



ADAPTATION FUND

AFB/PPRC.33-34/1

5 August 2024

Adaptation Fund Board
Project and Programme Review Committee

**REPORT OF THE SECRETARIAT ON INITIAL
SCREENING/TECHNICAL REVIEW OF GRANT PROPOSALS
UNDER THE READINESS PROGRAMME**

Background

1. This document presents to the Project and Programme Review Committee (PPRC) of the Adaptation Fund Board (the Board) an overview of the readiness grant proposals submitted by accredited Implementing Entities (IEs) to the intersessional period between the forty-second and forty-third meetings of the Adaptation Fund Board, and the process of screening and technical review undertaken by the Adaptation Fund Board Secretariat (the secretariat).
2. The analysis of the grant proposals mentioned above is contained in a separate addendum to this document.
3. At its twenty-second meeting the Board had set aside funding from the Adaptation Fund resources for subsequent commitment and transfer at the instruction of the Board¹ to enhance capacities for accreditation through South-South cooperation (SSC), i.e., accredited NIEs supporting countries to identify potential NIEs and submit accreditation applications, and accredited NIEs' capacities to comply with the Adaptation Fund (the Fund) environmental and social policy (ESP) through technical assistance grants. The Board had approved this funding through small grants under the Readiness Programme.
4. At the twenty-sixth meeting of the Board, the secretariat had presented to the Board to consider whether the rules on the intersessional project review cycle that had been passed for regular projects through decision B.23/15 and decision B.25/2, could be applied to grant proposals received under the Readiness Programme. This would allow the secretariat to review and submit proposals by NIEs for technical assistance and SSC intersessionally, with a view to speeding up the grant approval process. To facilitate timely review of the grant proposals, the 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)

5. At the twenty-eighth meeting of the Board, the PPRC had recommended to 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;*

¹ Decision B.22/24

- 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)

6. It should be noted that at the thirty-sixth meeting of the Board, through Decision B.36/25.a, decided “ To approve the Readiness Package Grant as a standing window and replacement to South-South Cooperation Grants under the Readiness Programme to provide support for the accreditation of a National Implementing Entity (NIE) of the Fund”. The window for readiness package grants has therefore replaced South-South Cooperation Grants.

7. At its thirty-sixth meeting, the Board had discussed the possibility of allowing up to two NIEs to be accredited per country. Having considered the comments and recommendation of the Project and Programme Review Committee, the Board decided:

- a) *To enable the accreditation of up to two National Implementing Entities (NIEs) per country for eligible developing-country Parties, and to request the secretariat to reflect that change in the Operational Policies and Guidelines (OPG) and to submit the revised OPG for consideration by the Board at its thirty-seventh meeting;*
- b) *To strongly encourage countries to make use of the direct access modality of the Adaptation Fund in order to enhance national capacity and country ownership, including, whenever possible, through the accreditation of NIEs and the submission of projects through the same.*

(Decision B.36/42)

8. During the intersessional period between the thirty-seventh and thirty-eighth meetings of the Board, and subsequent to decision B.36/42 by the Board had, through decision B.37-38/14 decided to make the readiness package grants available per NIE.

9. It should also be noted that at its fortieth meeting, the Board had discussed including more implementing entities (IEs) in the role of intermediary for the delivery of support for the accreditation of NIEs via the readiness package grant (RPG). Having considered the comments and recommendation of the Project and Programme Review Committee, the Board decided:

- a) *To extend the role of intermediary in the delivery of support for the accreditation of an NIE via the readiness package grant to all accredited implementing entities of the Fund;*
- b) *To require that all accredited implementing entities of the Fund that wish to deliver support for accreditation of a national implementing entity via the readiness package grant meet the following eligibility requirements:*

- i) Have an “active accreditation” status with the Adaptation Fund;*
 - ii) Have experience advising or organizing relevant accreditation or capacity building support for institutions, organizations or other entities in developing countries at the national, subnational or local level to receive climate finance for adaptation projects and programmes;*
 - iii) Have experience implementing an Adaptation Fund project or programme and have submitted at least one project performance report, thereby demonstrating its commitment to adhering to the Fund’s fiduciary standards and operational policies and guidelines;*
- c) To request the Adaptation Fund Board secretariat to update the website and notify all accredited implementing entities of the above decision by the Board.*

(Decision B.40/60)

10. It should be noted that at its forty-first meeting, the Board, through decision B.41/15, had updated the review cycle for readiness grants and invited IEs of the Fund to submit responses to the initial technical review within two weeks of receiving the initial technical review.

11. Prior to the above decision, it should also be noted that at the the thirty-sixth meeting of the Board, the PPRC had discussed the review cycle for readiness grants and recommended to the Board for readiness proposals to be submitted for review and consideration by the Board during both intersessional periods between the regular meetings of the Board. Having considered the recommendations of the PPRC, 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)

12. Based on decision B.36/26 by the Board, the secretariat launched a call for project proposals intersessionally between the forty-second and forty-third meetings of the Board and accredited NIEs were given the opportunity to submit applications for technical assistance grants

whilst all accredited IEs were given the opportunity to submit applications for readiness package grants (RPGs) on behalf of eligible² countries.

