



ADAPTATION FUND

AFB/PPRC.12/6.Add.1
17 June 2013

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

Agenda Item 4 c)

PROJECT FORMULATION GRANT FOR SOUTH AFRICA (2)

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 third EFC meeting, which made specific recommendations to the Board at its twelfth meeting. Having considered the recommendation of the Ethics and Finance Committee, 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.12.6 “Proposal for South Africa (2)” includes the Project formulation grant, requesting a budget of US\$30,000, which was received by the secretariat along with the concept for the project ZAF/NIE/Multi/2013/2 “Taking adaptation to the ground: A Small Grants Facility for enabling local level responses to climate change”. 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 twenty-first 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 will help collecting key additional information, undertake the necessary consultations and organize the final validation workshop, to formulate a fully-developed project in a participatory manner.

7. Therefore, 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: Taking Adaptation to the Ground: A Small Grants Facility for enabling local level responses to climate change
 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	30 November 2013

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>1. Situational analysis</p> <p>Specific activities will involve:</p> <ul style="list-style-type: none"> • Consultation with officials from Departments and organisations working in sectors targeted by the project to establish ongoing programmes of work, and associated linkages for project implementation and sustainability 	<ul style="list-style-type: none"> • 	1 800
<p>2. Engagement with target communities in Mopani and Namakwa</p> <p>Specific activities will involve:</p> <ul style="list-style-type: none"> • Site visits to verify site information and identify specific climate change vulnerabilities and appropriate local level responses at these sites • Workshops and meetings 	<ul style="list-style-type: none"> • 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 • List of indicative project concepts 	12 500

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
<p>with beneficiaries and stakeholders to identify local issues, concerns and priorities and obtain local support for the project</p> <ul style="list-style-type: none"> • Identification of indicative project concepts • Compilation of stakeholder and beneficiary inputs for implementation plan 		
<p>3. Identification of executing entity, institutional analysis and cost analysis</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:</p> <ul style="list-style-type: none"> • Analysis of options and identification of Executing Entity • Development of roles and responsibilities • Assessment of cost-effectiveness of proposed project activities • Analysis of full cost of adaptation reasoning • Assessment of project risks and sustainability, and associated recommendations of applicable measures to minimise and mitigate risk and ensure sustainability 	<ul style="list-style-type: none"> • Institutional assessment • Cost analysis • Risk assessment 	3 100
<p>4. Project scoping and strategy development</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"> • Development of a log frame with detailed activities for all 	<p>Project strategy, including:</p> <ul style="list-style-type: none"> • Logframe • Plan for knowledge management and dissemination of lessons • Budget (including breakdown of IE fee) • Monitoring and evaluation plan • Disbursement schedule • Results framework with indicators 	8 500

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
<p>the project activities-</p> <ul style="list-style-type: none"> • Development of a detailed plan for knowledge management and information dissemination • Setting milestones for project activities and establishing the timeline for implementation • Definition of project monitoring and evaluation indicators • Preparation of a budget for the project, and for all inputs, as well as a breakdown of the NIE fee • Preparation of a disbursement schedule • Preparation of a results framework with indicators 		
<p>5. Baseline development</p> <p>This component will see the establishment of baselines for all project indicators.</p>	Baselines for M&E plan	4 100
Total Project Formulation Grant		30 000

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
Guy Midgley, SANBI		27 May 2013	Mandy Barnett	+21 21 7998895	m.barnett@sanbi.org.za