



ADAPTATION FUND

AFB/PPRC.13/5/Add.1
18 October 2013

Adaptation Fund Board
Project and Programme Review Committee
Thirteenth meeting
Bonn, 29-30 October 2013

Agenda Item 4 b)

PROJECT FORMULATION GRANT FOR COSTA RICA

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 Programme Formulation Grant Request

5. This addendum to the document AFB.PPRC.13.5 "Proposal for Costa Rica" includes the Programme Formulation Grant, requesting a budget of US\$30,000, which was received by the secretariat along with the concept for the programme CRI/NIE/Multi/2013/1 "Reducing the vulnerability by focusing on critical sectors (agriculture, water resources, and coastlines) in order to reduce the negative impacts of climate change and improve the resilience of these sectors". This proposal was submitted on time by the Fundecooperación para el Desarrollo Sostenible (Fundecooperación), which is the National Implementing Entity of the Adaptation Fund for Costa Rica, for consideration by the Adaptation Fund Board at its twenty-second 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 programme. The projected activities would help collect key additional information, undertake the necessary consultations and organize the final validation and translation, to formulate a fully-developed programme proposal.

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: August 26th 2013

Adaptation Fund Project ID:

Country/ies: Costa Rica

Title of Project/Programme: **REDUCING THE VULNERABILITY BY FOCUSING ON CRITICAL SECTORS (AGRICULTURE, WATER RESOURCES, AND COASTLINES) IN ORDER TO REDUCE THE NEGATIVE IMPACTS OF CLIMATE CHANGE AND IMPROVE THE RESILIENCE OF THESE SECTORS**

Type of IE (NIE/MIE): NIE

Implementing Entity: Fundecooperación para el Desarrollo Sostenible

Executing Entity/ies: National Ministry of Environment and Energy (MINAE), Ministry of Agriculture (MAG), Ministry of National Planning and Economical Politics (MIDEPLAN), National Emergency Commission (CNE).

A. Project Preparation Timeframe

Start date of PFG	November 2013
Completion date of PFG	Submission date for full proposal

B. Proposed Project Preparation Activities (\$)


Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
Stakeholder consultation -Workshops with key stakeholder's Includes data collection, mapping and analysis, consultant fees.	Stakeholder's knowledge and experiences	\$6.000,00
Project design validation -Workshops with key stakeholder's	Project design is appropriate for each of the components and accepted by all stakeholders.	\$4.000,00
-Determination of execution modality and local capacity assessment of the national executing entities. - Determination of adaptation measures -Assist in identifying technical partners. -Validate partner technical	Creation of a full proposal.	\$15.000,00

abilities.		
Preparation of full proposal -Completion of part III and budget Includes translations from Spanish to English-consultants	Final Project proposal contains all information require	\$5.000,00
Total Project Formulation Grant		\$30.000,00

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
Marianella Feoli		August 26 th 2013	Marianella Feoli	(506) 22254507	mfeoli@fundecooperacion.org