



ADAPTATION FUND

AFB/PPRC.5/4/Add.1
June 2, 2011

Adaptation Fund Board
Project and Programme Review Committee
Fifth Meeting
Bonn, June 20, 2011

PROJECT FORMULATION GRANT FOR JAMAICA

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 3rd EFC meeting, which made specific recommendations to the Board at its 12th 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.5.4 "Proposal for Jamaica" 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 JAM/NIE/Multi/2011/1 "Enhancing the resilience of Agriculture and Coastal Resources for Food Security and Livelihoods Protection". This proposal was submitted on time by the Planning Institute of Jamaica (PIOJ), the National Implementing Entity for Jamaica, for its consideration by the Adaptation Fund Board at its 14th 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 and undertake the necessary consultations 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.



ADAPTATION FUND

Project Formulation Grant (PFG)

Submission Date: April 14, 2011

A. Project Information

Project/Programme Category: **Regular Programme**
Country/ies: **Jamaica**
Title of Project/Programme: **Enhancing the Resilience of Agriculture and Coastal Resources for Food Security and Livelihoods Protection**
Type of Implementing Entity: **NIE**
Implementing Entity: **Planning Institute of Jamaica**
Executing Entity/ies: **National Environment and Planning Agency, National Works Agency, Ministry of Agriculture and Fisheries, National Irrigation Commission, National Works Agency, Ministry of Tourism**
Amount of Financing Requested: **US\$30,000**

B. PFG Preparation Timeframe

Start date: June 2011
Completion date: May 2012

C. Proposed Preparation Activities

The PFG is being submitted for Jamaica's programme which has three components:

Component 1: **Increasing the climate resilience of the Negril coastline**
Component 2: **Enhancing the climate resilience of the agriculture sector in select communities**
Component 3: **Improving institutional and local level capacity for sustainable management of natural resources and in disaster risk reduction in the targeted vulnerable areas**

Component 1: This investment focuses on the rehabilitation of segments of the coastline of Negril. The area was selected because of the degraded state of the coastline and marine ecosystems and the lessening of their regulating and protective functions. Unless addressed, degradation of these coastal assets would continue and would be exacerbated in the face of climate change with potentially devastating effects for residents and social and economic life in the community. The likely economic impacts would extend to the wider nation considering the importance of Negril to the Jamaican people and economy. The activities that will be undertaken in the area include the installation of submerged breakwater systems and the replanting of sea-grass beds.

Component 2: Agriculture is a key sector of the Jamaican society due to its role in food security (accounting for close to 60% of the total value of food consumed), the large number of the population that rely on it for their livelihoods, and contribution to GDP. The sector is highly vulnerable to climate related hazards, namely drought and storms, particularly because of the geographical location and topography of the country. The large cadre of small farmers and fishers are amongst the most vulnerable due to their lack of adaptive capacity, and farming practices which often increase their exposure. Among the specific problems in the sector which can be amplified by climate change are reliance on rain fed agriculture and soil erosion. This investment will therefore tackle two of the most critical issues in agriculture – water resources and land management. The primary focus is on farmers and farming communities.

Component 3: The ability to adapt to climate change is dependent on the capacity of the persons and institutions directly and indirectly associated with the key sectors being addressed under this programme. As such, this component will involve activities that will bolster the knowledge and adaptive capabilities of local level stakeholders who are most at risk. The outcome expected is a change from unsustainable traditions and practices to good practices within the respective sectors.

Each component requires the participation of stakeholders at all levels. Whilst information currently exists on the challenges being faced in the selected locations, further consultations will be necessary to adequately define the problems and identify suitable interventions. This will facilitate buy-in and ownership for the programme and foster sustainability.

The financial resources from the PFG will be used to fully develop the programme proposal inclusive of implementation plan. The grant will facilitate selection of project communities from the list of prospective locations identified island-wide. It will also ensure that stakeholders at all levels understand the need for adaptation and are integrally involved in the process. See Table 1.

Table 1: PFG Activities for the Jamaica Programme

| Proposed Activities under PFG | Outputs | Costs (USD) |
|---|---|----------------------|
| <p>1. Stakeholder Consultations</p> <ul style="list-style-type: none"> • Community Rapid Assessments Field studies/visits at the local level to obtain more detailed information on environmental and climatic conditions; community knowledge and perceptions; livelihood-related practices; coping strategies; and the potential for interventions • Identification of suitable methodologies for programme activities • Details of stakeholder roles and responsibilities | <p>Baseline Data (spatial, economic, environmental and social)</p> <p>Consultation & Dissemination Workshops</p> <p>Community training needs and priorities identified</p> <p>Report detailing information from all workshops (including outputs, participants, recommendations)</p> <p>Stakeholder responsibility matrix</p> | <p>10,000</p> |
| <p>2. Programme Preparation & Review</p> <ul style="list-style-type: none"> • Enlist relevant personnel for the development of the full programme proposal (NIE) • Review of existing documentation (consultants) • Data collection - spatial, economic, environmental, social (Consultant, NIE & Staff of executing agencies) • Develop criteria for community/site selection (Consultant, NIE & Staff of executing agencies) • Define local and institutional capacity building needs (Consultant) • Develop specifications and costing for hard and soft engineering solutions (Coastal Specialist/NEPA/NWA/NCRPS/NEPT) | <p>Consultants contracted for programme development</p> <p>List of communities identified</p> <p>Capacity building needs identified & prioritised</p> <p>Project Document (including log frame, implementation plan, budget, monitoring and evaluation plan)</p> | <p>20,000</p> |
| <p>Total</p> | | <p>30,000</p> |


D. Objectives of the PFG

The PFG will ensure that Jamaica is able to submit a complete and detailed programme proposal to the Adaptation Fund Board in accordance with the Board’s procedures. The programme will have input from various levels of stakeholders, particularly in the communities that will benefit directly. The programme proposal will outline:

- site-specific data and information including users/beneficiaries;
- past, present and future climatic threats and impacts;
- appropriate adaptation measures related to agricultural sector and coastal communities; and
- the roles and responsibilities of all stakeholders involved in programme implementation.

E. 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.

| <i>Implementing Entity Co-ordinator:</i> | <i>Signature:</i> | <i>Date (Month, Day, Year):</i> | <i>Programme Contact Person:</i> | <i>Email Address:</i> |
|---|---|--|--|------------------------------|
| Kirk Philips Director, Corporate Services Division Planning Institute of Jamaica |  | April 14, 2011 | Claire Bernard Director, Sustainable Development and Regional Planning Division Planning Institute of Jamaica | Claire_bernard@pioj.gov.jm |