



ADAPTATION FUND

AFB/PPRC.32/15
27 September 2023

Adaptation Fund Board
Project and Programme Review Committee
Thirty-second Meeting
Bonn, Germany, 10-11 October 2023

Agenda item 6.

**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.

10. In line with Document AFB/PPRC.31/60, only those proposals will be presented to the PPRC that are technically recommended for endorsement/approval or otherwise requested to be presented by Board members in accordance with Decision B.34/50.

Table 1: Approved proposal

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

Table 2: Active pipeline¹ of Enhanced Direct Access projects

Project name	Country	Implementing Entity	Funding (USD Millions)	Decision
Fully-developed proposal				
Building Community Resilience via Transformative Adaptation	Belize	PACT	5,000,000	Endorsed AFB 37, Proposal submitted AFB 41
Direct Access Program for financing climate change adaptation projects to increase the adaptive capacity and climate resilience of	Honduras	CASM	4,000,000	Proposal submitted AFB 41

¹ 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.

indigenous and Afro-descendant communities in the marine coastal region of the municipalities of Juan Francisco Bulnes and Brus Laguna in Honduras				
Concept note proposals				
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	PROFONANP E	5,000,000	Endorsed AFB39
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
Armenia National Adaptation Funding Facility	Armenia	EPIU	4,960,000	Submitted AFB41
Project to strengthen the resilience of local communities in the Bafing region made vulnerable due to farmer breeder conflicts exacerbated by the effects of climate change	Côte D'Ivoire	FIRCA	5,000,000	Submitted AFB41
Total			33,911,245	

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
Project to strengthen the resilience of local communities in the Bafing region made vulnerable due to farmer breeder conflicts exacerbated by the effects of climate change	Côte D'Ivoire	FIRCA	50,000	Request submitted AFB41
Total			140,000	

Enhanced Direct Access proposals submitted by National Implementing Entities

11. Accredited national implementing entities submitted four enhanced direct access project proposals to the secretariat amounting to US\$ 19,010,000 which met the requirements for undergoing a complete technical review. These proposals included US\$ 1,724,045 (average of 9.94%) in Implementing Entities management fees (with 10% being the limit for IE fees for EDA projects) and US\$ 1,018,193 or an average of 7.66% 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.

12. The projects were submitted by the National Implementing Entities (NIEs) for Belize, Honduras, Armenia and Côte D'Ivoire. The fully-developed proposal for Belize is technically

recommended and details of the proposal is contained in the separate PPRC working documents, as follows:

(a) Proposal for Enhanced Direct Access Grant for Belize: AFB/PPRC.32/16

13. The proposals for Honduras, Armenia and Côte D'Ivoire are not technically recommended and in line with the guidance in Document AFB/PPRC.31/60, proposals that are not yet technically recommended are not presented the PPRC. Details of the proposal is contained in an information document under the PPRC meeting documents, as follows:

(a) Proposal for Enhanced Direct Access Grant for Honduras: AFB/PPRC.32/Inf.15

(b) Proposal for Enhanced Direct Access Grant for Armenia: AFB/PPRC.32/Inf.16

(c) Proposal for Enhanced Direct Access Grant for Côte D'Ivoire:
AFB/PPRC.32/Inf.17

Review process

14. The secretariat received four submissions for the AFB41 review cycle. The submissions were found to be eligible and, in accordance with the operational policies and guidelines, the secretariat screened and prepared technical reviews for the proposals.

15. In line with the Board request at its tenth meeting, the secretariat shared the initial technical review findings with the NIEs that had submitted the proposals and solicited their responses to specific items requiring clarification. Responses were requested by e-mail, and the time allowed for the IEs to respond was three weeks. The IEs were offered the opportunity to discuss the initial review findings with the secretariat by telephone as is the usual practice. 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.32/15/Add.1).

16. The secretariat conducted two rounds of reviews for the technically recommended proposal (Table 4). The secretariat was able to conduct only one technical review of the proposals for Honduras, Armenia, and Côte D'Ivoire, as the three-week deadline for the second submission coincided with the review pause period ahead of the forty-first meeting.

17. The eligible submissions were posted online for public review and the Adaptation Fund's CSO network as well as members of the Board were notified and invited to provide comments within a specified time period (no comments were received).

Funding available

18. Currently, US\$ 30.3 million in funding is available from the funding provision approved for Enhanced Direct Access grants at the fortieth meeting of the Board for FY24 (Decision B.40/56).

Issues identified

19. No issues of note were identified during the review process.

Table 4: Enhanced Direct Access technically recommended proposal submitted to the forty-first 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								
	Belize	PACT	AFB/PPRC.32/16	5,000,000	454,500	10.00%	68,180	1.50%

Table 5: Enhanced Direct Access not technically cleared (reference to information document)

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								
	Honduras	CASM	AFB/PPRC.32/Inf15	4,000,000	325,000	8.84%	393,000	10.69%
Sub-total, USD				4,000,000	325,500		393,000	
10. Concept: Enhanced Direct Access	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
NIE								
	Armenia	EPIU	AFB/PPRC.32/Inf16	4,960,000	490,000	10.96%	70,000	1.57%
	Cote d'Ivoire	FIRCA	AFB/PPRC.32/Inf17	5,000,000	454,545	10.00%	487,013	10.71%
Sub-total, USD				9,960,000	944,545		557,013	

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								
	Cote d'Ivoire	FIRCA	AFB/PPRC.32/Inf17	50,000				
Total, USD				13,960,000	1,270,045		950,013	