



ADAPTATION FUND

AFB/PPRC.31/44
9 March 2023

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

Agenda item 8

**REPORT OF THE SECRETARIAT ON INITIAL
SCREENING/TECHNICAL REVIEW
OF LARGE INNOVATION PROJECT AND PROGRAMME
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 large innovation project proposals submitted by Multilateral Implementing Entities (MIE) and National Implementing Entities (NIE) 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 Adaptation Fund 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 Adaptation Fund 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 document AFB/PPRC.26.b/16, Program on Innovation: Large Grants for Innovation, and the Board decided:

(a) To approve the process for providing funding for innovation through large grants to Implementing Entities (IEs) as described in document AFB/PPRC.26.b/16; including the proposed objectives, review criteria, expected grant sizes, implementation modalities, review process and other relevant features as described in the document;

(b) That the large grants for innovation would fall outside the country cap approved by the Board in decision B.13/23 or, in the case of regional or multi-regional proposals, the regional provision, whereas they would count against the Multilateral Implementing Entity cap as per decision B.12/9;

(c) To request the secretariat to prepare the first Request for Proposals to IEs for a total amount of US \$30 million to be launched by the first quarter of calendar year of 2021; and

(d) To request the secretariat to consider the need to develop specific objectives and indicators for the innovation aspects of the projects, beyond what is included in the regular project performance reporting process and make relevant recommendations to the Board at its thirty-seventh meeting.

(Decision B.35.b/8)

8. At its thirty-sixth meeting, the Board considered the document AFB/PPRC.27/28, Programme on Innovation: Operationalization of Large Grants for Innovation, and the Board decided:

(a) To approve the Innovation Large Grant Project Proposal template, the Review Criteria template and the Instructions for Preparing a Proposal for Innovation Large Grants, as described in annexes II, III and IV to document AFB/PPRC.27/28;

(b) To launch the request for proposals so that submissions of Innovation Large Grants proposals are invited to be considered as early as the thirty-seventh meeting of the Board.

(Decision B.36/24)

9. Subsequently, the first call for project and programme proposals under the indicative set-aside amount of US\$ 30 million was issued to eligible Parties to submit innovation large grant project and programme proposals to the Fund through accredited NIEs, MIEs, and Regional Implementing Entities (RIEs).

Programming To-date

10. At the second session of the thirty-fifth meeting of the Board, the Board issued the first call for project and programme proposals for the amount of \$30 million. The proposals received since the inception of the large innovation project/programme funding window are summarized in Table 1.

Table1: Active pipeline projects under the large innovation project/programme funding window

Project Name	Country /Countries	Implementing Entity	Requested Financing (USD million)	Funding Decision
Access to safe drinking water for the climate vulnerable people in coastal areas of Bangladesh	Bangladesh	PKSF	5,000,000	Full Proposal Not Approved (AFB38) Concept Submitted (AF40)
Building Resilience in the Old Lands by Combining Innovations in Irrigation, Agriculture, and Livelihood Activities	Egypt	FAO	4,873,400	Concept Endorsed (AFB38)
Innovative Financial Incentives for Adaptation in Wetland Livelihoods (IFIA)	Vietnam	IFAD	5,000,000	Full Proposal Not Approved (AFB39) Concept Submitted (AF40)
Rainfed Farming Communities in Central Chile Develop Resilient Processes to Climate Change with the Implementation of Innovative Technological Strategies Adapted to Improve Food Safety	Chile	AGCICL	5,000,000	Concept Not Endorsed (AFB39)
Innovative Adaptation Financing to Build the Resilience and Adaptive Capacity of Smallholder Farmers in Bhutan (InAF-Bhutan)	Bhutan	UNWFP	4,978,034	Concept Endorsed (AFB39)

Unlocking Investments in Gender and Youth-Inclusive Early-Growth Stage Adaptation Small and Medium-sized Enterprises in Kenya and Uganda	Kenya, Uganda	UNIDO	5,000,000	Concept Endorsed (AFB39)
Securing Water Resources through Solar Energy and Innovative Adaptive Management (SEAM)	Belize	PACT	4,970,000	Concept Submitted (AFB40)
Climate Smart Agricultural Water Management in Man and Khatav Taluka of Satara, Maharashtra, India	India	NABARD	2,555,196	Concept Submitted (AFB40)
Enhancing resilience to flood and drought through a unique combination of innovative climate adaptation tools, technologies, and practices in Burundi	Burundi	UNEP	5,001,480	Concept Submitted (AFB40)
Enhancing Hydro met Services through Regional Monitoring Innovation	Regional (Gambia, United Republic of Tanzania)	WMO	5,000,000	Pre-Concept Endorsed (AFB38) Concept Submitted (AFB40)
Total			47,378,110	

