



ADAPTATION FUND

AFB/PPRC.31/40  
12 March 2023

---

Adaptation Fund Board  
Project and Programme Review Committee  
Thirty-first Meeting  
Bonn, Germany, 21-22 March 2023

Agenda item 7.

**REPORT OF THE SECRETARIAT ON INITIAL  
SCREENING/TECHNICAL REVIEW  
OF ENHANCED DIRECT ACCESS PROJECT 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 enhanced direct access project proposals submitted by National Implementing Entities (NIEs) 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 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 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 the document AFB/PPRC.26.b/18, *Window for Enhanced Direct Access under the MTS*, and the Board decided:

*(a) To approve the pilot for projects submitted through the window for enhanced direct access (EDA) to promote EDA and further promote locally led adaptation under the Fund;*

*(b) That the pilot window to promote EDA projects/programmes shall be available to national implementing entities (NIEs) only, in the form of a grant up to a maximum of US\$5 million per country;*

*(c) That the window for EDA will not count against what the country could access under the country cap established by the Board for regular concrete projects/programmes;*

*(d) That the execution costs for proposals submitted under the EDA window should be up to a maximum of 12 per cent of the total project/programme budget requested before the implementing entity fees, and should not exceed 1.5 per cent in cases where the Implementing Entity has also taken on the role of Execution Entity for the proposed project/programme activities, and that the implementing entity fee should be up to a maximum of 10 per cent of the total project costs;*

*(e) That NIEs submitting proposals through the EDA window should do so using the existing approved proposal template and guideline materials for regular concrete projects/programmes nonetheless taking note of the project fees in subparagraph (d) and that EDA proposals submitted through the two-step project approval process are eligible for the project formulation grant and project formulation assistance grant as per the approved criteria by the Board for those grants;*

*(f) That the review cycle and approval of projects/programmes submitted through the EDA window shall follow the review and approval process as well as reporting requirements for regular projects/programmes under the Fund notwithstanding adherence to subparagraph where it concerns the review and approval of project fees; and*

(g) To request the secretariat to present to the PPRC at its twenty-eighth meeting, an analysis of the project review cycle for EDA projects including an update on the implementation status of the EDA window.

(Decision B.35.b/10)

8. Having considered the recommendation of the Project and Programme Review Committee, the Board decided to include in its work programme for fiscal year 2022 a provision for an amount of US\$ 20.2 million, to be provisionally set aside as follows:

(a) Up to US\$ 20 million for the funding of Enhanced Direct Access projects;

(b) Up to US\$ 200,000 for the funding of project formulation and project formulation assistance grant requests for preparing Enhanced Direct Access fully developed project documents.

(Decision B.36/2)

9. Subsequently the first call for project and programme proposals under the indicative set amount of US\$ 20 million was issued to eligible Parties to submit Enhanced Direct Access project and programme proposals to the Fund through accredited NIEs.

**Table 1: Approved Proposal**

Project name	Country	Implementing Entity	Funding (USD Millions)	Decision
<b>Fully-developed proposal</b>				
Rwanda Subnational Adaptation Fund EDA	Rwanda	MOE	4,998,812	Approved, AFB39

**Table 2: Active pipeline<sup>1</sup> of Enhanced Direct Access projects**

Project name	Country	Implementing Entity	Funding (USD Millions)	Decision
<b>Fully-developed proposal</b>				
Building Community Resilience via Transformative Adaptation	Belize	PACT	5,000,000	Endorsed AFB37, Proposal submitted AFB40
<b>Concept note proposals</b>				
Fund for Ecosystem based Adaptation through Agro-ecological Initiatives in India	India	NABARD	5,000,000	Submitted AFB40
Fund for Innovative Adaptation in Vulnerable Ecosystems in Northern of Peru (Ancash, Cajamarca La Libertad and San Martin)	Peru	PROFONA NPE	5,000,000	Endorsed AFB39

<sup>1</sup> Active pipeline includes projects and programmes that have been received during the preceding 12 months but that have not yet been approved by the Adaptation Fund Board as full proposals.

