Adaptation Fund Board
Project and Programme Review Committee
Fourteenth meeting
Bonn, 18-19 March 2014

Agenda Item 6 a)

PROJECT FORMULATION GRANT FOR INDIA (1)
I. Background

1. 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.14/4 “Proposal for India (1)” includes the Project Formulation Grant, requesting a budget of US$29,900, which was received by the secretariat along with the concept for the project IND/NIE/Water/2013/1 “Climate proofing of watershed development projects in the states of Tamil Nadu and Rajasthan”. This proposal was submitted on time by the National Bank for Agriculture and Rural Development (NABARD), the National Implementing Entity for India, for its consideration by the Adaptation Fund Board at its twenty-third meeting.

6. In accordance with Decision B.12/28 paragraph (b), the secretariat carried out an initial review of the PFG request and found that the document provided detailed information on the use of the requested funds. The proposed activities were aligned with the goal of the project and would help data undertake studies, a detailed stakeholder consultation process, the project design validation and the formulation of the fully-developed project.

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)

Adaptation Fund Project ID:

Country/ies : India

Title of Project/Programme : CONCEPT NOTE ON CLIMATE PROOFING OF WATERSHED DEVELOPMENT PROJECTS IN THE STATES OF TAMIL NADU AND RAJASTHAN

Type of IE (NIE/MIE) : NIE

Implementing Entity : NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT (NABARD)

Executing Entity/ies:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Name of the watershed</th>
<th>District</th>
<th>Name of Executing Entities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects In Rajasthan</td>
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<tr>
<td>1</td>
<td>Dhuvala</td>
<td>Bhilwara</td>
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<td>ITC – Rural Development Trust (ITC-RDT)</td>
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<td>Rajasthan Rural Institute of Development Management (RRIDMA)</td>
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<td>Vagda</td>
<td>Udaipur</td>
<td>Alert Sansthan</td>
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<tr>
<td>6</td>
<td>Jhabla</td>
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<td>Seva mandir</td>
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<td>Dungarpur</td>
<td>Mahan Seva Sansthan</td>
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<td>Udaipur</td>
<td>Gayatri Seva Sansthan</td>
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<td>Chainpuria</td>
<td>Chittorgarh</td>
<td>Watershed Consultants Organisation (WASCO)</td>
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<td>10</td>
<td>Khad</td>
<td>Udaipur</td>
<td>Rajasthan Rural Institute of Development Management (RRIDMA)</td>
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<td>Projects in Tamil Nadu</td>
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<td>Mysore Resettlement Development Agency (MYRADA)</td>
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<td>Madurai</td>
<td>Association of Serva Seva Farms (ASSEFA)</td>
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<tr>
<td>3</td>
<td>Thally kothanur</td>
<td>Krishnagiri</td>
<td>Mysore Resettlement Development Agency (MYRADA)</td>
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<td>Krishnagiri</td>
<td>Mysore Resettlement Development Agency (MYRADA)</td>
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<tr>
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<td>Anjukulipatty</td>
<td>Dindigul</td>
<td>Society for Peoples Action for Change and Education (SPACE)</td>
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<td>6</td>
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<td>Madurai</td>
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<td>Centre for Improved Rural Health and Environmental Protection (CIRHEP)</td>
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<td>9</td>
<td>Ayampallayam</td>
<td>Dindigul</td>
<td>Sri Sakthi Social Economical &amp; Educational Welfare Trust (SWEET)</td>
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<tr>
<td>10</td>
<td>Vannikondal &amp; Kurkulpatti</td>
<td>Tirunelveli</td>
<td>Voluntary Organisation for Integration of Community &amp; Environment (VOICE)</td>
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</tbody>
</table>
A. Project Preparation Timeframe

<table>
<thead>
<tr>
<th>Start date of PFG</th>
<th>1 April 2014</th>
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<tbody>
<tr>
<td>Completion date of PFG</td>
<td>Submission date for full proposal</td>
</tr>
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</table>

B. Proposed Project Preparation Activities ($)

Describe the PFG activities and justifications:

<table>
<thead>
<tr>
<th>List of Proposed Project Preparation Activities</th>
<th>Output of the PFG Activities</th>
<th>USD Amount</th>
</tr>
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<tbody>
<tr>
<td>Climatic studies of the project area</td>
<td>-Understand the change of climate in the past</td>
<td>11600</td>
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<tr>
<td>-Collection of historical data</td>
<td>-Analyse the crop production and change in cropping pattern</td>
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<tr>
<td>-Analysis of data</td>
<td>-Help in choosing appropriate interventions in the project area</td>
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</tr>
<tr>
<td>-Extrapolation to predict the future climatic data under different scenarios</td>
<td></td>
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</tr>
<tr>
<td>Comprehensive Stakeholder Consultation</td>
<td>-Understanding people’s adaptive capacity to climate change</td>
<td>5000</td>
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<tr>
<td>-Baseline Survey</td>
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<td>-Participatory Rural Appraisal</td>
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<td>-Focused Group Discussions</td>
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<td>-Structured &amp; Unstructured Interviews</td>
<td></td>
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<tr>
<td>-Experience Sharing</td>
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<tr>
<td>Livelihood survey</td>
<td>-Understanding livelihood Strategies</td>
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<tr>
<td>-Study different sources of livelihoods</td>
<td>-Impact on the gender related issues due to climate change</td>
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<tr>
<td>-Coping strategies to Climate Change</td>
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<tr>
<td>-Gender issues</td>
<td></td>
<td></td>
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<tr>
<td>-Institutional and knowledge related Issues</td>
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<tr>
<td>Project design validation</td>
<td>Minimise the risk across the parameters in the project design</td>
<td>1600</td>
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<tr>
<td>-Intense discussion with stakeholders</td>
<td></td>
<td></td>
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<tr>
<td>-Comparison with similar projects</td>
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<tr>
<td>Formulation of complete project proposal</td>
<td>-Project Proposal complete in all aspects of the envisaged interventions</td>
<td>4200</td>
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<tr>
<td></td>
<td>-Adherence to AFB guidelines</td>
<td></td>
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<tr>
<td>Field level handholding support to PIEs for formulation of project proposal</td>
<td>Co-ordinated efforts for project formulation</td>
<td>2500</td>
</tr>
<tr>
<td>Total Project Formulation Grant</td>
<td></td>
<td>29900</td>
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</table>

Note: Expenditure claims would be on actual basis
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.

<table>
<thead>
<tr>
<th>Implementing Entity Coordinator, IE Name</th>
<th>Signature</th>
<th>Date (Month, day, year)</th>
<th>Project Contact Person</th>
<th>Telephone</th>
<th>Email Address</th>
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</thead>
<tbody>
<tr>
<td>Dr. Venkatesh Tagat</td>
<td></td>
<td>March 03, 2014</td>
<td>Mr. Sanjay Kumar Dora</td>
<td>+91 22 26539640, +91 8450997360</td>
<td><a href="mailto:sk.dora@nabard.org">sk.dora@nabard.org</a>, <a href="mailto:dora.sanjaykumar@gmail.com">dora.sanjaykumar@gmail.com</a></td>
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