



## ADAPTATION FUND

AFB/PPRC.14/5/Add.1  
5 March 2014

---

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

Agenda Item 6 b)

### **PROJECT FORMULATION GRANT FOR INDIA (2)**

## 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.14/5 "Proposal for India (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 IND/NIE/Food/2013/1 "Building Adaptive Capacities of Small Inland Fishermen Community for Climate Resilience and Livelihood Security, Madhya Pradesh, India". 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 developing operational plans, methodologies and analyses and undertake the necessary consultations, to formulate 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)**

Submission Date: December 2013

Adaptation Fund Project ID: Regular  
 Country/ies: India  
 Title of Project/Programme: BUILDING ADAPTIVE CAPACITIES OF SMALL INLAND FISHERMEN COMMUNITY FOR CLIMATE RESILIENCE AND LIVELIHOOD SECURITY, MADHYA PRADESH, INDIA  
 Type of IE (NIE/MIE): NIE  
 Implementing Entity: NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT (NABARD)  
 Executing Entity/ies: TOWARDS ACTION AND LEARNING (TAAL)

**A. Project Preparation Timeframe**

Start date of PFG	<b>1 April 2014</b>
Completion date of PFG	<b>Submission date for full proposal</b>

**B. Proposed Project Preparation Activities (\$)**

Describe the PFG activities and justifications:


List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
Scoping Exercise to develop a road map for the 3 year period of implementation which will include sample field visits, Stakeholder Analysis and team Requirement		
1. Developing Terms of Reference	Geo_Hydro_Ecological Technical Assessment TOR	3000
	Baseline Project Benefit Assessment TOR	
	Mid/End Term Evaluation TOR	
2. Planning	Financial Services Plan	7000
	Fisheries Technical Plan	
	Business development and Market Analysis Plan	
	Monitoring system Plan	

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
3. Site Selection	Specification of Steps to be followed in selection of site for Pond construction	5000
4. Developing Specifications	Design Specifications of the Pond	
	Catchment treatment approach Methodology	
5. Stakeholder Analysis, Human Resource Requirement, Risk Analysis	Stakeholder Management Strategy	6000
	Human Resource Profile	
	Capacity Building Strategic Plan	
	Risk Management Strategy	
6. Report Preparation, Reprography and Maps etc.		2000
7. Field and Desk Appraisal of DPR by NIE (cost towards travel, field visits, consultancy, etc)		7000
<b>Total Project Formulation Grant</b>		<b>30000</b>

\* Expenditure claim 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		December, 16 2013	Shri. Sanjay Kumar Dora	+91 22 2653 9640, +91 8450997360	sk.dora@nabard.org; dora.sanjaykumar@gmail.com