



ADAPTATION FUND

AFB/PPRC.31/62
13 March 2023

Adaptation Fund Board
Project and Programme Review Committee
Fortieth Meeting
Bonn, Germany

Agenda Item 20

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:

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(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 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. At its thirty-sixth meeting, the Board had discussed recommendations by the PPRC to the Board coming from its discussion of document AFB/PPRC. 27/30 on the report of the secretariat on the intersessional review cycle for readiness grants. Having considered the comments and recommendation of the Project and Programme Review Committee, the Board decided:

- (a) *To request the secretariat to review readiness grant proposals during all intersessional periods between Board meetings while recognizing that such grants may also be reviewed at regular meetings of the Board;*
- (b) *To 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;*
- (c) *To consider such intersessionally reviewed proposals for intersessional approval in accordance with the Rules of Procedure;*
- (d) *To also request the secretariat to send a notification to implementing entities and other stakeholders informing them about the new arrangement;*
- (e) *To further request the secretariat to present, at the twenty-eighth meeting of the PPRC, and at subsequent PPRC meetings following each intersessional review cycle for readiness grants, an analysis of the intersessional review cycle.*

(Decision B.36/26)

5. The current report has been prepared following the request in Decision B.36/26 subparagraph (e).

OVERVIEW OF THE INTERSESSIONAL CYCLE

6. The intersessional project review cycle for readiness grants was arranged during the intersessional period between the thirty-ninth and fortieth meetings of the Board. As per Board Decision B.36/26, through which readiness grants can be submitted for consideration by the Board during all intersessional periods between Board meetings, the secretariat launched a call for readiness grants from 1 February – 31 March 2023. This gave eligible entities eight weeks to

prepare and submit proposals. The secretariat sent a notification of the availability of the grants to all the Fund's stakeholders through the Fund's network and directed the stakeholders to the Fund's website where detailed information about the purpose of the grants, eligibility criteria, access processes and supporting documents is available.

7. The secretariat received a total of two proposals by the deadline, both of which were proposals for a readiness package grant (RPG). The secretariat then conducted initial reviews of the proposals and submitted the reviews to the proponents for an opportunity to amend and clarify their proposals. The proponents submitted revised versions of the proposals, and the secretariat conducted a final technical review. The secretariat then circulated its report on the initial screening and technical review contained in document AFB/PPRC.30-31/1 as well as the proposals and the reviews contained in documents AFB/PPRC.30-31/2 through AFB/PPRC.30-31/3 to the PPRC for intersessional commenting for a period of one week. During this time, no comments on the reviews were received. After the draft recommendations were endorsed by the PPRC, they were submitted to the Board for intersessional approval as document AFB/PPRC.30-31/4 "Recommendations of the PPRC on readiness grant proposals". No objections were raised by the Board and the decisions were thus approved as decisions B.39-40/4 through B.39-40/5 respectively. The decisions are included in Annex I to the present document and presented in alphabetical order by country name.

ANALYSIS OF THE INTERSESSIONAL CYCLE

8. Two Readiness Package Grant (RPG) proposals were received during the current intersessional review cycle. Both proposals were eligible¹ to be considered during this intersessional review cycle. The proposals were meant to enhance peer support for accreditation to the Fund through South-South cooperation and the delivery of a more comprehensive suite of tools to help entities in the countries seeking to use the Fund's Direct Access modality, to prepare and submit their applications for accreditation.

9. The two RPG proposals received mark the first RPG proposals to be approved by the Board following its decision to update the RPG proposal application templates². The two proposals had previously been submitted via the same NIE intermediary for consideration by the Board during the intersessional period between the 37th and 38th meetings of the Board but had not been approved due to inadequate information provided in the proposals. The Board had subsequently decided to update the readiness proposal application templates to enable NIEs to furnish more comprehensive information on the accreditation status and pre-identified accreditation gaps of the candidate NIE seeking accreditation with the Fund.

