



## ADAPTATION FUND

AFB/PPRC. 32/30  
25 September 2023

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Adaptation Fund Board  
Project and Programme Review Committee  
Thirty-second Meeting  
Bonn, Germany (Virtual)

Agenda Item 9.

### **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) 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 recommendations 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 discussed the progress made under phase II of the Readiness Programme and the proposal outlined in document AFB/B.27/7, which presented the 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 discussed a recommendation by the Project and Programme Review Committee (PPRC) of the Board to establish a standing rule following 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 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 recommendations 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 period between the fortieth and forty-first meetings of the Board. As per Board Decision B.36/26 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 for readiness package grants (RPGs) and one proposal for a technical assistance grant for the Environmental and Social Policy and Gender Policy (TA-ESGP). However, the proposal for the TA-ESGP could not be considered during the current review cycle as it was not submitted by an accredited NIE.

8. The two RPG proposals were submitted by the Centre de Suivi Ecologique (CSE) of Senegal (the intermediary), on behalf of the government of Burkina Faso, and by the Department of Environment (DoE) of Antigua and Barbuda (the intermediary), on behalf of the government of Grenada. The secretariat conducted initial reviews of the RPG proposals and submitted the reviews to the proponent(s) for an opportunity to amend and clarify their proposals. However, the grant proposal submitted by DoE of Antigua and Barbuda on behalf of the government of Grenada was withdrawn, and the remaining one proponent submitted a revised version of their proposal. The secretariat conducted a final technical review of that proposal and circulated its report on the initial screening and technical review contained in document AFB/PPRC.31-32/1 as well as the proposal contained in document AFB/PPRC.31-32/2 to the PPRC for intersessional commenting for a period of one week. During this time, no comments on the reviews were received. The draft recommendations were endorsed by the PPRC as document AFB/PPRC.31-32/3 "Recommendations of the PPRC on readiness grant proposals," and submitted as a draft decision to the Board for intersessional approval. No objections were raised by the Board and the draft decision was, thus, approved as Decision B.40-41/12. The decision is included in Annex I to the present document.

### **Analysis Of The Intersessional Cycle**

9. The two readiness package grant (RPG) proposals that were received during the current intersessional review cycle were both eligible<sup>1</sup> 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.

10. With the ineligibility of the submitted TA-ESGP proposal, effectively no TA-ESGP proposal was submitted during the current review cycle. In addition, the secretariat did not receive any technical assistance grant proposals for the gender policy (TA-GP) during the current review cycle. The lack of submission of both TA-ESGP and TA-GP proposals could be attributed to the fact that an accredited NIE can only access either of these grants as a once off, and also not

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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.

interchangeably. A significant number of NIEs<sup>2</sup> had already received one of these grants. There have however, been informal queries made by NIEs at readiness workshops and other events regarding the possibility of accessing TA-ESGP and TA-GP grants during reaccreditation to support the update and robustness of environmental and social policies and gender policies in order to meet the reaccreditation criteria adequately and timeously.

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

**Table 1: Project proposals submitted to the intersessional review cycle between the fortieth and forty-first meetings of the Adaptation Fund Board**

Country	IE providing support	Type of grant	Document reference	Decision	Funding set aside (USD)
Burkina Faso	CSE	Readiness Package Grant	AFB/PPRC.31-32/2	Approved	\$144,197
<b>Total</b>					<b>\$144,197</b>

12. The Board approvals in this intersessional review bring the total number of readiness grants approved by the Board to date to 47, with a breakdown presented in Table 2 below.

**Table 2: Approved readiness grants to date**

Grant	Count	Amount (USD)
RPG	4	\$531,875 <sup>i</sup>
SSC	17	\$836,747 <sup>ii</sup>
TA-ESGP	21	\$480,020 <sup>iii</sup>
TA-GP	4	\$40,000
<b>Total</b>	<b>46</b>	<b>\$1,888,642<sup>iv</sup></b>

<sup>i</sup> Includes \$100,000 approved by the Board for the RPG pilot phase.

