



ADAPTATION FUND

AFB/PPRC.12/5/Add.1  
17 July 2013

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Adaptation Fund Board  
Project and Programme Review Committee  
Twelfth Meeting  
Bonn, 1-2 July 2013

Agenda item 4 b)

## **PROJECT FORMULATION GRANT FOR SOUTH AFRICA (1)**

## I. Background

1. The Adaptation Fund Board (the Board) at its eleventh meeting discussed the document "Funding for Project Formulation Costs" (AFB/11/6) and agreed, in its Decision B.11/18, that:
  - i. *project formulation grants (PFG) should be given once a project concept has been approved*
  - ii. *consideration should be given in terms of differentiating between NIEs and MIEs, since some NIEs might have financial difficulties in trying to formulate project or programme proposals;*
  - iii. *a flat rate should be given for project formulation costs;*
  - iv. *a list of eligible activities and items still needed to be prepared;*
  - v. *the grant should be additional to the project cost; and*
  - vi. *the fate of funds if the final project document was rejected should be determined.*
  
2. There was consensus that a three tiered system should be considered for project formulation grants: endorse a project concept with a PFG amount, endorse a project concept without a PFG amount, or reject the project concept.
  
3. Following the discussion, the Board decided:
 

*To request the secretariat to reformulate the document, to include a comparison of eligible activities provided by other funds for project formulation grants, to take into account guidance provided by the Board at the present meeting, and to submit the document to the Board at its twelfth meeting, through the EFC. The EFC should review and finalize the process and policy of the project formulation grant focusing, in particular, on: the issue of unspent project funds; the procedures followed by other funds in that regard; and the determination of a flat-rate.*
  
4. A document was prepared by the secretariat in response to the above mandate and presented at the 3rd EFC meeting, which made specific recommendations to the Board at its 12<sup>th</sup> meeting. Having considered the recommendation of EFC, the Board, in its Decision B.12/28, decided that:
  - (a) Project Formulation Grants (PFGs) will only be made available for projects submitted through NIEs. The Board would continue reviewing the question of PFGs for projects submitted through MIEs and would solicit comments from members and alternate members by February 14, 2011; the views would be compiled by the secretariat for presentation to the Board at its March 2011 meeting;
  - (b) If a country required a project formulation grant, a request should be made at the same time as the submission of a project concept to the secretariat. The secretariat will review and forward it to the PPRC for a final recommendation to the Board. A PFG could only be awarded when a project concept was presented and endorsed;
  - (c) A PFG form, reproduced in Annex V, should be submitted;
  - (d) Only activities related to country costs would be eligible for PFG funding;

- (e) A flat rate of up to US\$30,000 shall be provided, inclusive of the management fee, which cannot exceed 8.5 per cent of the grant amount. The flat fee would be reviewed by the Board at its thirteenth and all subsequent meetings;
- (f) If the final project document is rejected, any unused funds shall be returned to the Adaptation Fund Trust Fund;
- (g) Once a project/programme formulation grant is disbursed, a fully developed project document should come to the Board for approval within 12 months. No additional grants for project preparation can be received by a country until the fully developed project/programme document has been submitted to the Board; and
- (h) The Trustee was instructed to remove the set-aside of US\$100,000 for project preparation that had been decided at the June 2010 meeting, as project preparation would be approved on a project-by-project basis.

## **II. The Project Formulation Grant Request**

5. This addendum to the document AFB.PPRC.12/5 "Proposal for South Africa (1)" includes the Project Formulation Grant request, requesting a budget of US\$30,000, which was received by the secretariat along with the concept for the project ZAF/NIE/Water/2013/1 "Building Resilience in the Greater uMngeni Catchment, South Africa". This proposal was submitted on time by the South African National Biodiversity Institute (SANBI), the National Implementing Entity for South Africa, for its consideration by the Adaptation Fund Board at its 21st meeting.

6. In accordance with Decision B.12/28 paragraph (b), the secretariat carried out a review of the PFG request and found that the requested funds are justified and the sought activities are aligned with the goal of the project. The projected activities comprise engagement with local communities and identification of specific sites for project activities, engagement with relevant officials and identification of detailed activities, institutional assessment and cost analysis, project scoping and strategy development, and baseline development, which will all provide key inputs to the preparation of a full proposal. The initial version of the PFG request had a budget that exceeded the cap of US\$ 30,000 set by the Board. At the time of submitting the initial technical review of the project concept to the proponent, the secretariat notified the proponent about this non-compliance, and the proponent submitted the current, revised version which complies with the cap.