Technical assistance grant proposals submitted by NIEs

13. In response to the call by the secretariat, accredited NIEs of the Fund could submit proposal documents for a technical assistance (TA) grant to enable them to source external expertise to help improve NIE capacity to assess and manage environmental, social and gender related issues and to comply with the Fund's Environmental and Social Policy (ESP) and Gender Policy (GP). An NIE could submit a proposal for one of two types of TA grants available, that is, a TA Grant for the ESP and GP (TA-ESGP) or a TA Grant for the Gender Policy (TA-GP). NIEs eligible to submit proposals for the TA-ESGP would be those that had not previously received a grant for technical assistance and would be expected to build capacity on environmental and social safeguards and gender safeguards simultaneously. NIEs eligible to submit proposals for the (TA-GP) would be those that had previously not received a TA-ESGP that would like to integrate gender considerations into existing robust ESP and environmental and social safeguards to align with the Fund's gender policy.

14. The secretariat did not receive any proposal for a TA grant during the current review cycle.

Readiness package grant proposals submitted by IEs

15. Under the Adaptation Fund's readiness programme, eligible accredited IEs wishing to support other countries that wish to access the Fund's resources through the Direct Access modality, can apply for RPGs as intermediaries on behalf of those countries.

16. The secretariat received three RPG proposals from three countries seeking peer support for accreditation from three intermediary NIEs. 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. This is expected to help entities in the countries seeking access to the Fund's resources through its Direct Access modality, to prepare and submit their applications for accreditation.

17. The grant proposals were submitted by 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, by the Bhutan Trust Fund for Environmental Conservation (BT FEC) of Bhutan (the intermediary), for the accreditation of a second NIE in Bhutan on behalf of the government of Bhutan, and by the National Environment Management Authority (NEMA) of Kenya (the intermediary), for the accreditation of a second NIE in Zimbabwe on behalf of the government of Zimbabwe. However, the grant proposal submitted by NEMA on behalf of the government of Zimbabwe was ineligible as the intermediary NEMA did not have active accreditation status with the Fund at the time of the review. That proposal was therefore not considered in the current review cycle. Details of the remaining two fully reviewed proposals during the current review cycle are contained in the separate PPRC working documents as follows:

² 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. The grant is available as a once off grant per NIE

Table 1: Details of RPG proposals submitted to the intersessional period between the forty-second and forty-third meetings of the Board

Intermediary	Country requesting accreditation support	PPRC document number
BTFEC	Bhutan	AFB/PPRC.33-34/2
EPIU	Tajikistan	AFB/PPRC.33-34/3

18. The submitted RPG proposals provide an explanation and a basic breakdown of the costs associated with providing support to help the entities applying for accreditation as an NIE, prepare and submit their application. The total requested funding for the proposals amounted to US\$ 280,018.25. The total requested funding for the proposals included US\$ 21,937³ or 8.5% in Implementing Entity (IE) management fees, which complies with Board Decision B.11/16 to cap management fees at 8.5% of the project/programme budget.

19. The proposals requested funding within the cap of US\$ 150,000 for RPGs as approved by the Board through Decision B.37-38/14. A summary of the requested financing is provided in Table 2 below.

Table 2: Summary of financing requested for RPG proposals submitted to the intersessional period between the forty-second and forty-third meetings of the Board

Country	IE Providing Support	Initial Financing Requested (USD), (current period)	Final Financing Requested	IE Fee (USD)	IE Fee, %
Bhutan	BTFEC	\$149,818.16	\$149,818.25	\$11,737	8.5%
Tajikistan	EPIU	\$124,775	\$130,200	\$10,200	8.5%
Total		\$274,593.16	\$280,018.25	\$21,937	8.5%

The review process

20. In accordance with the operational policies and guidelines, following the receipt of the proposals, the secretariat screened and prepared technical reviews of the two readiness package grant proposals.

21. In line with the Board request at its tenth meeting, the secretariat shared the initial technical review findings with the intermediary NIE and solicited its responses to specific items requiring clarification. Responses were requested by e-mail, and the time allowed for the NIE to respond was two weeks. The NIEs were offered the opportunity to discuss the initial review findings with the secretariat by telephone as per the usual practice.

22. Following the ineligibility of the proposal by NEMA of Kenya, the secretariat subsequently reviewed the remaining NIE's responses to the clarification requests in the initial technical review, and compiled comments and recommendations that are presented in the addendum to this document (AFB/PPRC.33-34/1/Add.1).

Issues identified during the review process

23. There were no issues identified during the current review cycle.

³ The implementing entity management fee percentage is calculated compared to the project budget including the project activities and the execution costs, before the management fee.