<sup>ii</sup> At its 36<sup>th</sup> meeting, the Board decided to cease South-South Cooperation (SSC) grants and replace them with readiness package grants. See Decision B.36/25.

<sup>iii</sup> Includes TA-ESP grants approved prior to the introduction of TA-ESGP.

<sup>iv</sup> Excludes project scale-up grants which currently are submitted on a rolling basis and can only be considered at regular meetings of the Board.

### Issues Identified During The Review Process

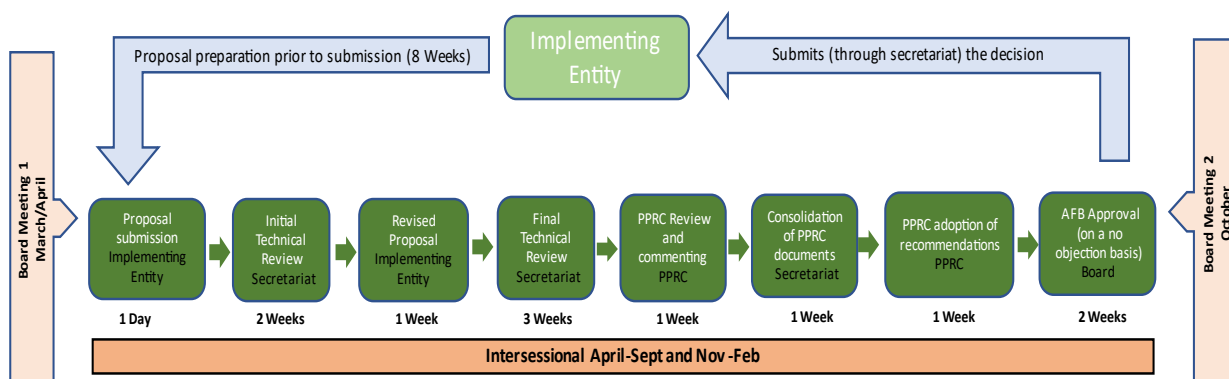
13. The secretariat did not receive any proposals for TA-ESGP or TA-GP grants. However, following informal requests by NIEs to allow recurrent access if such grants as mentioned in paragraph 10 above, the PPRC may wish to explore this issue further.

<sup>2</sup> 25 out of the 32 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.

14. During the current review cycle, both the intermediary NIEs for the RPG proposals failed to meet the one-week deadline for submitting their responses to the initial technical review and requested additional time from the Secretariat. The NIEs were offered an additional one-week to submit their responses to the initial technical review findings, following which the grant proposal submitted by the DoE of Antigua and Barbuda on behalf of the government of Grenada was withdrawn as the entity needed more time to address the clarification requests (CRs) and corrective action request (CARs) in the initial technical review. Specifically, DoE, as the intermediary, noted that the NIE candidate would not be able to complete the mandatory requirement of having at least one of its staff who would be involved in the accreditation process to complete the Fund's e-learning course on accreditation. The NIE candidate cited a lack of staff as the reason for not being able to meet this requirement and indicated that whilst a plan was in place to hire more staff, a significant amount of time would be needed before new staff were hired and onboarded. However, DoE also indicated that the withdrawn proposal was expected to be resubmitted during the next review cycle for readiness grants.

