Key challenges in starting up projects financed by the Adaptation Fund

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Outline of Presentation

• UNDP-supported projects financed by the Adaptation Fund

• Steps from project approval to project start up

• Key Challenges to speed up start-up of implementation

• Recommendations
UNDP-supported projects financed by the Adaptation Fund
AF-funded global project portfolio

Guatemala: 5.5 M
Eritrea: 6.5 M
Colombia: 8.5 M
Honduras: 5.6 M
Nicaragua: 5.5 M
Pakistan: 3.9 M
Solomon Islands: 5.5 M
Mongolia: 5.5 M
Turkmenistan: 2.9 M
Seychelles: 6.4 M
Maldives: 8.9 M
Mauritius: 9.1 M
Georgia: 5.3 M
Cook Islands: 5.3 M
Samoa: 8.7 M
Djibouti: 4.6 M
Papua New Guinea: 6.5 M
Cuba: 6.0 M
Uzbekistan: 5.4 M
Myanmar: 7.9 M
20 ongoing projects
Steps from project approval to project start up
Steps from project approval to project start up

Project Approval

Notification of the AF
Board decision on project
approval

Disbursement of 1st
Tranche funding from
Trustee to UNDP
Steps from project approval to project start up

Project Approval
- Notification of the AF Board decision on project approval
- Disbursement of 1st Tranche funding from Trustee to UNDP

Project Start-up Steps
- Local Project Appraisal (sometimes completed before AF Board approval; contingent on Govt procedures)
- Government and UNDP RR signature of the UNDP project document (legal contract)
- PMU recruitment process starts (takes 3-6 months; depending on applicant pool)
- Review and finalization of the Annual and Multi-Year Work Plan including procurement plan
- Inception workshop
- Start of project activities led by Govt (Implementing Partner)
### Steps from project approval to project start up

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<th>Project Approval</th>
<th>Project Start-up Steps</th>
<th>Key reporting during implementation</th>
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<td>Notification of the AF Board decision on project approval</td>
<td>- Local Project Appraisal (sometimes completed before AF Board approval; contingent on Govt procedures)</td>
<td>- Inception Report (within 3 months of conclusion of workshop)</td>
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<td>Disbursement of 1st Tranche funding from Trustee to UNDP</td>
<td>- Government and UNDP RR signature of the UNDP project document (legal contract)</td>
<td>- Quarterly reports on finance and achievements by IP to UNDP</td>
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<td>- PMU recruitment process starts (takes 3-6 months; depending on applicant pool)</td>
<td>- Annual Project Performance Report (PPR)</td>
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<td>- Review and finalization of the Annual and Multi-Year Work Plan including procurement plan</td>
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<td>- Start of project activities led by Govt (Implementing Partner)</td>
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Stats from UNDP Portfolio

• Average time from AF Board Approval to Inception workshop: **8 months**

*IW not yet carried out; Eritrea not included as Gov put a hold on all multilateral entity programming.
Key Challenges to speed up start-up of implementation
### Key Challenges to Speedy Start-up

<table>
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<th>Challenge</th>
<th>Description</th>
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<td><strong>Project document review, signature and start-up implementation by MoE, MoA, MoFA</strong></td>
<td>Institutional challenges involving coordination of multiple government departments. Country driven processes need to be respected.</td>
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<td><strong>Setting up of the Project Management Unit in Ministry of X (Implementing Partner)</strong></td>
<td>Challenges in finding local staff with the appropriate technical expertise due to limitation in qualified pool of applicants (takes time to identify qualified professionals), steps in public sector recruitment process itself, public sector salary scales).</td>
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<td><strong>Procurement</strong></td>
<td>Need to prepare a detailed procurement plan once it is clear the project has resources, develop capacities prior to acquiring equipment on maintenance and financial sustainability. Government systems for procurement (including fiscal policies, customs clearances) can take time.</td>
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Recommendations
Factors to speed up implementation

**What AF can do:** Reduce time/uncertainty between submission for AF Board approval and final AF Board approval to not lose momentum (in terms of interest, political prioritization)

**What UNDP can do:** Frequent follow-up, dialogue with key Ministries- Implementing Partner - as well as Ministry of Finance (at both political and technical level)

- Project document review, signature and start-up implementation by MoE, MoA, MoFA
- Setting up of the Project Management Unit in Ministry of X (Implementing Partner)
- Procurement of hardware/technologies
Factors to speed up implementation

**What AF can do:** If one followed GEF TF project cycle: use formal preparatory phase to build up capacities/identify pool of candidates before formal approval. This is possible because GEF TF project cycle minimizes uncertainty about eventual project approval once a concept is approved. So limited risks in investing up front.

**What UNDP can do:** Some Governments lean on UNDP to hire PMU staff in order to minimize recruitment steps.
Factors to speed up implementation

Project document review, signature and start-up implementation by MoE, MoA, MoFA

Setting up of the Project Management Unit in Ministry of X (Implementing Partner)

Procurement of hardware/technologies

Developing a detailed procurement plan is costly and takes time. With uncertainty of approval (given current AF project cycle for MIEs), it is a risk to invest too heavily up front.

What AF can do: If one followed GEF TF project cycle: use formal preparatory phase to prepare detailed procurement plan and build up capacities to manage technologies once procured.

If Governments cannot use own procurement processes, then option to use 3rd party for procurement or build up govt capacities to do own procurement.
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