7. The PPRC may want to consider and recommend to the Board to approve the PFG Request provided that the related concept proposal is endorsed.



## Project Formulation Grant (PFG)

Submission Date: 28 April 2013

Adaptation Fund Project ID:  
 Country/ies: South Africa  
 Title of Project/Programme: Building resilience in the Greater uMngeni Catchment, South Africa  
 Type of IE (NIE/MIE): NIE  
 Implementing Entity: SANBI  
 Executing Entity/ies: To be confirmed

### A. Project Preparation Timeframe

Start date of PFG	1 August 2013
Completion date of PFG	28 February 2014

### B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
<p><b>Engagement with local communities and identification of specific sites for project activities</b></p> <p>This component will see the development of</p> <p>Specific activities will involve:            An initial scoping exercise to identify project focal sites            Site visits to verify site information and identify specific climate change vulnerabilities and appropriate local level responses at these sites            Workshops and meetings with beneficiaries and stakeholders to identify local issues, concerns and priorities and obtain local support for the project            Compilation of stakeholder and</p>	<p>Identification of intervention sites            Identification of specific climate change vulnerabilities and appropriate local level responses at these sites            Confirmation of stakeholder and beneficiary support            Stakeholder and beneficiary inputs for implementation plan            Stakeholder and beneficiary inputs to project sustainability plan</p>	10 000

<b>List of Proposed Project Preparation Activities</b>	<b>Output of the PFG Activities</b>	<b>USD Amount</b>
beneficiary inputs for implementation plan		
<p><b>Engagement with relevant officials and identification of detailed activities</b></p> <p>Specific activities will involve:            One on one discussions with targeted officials in relevant institutions            Workshops with relevant officials to identify project activities and alignment with future sustainability plans of the project (targeted institutions to be finalised during the detailed design process)</p>	<p>Confirmation of stakeholder support            Institutional inputs for implementation plan            Institutional inputs to project sustainability plan</p>	5 000
<p><b>Institutional assessment and cost analysis</b></p> <p>This component will see the development of an institutional assessment and a detailed analysis of cost effectiveness and full cost of adaptation reasoning.</p> <p>Specific activities will include:            Assessment of technical feasibility and cost-effectiveness of proposed project activities            Analysis of full cost of adaptation reasoning            Assessment of project risk associated recommendations of applicable measures to minimise and mitigate risk            Assessment of the sustainability of proposed activities and recommendations of applicable measures to ensure sustainability            Development of recommendations/proposals for addressing the gaps in line with the objectives of the project            Assessment of EE institutional readiness for project implementation, and development of proposals for augmenting capacity if necessary.</p>	<p>Institutional assessment            Cost analysis            Risk assessment</p>	5 000

<b>List of Proposed Project Preparation Activities</b>	<b>Output of the PFG Activities</b>	<b>USD Amount</b>
<p><b>Project scoping and strategy development</b></p> <p>This component will see the development of a detailed project strategy, a detailed log frame, a detailed budget, and a detailed monitoring and evaluation plan.</p> <p>Specific activities include:</p> <ul style="list-style-type: none"> <li>Development of a log frame with detailed activities for all the project activities-</li> <li>Development of a detailed plan for knowledge management and information dissemination</li> <li>Setting milestones for project activities and establishing the timeline for implementation</li> <li>Definition of project monitoring and evaluation indicators</li> <li>Preparation of a budget for the project, and for all inputs (consultants, contractual services, travel, etc), as well as a breakdown of the NIE fee</li> <li>Preparation of a disbursement schedule</li> <li>Preparation of a results framework with indicators</li> </ul>	<p>Project strategy, including:</p> <ul style="list-style-type: none"> <li>Logframe</li> <li>Programme of activities</li> <li>Plan for knowledge management and dissemination of lessons</li> <li>Budget (including breakdown of IE fee)</li> <li>Monitoring and evaluation plan</li> <li>Disbursement schedule</li> <li>Results framework with indicators</li> </ul>	5 000
<p><b>Baseline development</b></p> <p>This component will see the establishment of baselines for all project indicators.</p>	Baselines for M&E plan	5 000
<p><b>Total Project Formulation Grant</b></p>		<b>30 000</b>

**C. Implementing Entity**

This request has been prepared in accordance with the Adaptation Fund Board's procedures and meets the Adaptation Fund's criteria for project identification and formulation

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
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