by the secretariat for accredited NIEs of the Fund to submit proposals for Readiness Package grants, the secretariat received two grant proposals for two countries from one intermediary NIE. The proposals were meant to enhance South-South cooperation for accreditation to the Fund through a more comprehensive suite of tools to help institutions in countries seeking direct access to the Fund's resources, to prepare and submit their applications for accreditation.

11. The two grant proposals were submitted by the Centre de Suivi Ecologique (CSE) of Senegal (the intermediary), on behalf of the governments of Cameroon and Zambia. Details of these proposals are contained in the PPRC working documents as follows:

*AFB/PPRC.28-29/2 Readiness Package Grant Proposal for Fonds Spécial  
d'équipement et d'Intervention intercommunale (Cameroon)*

*AFB/PPRC.28-29/3 Readiness Package Grant Proposal for Zambia Industrial  
Commercial Bank (Zambia)*

12. Both proposals requested funding within the cap of US\$ 150,000 for Readiness Package grants as approved by the Board through Decision B.36/25.

13. The submitted Readiness Package grant proposals provide an explanation and a basic breakdown of the costs associated with providing support to help those applying for accreditation as an NIE prepare and submit their application. The proposals submitted by CSE included US\$



11,705<sup>4</sup> or 8.5% in Implementing Entity management fees for Cameroon and US\$ 11,688 or 8.5% in Implementing Entity management fees for Zambia, which complies with Board Decision B.11/16 to cap management fees at 8.5% of the project/programme budget. The total requested funding for these grants for the current period amounted to US\$ 298,593 and included US\$ 23,393 or 8.5% in Implementing Entities' management fees. A summary of the applicants is provided in Table 1 below.

**Table 1: Readiness Package grant proposals submitted to the intersessional period between the thirty-seventh and thirty-eighth meetings of the Adaptation Fund Board**

Country	IE Providing Support	Initial Financing Requested (USD), (current period)	Final Financing Requested	IE Fee (USD)	IE Fee, %
Cameroon	CSE	\$149,405	\$149,405	\$11,705	8.5%
Zambia	CSE	\$149,188	\$149,188	\$11,688	8.5%
<b>Total</b>		<b>\$298,593</b>	<b>\$298,593</b>	<b>\$23,393</b>	<b>8.5%</b>

### The review process

14. In accordance with the operational policies and guidelines, following the receipt of the proposals, the secretariat screened and prepared technical reviews of the two project proposals.

15. In line with the Board request at its tenth meeting, the secretariat shared the initial technical review findings with the NIE applicant and held a virtual meeting with them in January 2022.

16. The meeting discussed the lack of comprehensive information from the applicant NIEs to enable adequate review and screening by the secretariat. The meeting also discussed possible ways of improving the quality of information provided with Readiness Package grant proposals and methods of collecting this information as discussed in the section below.

17. The secretariat also discussed internally the readiness package grant amount of US\$ 150,000 per country made available for accreditation of NIEs only through Decision B.36/25. The Board, subsequently through decision B.36/42, approved the accreditation of up to two NIEs per country for eligible developing country parties. The secretariat noted an apparent discord between these two decisions, because at the time of the decision B.36/25, only one NIE could be accredited per country and so by default the grant size was for a single entity seeking accreditation with the Fund. With regards to the option of splitting the per country amount of US\$ 150,000 among two NIEs, it is worth remembering that, during the implementation of the readiness package pilot, the grant recipients in the pilot phase clearly indicated that the US\$100,000 allocated in the pilot was inadequate; and inadequate funding was mentioned as one of the limiting factors to the success of the pilot as presented in document AFB/PPRC.27/29, titled Report on the Readiness Support Package Pilot.

### Issues Identified During the Review Process

<sup>4</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.

18. The secretariat was not able to conduct an adequate technical review of the submitted Readiness Package grant proposals as the proposals did not provide sufficient information to ascertain the level of need and capacity requirements of the NIEs seeking accreditation with the Fund. The secretariat noted that additional information from the applicants would be required through the application form and that the grant application form could be updated to enable applicants to provide more comprehensive information. The secretariat also took note that the updates to the application form would not create a bottleneck or additional burden on the part of applicant NIEs nor the intermediary NIEs to submit a comprehensive Readiness Package grant proposal to the Board for consideration of approval.

19. The main issues affecting the quality of information in the proposals were: a lack of understanding of the AF accreditation process on part of the applicant NIE and insufficient information to assess the level of capacity requirements of the candidate NIEs seeking accreditation with the Fund; and insufficient information by the intermediary providing justification of why the nominated applicant NIE is the most suitable to meet the AF accreditation criteria.

20. The above issues could be addressed by updating the application form for Readiness Package grants to:

- i) Request a clear brief explanation of the initial exchange that would have taken place between the NIE intermediary and the Designated Authority (DA) and/or NIE candidate seeking accreditation with the Fund. This should also briefly state the conclusion of this initial exchange on the NIE candidate's experience managing project finance, its institutional capacity and experience implementing and managing the full climate change or development finance project life cycle, and its competency for transparency, self-investigative powers, and anti-corruption measures.
- ii) Request information on whether the DA and/or staff from institutions or organizations under consideration by the DA for nomination as an NIE candidate to undergo the accreditation process of the Fund, have completed the Fund's e-course on accreditation. This would also include a brief explanation of how completion of the course has informed the type and extent of support to be provided by the intermediary NIE and how this was incorporated into the grant proposal to the Board.
- iii) Request a brief explanation and justification of why the nominated NIE candidate is the selected option and best suited to meet the Fund's accreditation criteria.

21. The secretariat subsequently prepared an updated Readiness Package grant application form and Technical Review sheet to accommodate the above changes.

### **Proposed Recommendation**

22. Following the technical review of the grant proposal for technical assistance carried out by the secretariat and having considered the information contained in document AFB/PPRC.28-29/1, the Project and Programme Review Committee (PPRC) may wish to recommend that the Board decide to:

- a) Request the secretariat to amend the language of decision B.36/25 to allow the Readiness Package Grant to be made available for accreditation of NIEs only, up to a

maximum of US\$ 150,000 per NIE, to ensure that entities going through the accreditation process are adequately supported;

- b) Request the secretariat to update the application form and technical review sheet for Readiness Package grant proposals, and present them for consideration by the Project and Programme Review Committee (PPRC) at its twenty-ninth meeting;
- c) Not approve the proposals for the Readiness Package grants submitted by Centre de Suivi Ecologique (CSE) on behalf of the government of Cameroon;
- d) Not approve the proposals for the Readiness Package grants submitted by Centre de Suivi Ecologique (CSE) on behalf of the government of Zambia;
- e) Encourage the Government of Cameroon to consider submitting, through CSE, a proposal using the updated application form, subsequent to the approval by the Board of the updated application form and technical review sheet referred to in subparagraph (b) above;
- f) Encourage the Government of Zambia to consider submitting, through CSE, a proposal using the updated application form, subsequent to subsequent to the approval by the Board of the updated application form and technical review sheet referred to in subparagraph (b) above.

*(Recommendation PPRC.28-29/1)*