



ADAPTATION FUND

AFB/PPRC.33/Inf.24

1 April 2024

Adaptation Fund Board
Project and Programme Review Committee
Thirty-third Meeting
Bonn, Germany, 16-19 April 2024

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 conducted during the period between the forty-first and forty-second meetings of the Board. As per Board Decision B.36/26 the secretariat launched a call for readiness grants from 1 July – 31 August 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 three proposals for readiness package grants (RPGs).

8. The three RPG proposals were submitted by the National Environment Management Authority (NEMA) of Kenya (the intermediary), for the accreditation of a second NIE in Kenya on behalf of the government of Kenya, the Environmental Project Implementation Unit (EPIU) of Armenia (the intermediary), for the accreditation of the first NIE in Tajikistan on behalf of the government of Tajikistan, and by the Environmental Management Agency (EMA) of Zimbabwe (the intermediary), for the accreditation of a second NIE in Zimbabwe on behalf of the government of Zimbabwe. 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 Environmental Project Implementation Unit (EPIU) on behalf of the government of Tajikistan was withdrawn because the country did not have a designated authority to the Fund, and the grant proposal submitted by Environmental Management Agency (EMA) on behalf of the government of Zimbabwe was also withdrawn because EMA did not meet the criteria for an intermediary for RPGs and was therefore not yet eligible to act as intermediary for the grants. 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.32-33/1 to the PPRC for intersessional commenting for a period of one week. During this time, no comments on the reviews were received. The recommendations were endorsed by the PPRC as document AFB/PPRC.32-33/3 "Recommendations of the PPRC on readiness grant proposals," and submitted as a decision to the Board for intersessional approval. No objections were raised by the Board and the decision was, thus, approved as Decision B.41-42/6. The decision is included in Annex I to the present document.

Analysis of the Intersessional Cycle

9. Only one out of the three RPG proposals that were received during the current intersessional review cycle was 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.

10. The trend where the secretariat did not receive any proposals for technical assistance (TA) grants continued during the current review cycle. The last TA grant applications were submitted in calendar year 2020. As alluded to in past reports by the secretariat on the intersessional review cycle for readiness grants, 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,

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.

and also not interchangeably. A significant number of NIEs² 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. However, at its forty-first meeting, the Board, had discussed the lack of applications for TA grants and through decision B.41/15, had requested 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. The decision puts into action the Fund's Medium-Term Strategy 2023-2027 (MTS II) which implementation plan outlines that one of the steps to expand the Fund's readiness programme would explore increasing the size of TA grants as well as broadening their accessibility and scope. In response to decision B.41/15 by the Board, the secretariat is undertaking an assessment of the Fund's TA grants and the work is on-going.

12. A summary of the eligible readiness grant proposals submitted during the intersessional review cycle between the forty-first and forty-second meetings of the Board is presented in Table 1 below and the subsequent decisions by the Board are presented in Annex I.

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

Country	IE providing support	Type of grant	Document reference	Decision	Funding set aside (USD)
Kenya	NEMA	Readiness Package Grant	AFB/PPRC.32-33/1	Approved	\$149,342.52
Total					\$149,342.52

13. The Board approvals in this intersessional review bring the total number of readiness grants approved by the Board to date to 48, with a breakdown presented in Table 2 below.

Table 2: Approved readiness grants to date

Grant	Count	Amount (USD)
RPG	5	\$681,217.52 ⁱ
SSC	17	\$836,747 ⁱⁱ
TA-ESGP	21	\$480,020 ⁱⁱⁱ
TA-GP	4	\$40,000
Total	48	\$1,888,642^{iv}

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

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

² 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.

- ⁱⁱⁱ Includes TA-ESP grants approved prior to the introduction of TA-ESGP.
- ^{iv} Excludes project scale-up grants which currently are submitted on a rolling basis and can only be considered at regular meetings of the Board.

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

Kenya: Readiness Package Grant Proposal for accreditation support: NEMA (Kenya; US\$ 149,342.52)

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\$ 149,342.52 submitted by the National Environment Management Authority (NEMA) on behalf of the government of Kenya; and
- b) Approve the funding of US\$ 149,342.52 for implementation of the readiness package grant for the accreditation of a second national implementing entity in Kenya as requested by NEMA; and
- c) Request the secretariat to draft an agreement with NEMA as the national implementing entity acting as intermediary for the requested support for accreditation.

(Decision B.41-42/6)