10. The updated proposal application templates worked very well and enabled both candidate NIEs to provide detailed information on the accreditation gaps and challenges they could face, as well as suitable activities and measures to address those gaps via the RPG. This resulted in

¹ 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.

² Decision B.38/38

a review cycle that was efficient, effective and was completed without any obstacles or disruptions.

11. 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 proposals for the gender policy (TA-GP) during the current review cycle. This could be attributed to the fact that an accredited NIE can only access either the TA-ESGP or TA-GP grant as a once off grant, and a significant number of NIEs³ had already received these grants. In addition, some NIEs had informed the secretariat through informal channels⁴ that they had either autonomously established adequate gender and/or environmental and social safeguard policies or done so using funds from other sources e.g., the Green Climate Fund readiness funds. It would therefore be expected that not all NIEs would request these grants.

12. A summary of the readiness grant proposals submitted during the intersessional review cycle between the thirty-ninth and fortieth meetings of the Board is presented in Table 1 below.

Table 1: Project proposals submitted to the intersessional review cycle between the thirty-ninth and fortieth 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.30-31/2	Approved	\$142,678
Zambia	CSE	Readiness Package Grant	AFB/PPRC.30-31/3	Approved	\$145,000
Total					\$287,678

13. The Board approvals in this intersessional review bring the total number of readiness grants approved by the Board to date to 46, with a breakdown presented in Table 2 below.

Table 2: Approved readiness grants to date

Grant	Count	Amount (USD)
RPG	3	\$387,678*
SSC	17	\$836,747
TA-ESGP	21	\$480,020**
TA-GP	4	\$40,000
Total***	45	\$1,744,445

*Includes \$100,000 approved by the Board for the RPG pilot phase

**Includes TA-ESP grants approved prior to the introduction of TA-ESGP

***Excludes project scale-up grants which currently can only be submitted at regular meetings of the Board

³ 25 out of the 34 NIEs accredited as at the date of this report have accessed a TA-ESGP grant (15) or grant for the environmental and social policy (ESP) that had been in effect before the TA-ESGP (6), and 4 NIEs have received a TA-GP.

⁴ The secretariat generally engages in direct conversations with NIE representatives at readiness workshops, international conferences like the UNFCCC COP negotiations and via telephone as part of day-to-day operations.

ISSUES IDENTIFIED DURING THE REVIEW PROCESS

14. There were no particular issues identified during this review process.

ANNEX I: READINESS GRANTS APPROVED INTERSESSIONALLY DURING THE THIRTY-NINTH AND FORTIETH MEETINGS OF THE BOARD

Cameroon: Readiness Package Grant Proposal for accreditation support: CSE (Senegal; US\$ 142,678)

Following the technical review of the grant proposal for accreditation support through the readiness package carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- a) Approve the proposal for the readiness package grant of US\$ 142,678 submitted by Centre de Suivi Ecologique (CSE) on behalf of the government of Cameroon;
- b) Approve the funding of US\$ 142,678 for implementation of the readiness package grant as requested by CSE; and
- c) Request the secretariat to draft an agreement with CSE as the national implementing entity acting as intermediary for the requested support for accreditation.

(Decision B.39-40/4)

Zambia: Readiness Package Grant Proposal for accreditation support: CSE (Senegal; US\$ 145,000)

Following the technical review of the grant proposal for accreditation support through the readiness package carried out by the secretariat and the Project and Programme Review Committee (PPRC), and having considered the recommendation of the PPRC, the Adaptation Fund Board decided to:

- a) Approve the proposal for the readiness package grant of US\$ 145,000 submitted by Centre de Suivi Ecologique (CSE) on behalf of the government of Zambia;
- b) Approve the funding of US\$ 145,000 for implementation of the readiness package grant as requested by CSE; and
- c) Request the secretariat to draft an agreement with CSE as the national implementing entity acting as intermediary for the requested support for accreditation.

(Decision B.39-40/5)