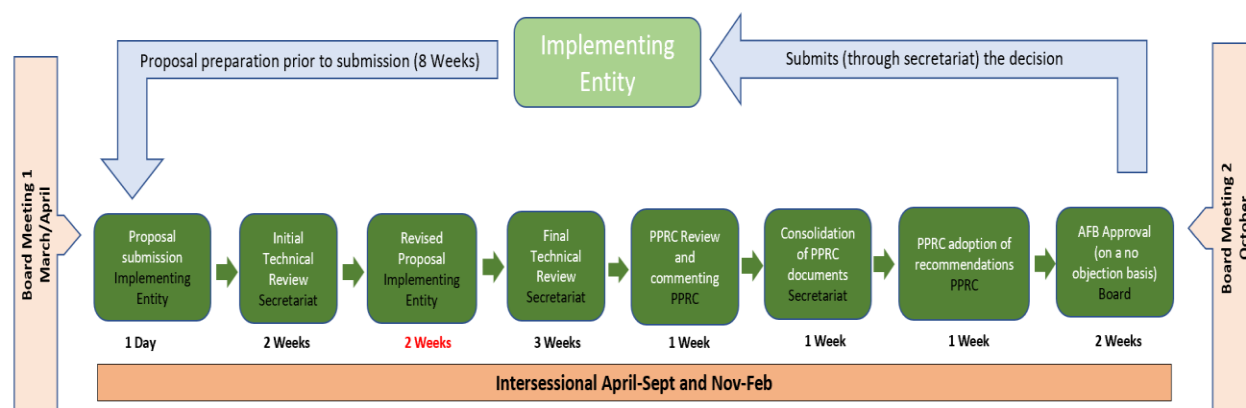
15. The request for additional time by both intermediaries to provide responses to CRs and CARs in the initial technical review signifies that the current one week cut off time for such responses may be too little. This issue stands out particularly in the case where the intermediary is requested to make corrective actions during the review period. The current review cycle is presented in Figure 1 below:

**Figure 1: Current review cycle for readiness grants**



16. Readiness grant proposals are generally short (less than 20 pages long), follow a simple, easy-to-complete template, and require much less time and effort by NIEs to develop and submit compared to regular project/program proposals. Consequently, NIEs also generally require less time compared to regular projects and projects under the Fund's Enhanced Direct Access and Innovation windows to respond to the initial technical review by the secretariat during the proposal review process. Notwithstanding the challenge of staff shortage faced by the candidate NIE supported by DoE, both intermediaries would have been able to successfully submit their responses to the initial technical review in the additional one week extension made available to them for this review cycle.

17. Following the above, the PPRC may want to consider updating the review cycle for readiness grants by extending the period in which entities can respond to the initial technical review to two weeks. The proposed updated review cycle for readiness grants is presented in Figure 2 below, with the proposed change highlighted in red font.

**Figure 2: Proposed updated review cycle for readiness grants**

18. In addition, recalling that at its fortieth meeting, the Board, through decision B.40/72, approved the implementation plan for the Fund's second Medium-Term Strategy (2023-2027) (MTSII). As part of the strategy, the long-term capacity of national and regional institutions to access finance and implement high-quality and local-level adaptation is expected to be achieved through an expanded readiness programme. Activities within the expanded readiness programme would include increasing the amount of the ESGP and GP grants as well as broadening the scope and eligibility criteria to access TA grants once per accreditation cycle for ESP and GP grants. They would also include expanding TA grants to other areas of technical expertise needed by the NIEs and possibly include RIEs.

19. The PPRC may want to consider that the secretariat undertake an assessment to explore actioning the above aspects of the Funds MTSII as an overall approach to making TA grants more accessible and relevant for NIEs and RIEs.

## Recommendation

20. Having considered AFB/PPRC.32/30, the PPRC may wish to recommend to the Board:

- (a) To request the secretariat to prepare an analysis on the possibility of broadening the scope, eligibility criteria and type of technical assistance grants available to national and regional implementing entities, and to present the report at the forty-second meeting of the PPRC.
- (b) To update the review cycle for readiness grants as depicted in Figure 2 of document AFB/PPRC.32/30 and invite the implementing entities of the Adaptation Fund to submit responses to the initial technical review within 2 weeks of receiving the initial technical review.
- (c) To request the secretariat to notify all the accredited implementing entities of the Fund of the updated review cycle.

**ANNEX I: READINESS GRANTS APPROVED INTERSESSIONALLY DURING THE FORTIETH AND FORTY-FIRST MEETINGS OF THE BOARD**

**Burkina Faso: Readiness Package Grant Proposal for accreditation support: CSE (Senegal; US\$ 144,197)**

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\$ 144,197 submitted by Centre de Suivi Ecologique (CSE) on behalf of the government of Burkina Faso;
- b) Approve the funding of US\$ 144,197 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.40-41/12)**