



ADAPTATION FUND

AFB/PPRC.14/4/Add.1
6 March 2014

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.



ADAPTATION FUND

Project Formulation Grant (PFG)

Submission Date: 03 March 2014

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:

S. No.	Name of the watershed	District	Name of Executing Entities
Projects In Rajasthan			
1	Dhuvala	Bhilwara	Foundation for Ecological Security (FES)
2	Nayagaon-I	Jhalawar	ITC – Rural Development Trust (ITC-RDT)
3	Nayagaon-II	Jhalawar	ITC – Rural Development Trust (ITC-RDT)
4	Balua	Udaipur	Rajasthan Rural Institute of Development Management (RRIDMA)
5	Vagda	Udaipur	Alert Sansthan
6	Jhabla	Udaipur	Seva mandir
7	Malvi	Dungarpur	Mahan Seva Sansthan
8	Mandli	Udaipur	Gayatri Seva Sansthan
9	Chainpuria	Chittorgarh	Watershed Consultants Organisation (WASCO)
10	Khad	Udaipur	Rajasthan Rural Institute of Development Management (RRIDMA)
Projects in Tamil Nadu			
1	Bettamugilalam	Krishnagiri	Mysore Resettlement Development Agency (MYRADA)
2	Chithalai	Madurai	Association of Serva Seva Farms (ASSEFA)
3	Thally kothanur	Krishnagiri	Mysore Resettlement Development Agency (MYRADA)
4	Salivaram	Krishnagiri	Mysore Resettlement Development Agency (MYRADA)
5	Anjukulipatty	Dindigul	Society for Peoples Action for Change and Education (SPACE)
6	Chinnapoolampatti	Madurai	Association of Serva Seva Farms (ASSEFA)
7	Peikulam	Madurai	Association of Serva Seva Farms (ASSEFA)
8	Srirampuram – Malvarpatty	Dindigul	Centre for Improved Rural Health and Environmental Protection (CIRHEP)
9	Ayampallayam	Dindigul	Sri Sakthi Social Economical & Educational Welfare Trust (SWEET)
10	Vannikonendal & Kurkulpatti	Tirunelveli	Voluntary Organisation for Integration of Community & Environment (VOICE)

A. Project Preparation Timeframe

Start date of PFG	1 April 2014
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
Climatic studies of the project area -Collection of historical data -Analysis of data - Extrapolation to predict the future climatic data under different scenarios	-Understand the change of climate in the past -Analyse the crop production and change in cropping pattern -Help in choosing appropriate interventions in the project area	11600
Comprehensive Stakeholder Consultation - Baseline Survey -Participatory Rural Appraisal -Focussed Group Discussions -Structured & Unstructured Interviews -Experience Sharing	-Understanding people's adaptive capacity to climate change	5000
Livelihood survey -Study different sources of livelihoods - Coping strategies to Climate Change -Gender issues -Institutional and knowledge related Issues	-Understanding livelihood Strategies -Impact on the gender related issues due to climate change	5000
Project design validation - Intense discussion with stakeholders - Comparison with similar projects	Minimise the risk across the parameters in the project design	1600
Formulation of complete project proposal	-Project Proposal complete in all aspects of the envisaged interventions -Adherence to AFB guidelines	4200
Field level handholding support to PIEs for formulation of project proposal	Co-ordinated efforts for project formulation	2500
Total Project Formulation Grant		29900

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

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Dr. Venkatesh Tagat		March 03, 2014	Mr. Sanjay Kumar Dora	+91 22 26539640, +91 8450997360	sk.dora@nabard.org , dora.sanjaykumar@gmail.com