Large Innovation Project Proposals Submitted by Multilateral and National Implementing Entities for Consideration at the Fortieth Meeting of the Board

11. Accredited multilateral and national implementing entities submitted six large innovation project proposals to the secretariat, with the total requested funding amounting to US\$127,526,676. All six submissions met the requirements for undergoing a complete technical review. These proposals included US\$ 1,860,452 (average of 7.25%) in Implementing Entities management fees and US\$ 2,286,399 or an average of 8.91% in execution costs.

12. The projects were submitted for Bangladesh by Palli Karma-Sahayak Foundation (PKSF), Viet Nam by International Fund for Agricultural Development (IFAD), Belize by Protected Areas Conservation Trust (PACT), India by the National Bank for Agriculture and Rural Development (NABARD), including one single country project for Burundi by United Nations Environment Programme (UNEP) and one regional project for The Gambia and United Republic of Tanzania by World Meteorological Organization (WMO), were submitted by Multilateral Implementing Entities (MIEs). Details of the proposals are contained in the separate PPRC working documents, as follows:

- (a) Bangladesh: AFB/PPRC.31/45
- (b) Viet Nam: AFB/PPRC.31/46
- (c) Belize: AFB/PPRC.31/47
- (d) Belize: AFB/PPRC.31/47/Add.1

- (e) India: AFB/PPRC.31/48
- (f) India: AFB/PPRC.31/48/Add.1
- (g) Burundi: AFB/PPRC.31/49
- (h) The Gambia and United Republic of Tanzania: AFB/PPRC.31/50
- (i) The Gambia and United Republic of Tanzania: AFB/PPRC.31/50/Add.1

Review Process

13. The secretariat subsequently reviewed the supplementary information provided by the IEs and compiled a recommendation that is presented in the addendum to this document (AFB/PPRC.31/44/Add.1).
14. 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 CSO comments were received.
15. No comments were received by the Secretariat from the members of the Board.

Issues Identified

Available funding

16. Funding requests to date have reached US\$ 57,533,110, which is above the set aside funding under the first request for proposals (RFP) of the first MTS Implementation Plan (document AFB/B.31/5/Rev.1) of US\$ 30 million, but under the set-aside of US\$ 60 million that was provisionally slated to become available in 2022.

Table 2: Large innovation project proposals submitted to the Fortieth Board meeting

12. Full Proposals Single Country: Large Innovation Projects	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
NIE								
	Bangladesh	PKSF	AFB/PPRC.31/46	5,000,000	75,000	1.52%	400,000	8.12%
MIE								
	Viet Nam	IFAD	AFB/PPRC.31/47	5,000,000	391,705	8.50%	437,788	9.50%
Sub-total, USD				10,000,000	466,705		837,788	
13. Concepts Single Country: Large Innovation Projects	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
NIE								
	Belize	PACT	AFB/PPRC.31/48	4,970,000	389,300	8.50%	435,166	9.50%
	India	NABARD	AFB/PPRC.31/49	2,555,196	200,177	8.50%	204,317	8.68%
MIE								
	Burundi	UNEP	AFB/PPRC.31/50	5,001,480	370,480	8.00%	421,000	9.09%
Sub-total, USD				12,526,676	959,957		1,060,483	

14. Project Formulation Grants (PFG) Single Concept: Large Innovation Projects	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
NIE								
	Belize	PACT	AFB/PPRC.31/48/Add.1	50,000				
	India	NABARD	AFB/PPRC.31/49/Add.1	50,000				
Sub-total, USD				100,000				

15. Concepts Regional: Large Innovation Projects	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
MIE								
	The Gambia and United Republic of Tanzania	WMO	AFB/PPRC.31/48	5,000,000	433,790	9.50%	388,128	8.50%
Sub-total, USD				5,000,000	433,790		388,128	

16. Project Formulation Grants (PGF) Regional Concepts: Large Innovation Projects	Region/Countries	IE	PPRC Document number	Grant Size, USD	IE Fee, USD	IE Fee %	Execution Cost, USD	EC %
MIE								
	The Gambia and United Republic of Tanzania	WMO	AFB/PPRC.31/48/Add.1	30,000				
Sub-total, USD				30,000	-		-	
GRAND TOTAL (12+13+14+15+16)				27,656,676	1,860,452	7.42%	2,286,399	8.78%