



ADAPTATION FUND

AFB/PPRC.34-35/1
2 December 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 project proposals submitted by accredited Implementing Entities (IEs) for consideration during the intersessional period between the forty-third and forty-fourth meetings of the Adaptation Fund Board, and the process of screening and technical review undertaken by the Adaptation Fund Board Secretariat (the secretariat).

2. At its twenty-second meeting the Board through Decision B.22/24, had set aside funding through small grants under the Adaptation Fund (the Fund) Readiness Programme for Climate Finance (the Readiness Programme) to support developing countries access the Fund's resources through Direct Access, by enhancing the capacities of potential national implementing entities (NIEs) to navigate the accreditation process of the Fund. The potential NIEs would receive support to obtain accreditation with the Fund through South-South cooperation (SSC) grants, i.e., through a process in which accredited NIEs would support developing countries to identify potential NIEs and through which those potential NIEs would submit applications for accreditation. The Board had also set aside funding to enhance accredited NIEs' capacities to comply with the Fund's environmental and social policy (ESP) through technical assistance grants.

3. It should be noted that at its thirty-sixth meeting, the Board, through Decision B.36/25.a replaced the SSC grant with the readiness package grant (RPG). The RPG facilitates peer-peer support for accreditation and enhances SSC in the process to obtain accreditation with the Fund via intermediary implementing entities (IEs). Initially, the role of intermediary had been restricted to accredited NIEs only, but at its fortieth meeting, the Board through Decision B.40/60, had extended the role of intermediary to all accredited IEs of the Fund to expand the delivery of support for the accreditation of NIEs via the RPG. Intermediary IEs are those accredited IEs of the Fund that have experience programming adaptation finance through the Fund's resources. It should also be noted that up to two NIEs can be accredited per country¹ and the RPG is available per NIE².

4. At the thirty-sixth meeting of the Board, the PPRC had discussed the review cycle for readiness grants and recommended to the Board for readiness grant project 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;

¹ Decision B.36/42

² Decision B.37-38/14

- 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. 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 by extending the period for IEs to respond to the initial technical review of submitted readiness grant project proposals by an additional week. The Board invited accredited IEs to submit responses to the initial technical review within two weeks of receiving the initial technical review, effectively extending the readiness grant project review cycle to 12 weeks.

6. 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 for review by the secretariat and consideration by the Board intersessionally between its forty-third and forty-fourth meetings. Accredited NIEs were given the opportunity to submit proposals for technical assistance (TA) grants whilst all accredited IEs were given the opportunity to submit proposals for RPGs on behalf of eligible³ countries.

Technical assistance grant proposals submitted by NIEs

7. In response to the call by the secretariat, accredited NIEs of the Fund could submit project 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 project 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 project 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 project proposals for the (TA-GP) would be those that had previously not received a TA-ESGP that would like to integrate gender considerations into an existing robust ESP and environmental and social safeguards to align with the Fund's GP.

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

Readiness package grant proposals submitted by IEs

9. In response to the call by the secretariat, eligible accredited IEs that would like to support other countries that wish to access the Fund's resources through its Direct Access modality, can apply for RPGs as intermediaries on behalf of those countries. All intermediaries must meet the following eligibility requirements established by the Board⁴:

³ 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

⁴ See Decision B.40/60

- (i) Have an “active accreditation” status with the 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.

10. The secretariat received one RPG project proposal from one country seeking peer support for accreditation from a single intermediary NIE. The proposal was meant to enhance peer support for accreditation to the Fund through South-South cooperation and the delivery of a more comprehensive suite of support tools. This is expected to help the entity in the country seeking access to the Fund’s resources through its Direct Access modality, to prepare and submit their application for accreditation.

11. The RPG project proposal was submitted by the Environmental Project Implementation Unit (EPIU) of Armenia (the intermediary), for the accreditation of the first NIE in Georgia on behalf of the government of Georgia. Details of the fully reviewed project proposal during the current review cycle are contained in the separate PPRC working document as follows:

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

Intermediary	Country requesting accreditation support	PPRC document number
EPIU	Georgia	AFB/PPRC.34-35/2

12. The submitted RPG project proposal provides an explanation, and a basic breakdown of the costs associated with providing support to help the entity applying for accreditation as an NIE, prepare and submit their application. The total requested funding for the proposal amounted to US\$ 142,500. The total requested funding for the proposal included US\$ 11,000⁵ or 8.37% 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.

13. The proposal’s requested funding is 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, %
Tajikistan	EPIU	\$135,600	\$142,500	\$11,000	8.37%
Total		\$135,600	\$142,500	\$11,000	8.37%

⁵ 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.

The review process

14. In accordance with the operational policies and guidelines, following the receipt of the project proposal, the secretariat screened and prepared technical review of the RPG project proposal.

15. 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 NIE was offered the opportunity to discuss the initial review findings with the secretariat via an online video conference call as per the usual practice. An online video call was held between the secretariat, the intermediary, and the NIE candidate in Georgia on the 22nd of November 2024.

16. Following the online video call, the secretariat subsequently reviewed the intermediary'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.34-35/1/Add.1).

Issues identified during the review process

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