



ADAPTATION FUND

AFB/PPRC.9/4/Add.1
15 June 2012

Adaptation Fund Board
Project and Programme Review Committee
Ninth Meeting
Bonn, 26-27 June 2012

PROJECT FORMULATION GRANT FOR ARGENTINA (UCAR)

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.9.4 "Proposal for Argentina (UCAR)" 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 ARG/NIE/Agri/2012/1 "Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina". This proposal was submitted on time by the the Unidad para el Cambio Rural (UCAR), the National Implementing Entity for Argentina, for its consideration by the Adaptation Fund Board at its 18th 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, undertake the necessary consultations and organize the final validation workshop, 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:

Adaptation Fund Project ID:

Country/ies: **Argentina**

Title of Project/Programme: **Project "Enhancing the Adaptive Capacity and Increasing Resilience of Small-size Agriculture Producers of the Northeast of Argentina"**

Type of IE (NIE/MIE): **NIE**

Implementing Entity: **Unidad para el Cambio Rural (UCAR – Unit of Rural Change)**

Executing Entity/ies: **Ministry of Agriculture, Livestock and Fishery, National Institute of Agriculture Technology and, National Secretariat of Environment and Sustainable Development**

A. Project Preparation Timeframe

Start date of PFG	July 2012
Completion date of PFG	May 2013

B. Proposed Project Preparation Activities (\$ 30.000)

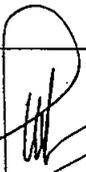
Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
<p>One (1) week field mission at the beginning of the Full-Fledged Project Proposal Preparation (September 2012), aimed at:</p> <p>1. Field recognition and meetings with local government officials, small size agriculture producers organizations, NGOs, CBOs, and any other relevant stakeholders</p> <p>2. Two (2) days workshop for baseline preparation and project activities validation</p>	<p>1 Finalization of institutional agreements for project implementation (Notes of Interest, agreements with key stakeholders, etc.)</p> <p>2. Establishment of guidelines for Project baseline development. Identification of key activities within the project components context</p>	<p>Field trip: 5 persons (from project executing organizations participating) x 1 week</p> <p>A. Air tickets: 5x US\$200= US\$1000</p> <p>B. DSA: 5days x 5 experts x US\$150= US\$ 3750</p> <p>C. Two days workshop catering: (two (2) meals and four (4) coffee breaks for 50 persons)= US\$2200</p> <p>D. Gas for transportation (pick-up provided by local government)= US\$ 500</p> <p>E. Workshop material= US\$ 250</p> <p>Total (A+B+C+D+E)=US\$7,700</p>
<p>One (1) Technical Expert hired to perform the following activities (period August, 2012 to March, 2013):</p>	<p>Support of the Field Mission Team and related activities</p> <p>Development of the Full-</p>	<p>1 term contract (8 months period) Total amount of US\$19,300</p>

<p>1. Review of existing literature relevant to the project</p> <p>2. Liaison with key stakeholders at all levels (National, Provincial and local)</p> <p>3. Identification of baseline information for project area (economic, social and environmental aspects)</p> <p>4. Identification of training and capacity building needs for local officers and beneficiaries</p>	<p>Full-fledged Project Proposal Document</p>	
<p>Project Proposal Validation Workshop</p> <p>One (1) day workshop with key stakeholders to present the final proposal before endorsed and submitted to the Adaptation Fund Secretariat (April 2013)</p>	<p>Full-fledged Project Proposal Document Presented and Validated by key stakeholders and beneficiaries</p>	<p>On-location one (1) day workshop: Five (5) persons (from project execution organizations participating):</p> <p>A. Air tickets: 5x US\$200= US\$1000</p> <p>B. DSA: 1 days x 5 experts x US\$150= US\$750</p> <p>C. One days workshop catering: (one (1) meals and four (2) coffee breaks for 50 persons)= US\$1100</p> <p>E. Workshop material= US\$ 150</p> <p>Total (A+B+C+D+E)=US\$3,000</p>
<p>Total Project Formulation Grant</p>		<p>US\$30,000</p>

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
Jorge Neme, Unidad para el Cambio Rural (UCAR)		April, 24, 2012	Mario Nanclares	(00 54 11) 43 49 46 59	mnanclares@prosap.gov.ar