Building Rural-urban Climate Change Adaptation Nexus for Sustained Local Economies Development in Tanzania	United Republic of Tanzania	NEMC	4,951,245	Not endorsed AFB38
<b>Total</b>			<b>19,951,245</b>	

**Table 3: Project formulation funding requests to-date**

Project name	Country	Implementing Entity	Funding (USD)	
Fund for Ecosystem based Adaptation through Agro-ecological Initiatives in India	India	NABARD	45,000	Request submitted AFB40
Building Rural-urban Climate Change Adaptation Nexus for Sustained Local Economies Development in Tanzania	United Republic of Tanzania	NEMC	45,000	Not approved AFB38
<b>Total</b>			<b>90,000</b>	

### Enhanced Direct Access Proposals Submitted by National Implementing Entities

10. Accredited national implementing entities submitted two enhanced direct access project proposals to the secretariat amounting to US\$ 10,000,000 which met the requirements for undergoing a complete technical review. These proposals included US\$ 908,888 (average of 10%) in Implementing Entities management fees (with 10% being the limit for IE fees for EDA projects) and US\$ 81,057 or an average of 0.89% in execution costs (12% being the limit for execution costs for EDA projects, unless the IE is also executing, in which case the limit is 1.5%). In the case of both projects the NIEs are also executing the projects.

11. The projects were submitted by the National Implementing Entities (NIEs) for Belize and India. Details of the proposals are contained in the separate PPRC working documents, as follows:

- (a) Belize: AFB/PPRC.31/41; and
- (b) India: AFB/PPRC.30/42.

### Review Process

12. The secretariat subsequently reviewed the supplementary information provided by the NIEs and compiled a recommendation that is presented in the addendum to this document (AFB/PPRC.31/40/Add.1).

### Funding Available

13. So far, one EDA funding request has been approved in Fiscal Year 2023 (FY23). US\$ 15 million is available funding from the funding provision approved at the thirty-eighth meeting of the Board for FY23.

### Issues Identified

14. The accredited National Implementing Entity for Peru submitted a project formulation grant (PFG) request for USD 50,000 on 20 January 2023. The concept note proposal was endorsed at the thirty-ninth meeting of the Board through Decision B.39/41. However, at the time of submission of the concept note proposal for consideration of the thirty-ninth meeting, the PFG request was not submitted. The secretariat would like to bring the issue for the information of the PPRC, recalling Decision B.12/28, which decided that: “[...] (b) *If a country required a project formulation grant, a request should be made at the same time as the submission of a project concept to the secretariat.*[...]” For this reason, the PFG could not be considered.

**Table 3: Enhanced Direct Access project proposals submitted to the fortieth Board meeting**

9.Full Proposal: Enhanced Direct Access	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %	NIE funding, USD
NIE									
	Belize	PACT	AFB/PPRC.31/41	5,000,000	454,500	10.00%	68,180	1.50%	5,000,000
<b>Sub-total, USD</b>				<b>5,000,000</b>	<b>454,500</b>		<b>68,180</b>		<b>5,000,000</b>
10. Concept: Enhanced Direct Access	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %	NIE funding, USD
NIE									
	India	NABARD	AFB/PPRC.31/42	5,000,000	454,388	10.00%	12,877	0.28%	5,000,000
<b>Sub-total, USD</b>				<b>5,000,000</b>	<b>454,388</b>	<b>10.00%</b>	<b>12,877</b>	<b>0.89%</b>	<b>5,000,000</b>
11. Project Formulation Grants (PFG) Concept: Enhanced Direct Access	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %	NIE funding, USD
NIE									
	India	NABARD	AFB/PPRC.31/42/ Add.1	45,000					45,000
<b>Sub-total, USD</b>				<b>45,000</b>	<b>-</b>		<b>-</b>		<b>45,000</b>
<b>GRAND TOTAL (9+10+11)</b>				<b>10,045,000</b>	<b>908,888</b>	<b>10.00%</b>	<b>81,057</b>	<b>0.89%</b>	<b>10,045,000</b>