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April 8, 2010

To the UNFCCC Focal Points and to the Permanent Representations to the UN of non-Annex I Parties to the Kyoto Protocol

Sub: Starting up the Adaptation Fund - Invitation to submit project and programme proposals for funding from the Adaptation Fund

The Adaptation Fund Board (AFB) wishes to invite eligible Kyoto Protocol Parties to submit proposals for funding from the Adaptation Fund (AF), in accordance with the approved template, a copy of which is attached.

Submissions will be considered by the AFB as they are received.

The AF, established by the Parties to the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC), is mandated to finance concrete adaptation projects and programmes in developing countries that are Parties to the Kyoto Protocol and to allow direct access to the Fund by those Parties. The total amount of funds to be made available for eligible developing country parties will depend on the market-based monetization of Certified Emission Reductions (CERs) which are the AF's main source of revenue. The total available resources are expected to be between US\$ 250 and 350 million by 2012. Funding from other sources such as donations may also supplement the proceeds of the monetization of CERs.

While a decision to cap the funding per eligible country has not been taken by the Board, Parties are expected to take into account the availability of resources to date, when submitting project and programme proposals.

The AFB has recently approved its Operational Policies and Guidelines which allow eligible Parties, seeking financial resources from the Adaptation Fund, to submit proposals *either* directly through their accredited National Implementing Entity (NIE) *or* using the services of Multilateral Implementing Entities (MIEs).¹ All project proposals require the endorsement of the authority which has been designated by the relevant Government to make such endorsements.²

The accreditation process of nominated NIEs is currently underway. The process requires the NIEs to demonstrate the capacity to meet the Fund's fiduciary and management

¹ NIEs are national legal entities with the capacity to implement projects. MIEs are international organizations, including, among others, UN agencies, the World Bank and regional multilateral development banks.

² Each Party shall designate, and communicate to the Secretariat, the authority that will endorse on behalf of the national government all projects and programmes proposed for funding by the AFB.



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standards in order to access resources from the Fund directly, as contained in its Operational Policies and Guidelines. The Guidelines are available on the AFB's website at:

(<http://www.adaptation-fund.org/>).

The AFB requests that the project submissions be written in English.

Kindly address your submissions to the AFB Secretariat: secretariat@adaptation-fund.org. If necessary, Parties can also request further information by phone at: +1 202 473-6390 or fax at +1 202 522-3240.

Sincerely,



Farrukh Iqbal Khan
Chair
Adaptation Fund Board

小野 洋

Hiroshi Ono
Vice-Chair
Adaptation Fund Board

Annex: Template to request project funding from the Adaptation Fund

PROGRAMME TEMPLATE

ANNEX 3: TEMPLATES APPROVED BY THE ADAPTATION FUND BOARD Approval and Operations Procedures

1. **Adaptation Fund Project/Programme Approval Process:** There are two approval processes under the Adaptation Fund project³ cycle: (i) a one-step approval process; and (ii) a two-step approval process. Eligible developing country Parties to the Kyoto Protocol may submit project proposals directly to the Adaptation Fund Board Secretariat (AFBS) via their National Implementing Entities (NIEs) or via Multilateral Implementing Entities (MIEs). NIEs/MIEs have to be accredited by the Adaptation Fund Board (AFB) to be eligible as an implementing entity for the purpose of submitting projects to the Adaptation Fund. They should also meet the fiduciary standards and other qualifications provided by the Board. All small-size projects will follow the one-step approval process, while regular projects may follow either the one-step approval or the two-step approval process, depending on the stage of project preparation, and at the discretion of the project proponent. The following section outlines the steps of the approval processes.

2. **Single-Step Approval Process:** This process may be used for small-size projects or regular projects with proposals that are already fully-prepared. Approval process includes the following steps:
 - (a) Eligible Parties submit a fully-prepared project document to the AFBS seven weeks before the next AFB meeting.
 - (b) The AFBS will screen all proposals and prepare a [Technical Review](#) for each project/programme. The AFBS will submit a collection of proposals consisting of technical reviews for all projects to the Project and Program Review Committee (PPRC) 4 weeks prior to the next AFB meeting.
 - (c) The PPRC will review and prepare recommendations for the Board using a [Recommendation Template](#). The PPRC will convene back-to-back to the Adaptation Fund Board (AFB) meeting to finalize its recommendation and submit its recommendation the next day to the AFB.
 - (d) AFB approves/rejects the recommendations during the meeting.
 - (e) All approved projects will be posted on the AF website following the conclusion of its meeting.

3. **Two-Step Approval Process:** The two-step approval process may be used for regular projects if it is so decided by the proponent Party: (i) project concept approval; and (ii) final project document approval. Each of these steps is subject to the same approval process as the single approval process, i.e., the project is subjected to the single approval process twice. The rationale for choosing such a process is for a country to receive feedback or guidance from the

³ In what follows the term project will refer to both programmes and projects unless otherwise stated.

AFB upstream before a project has been fully prepared. The following two documentations are required to be submitted at each step following the same procedures as the single approval process:

- (f) 1st step: Regular Project Concept.
- (g) 2nd step: Regular Project Final Project Document.

4. **Documentation required in the submission:**

- (a) *Regular Project/Programme Concept*: used for the first step of the two-step approval process (only for regular projects that have not been fully developed);
- (b) *Small-sized Project/Programme Document Template*: for use when submitting small-sized projects;
- (c) *Regular Project/Programme Document Template*: for use when submitting regular projects (for regular projects that have been fully developed);
- (d) *Full Project/Programme Document* prepared by NIEs/MIEs for both small-sized and regular projects;
- (e) Endorsement Template endorsed by the country's designated authority for Adaptation Fund.⁴

5. **Categories of projects under the Adaptation Fund:**

- (a) Small-Sized projects and programmes (SPs): defined as project proposals requesting up to \$1.0 million.
- (b) Regular-Sized projects and programmes (RPs): project proposals requesting more than \$1.0 million

6. **Definitions of Terms:**

- (a) Project: A concrete adaptation project is defined as a set of activities aimed at addressing the adverse impacts of and risks posed by climate change.
- (b) Programme: An adaptation programme is a process, a plan or an approach for addressing climate change impacts which are broader than the scope of an individual project. Further guidance on how to present programmes for approval can be found in the 'Instructions for presenting a request for funding from the Adaptation Fund'.

7. **Financing and Disbursement:**

- (a) Financing: funding for projects and programs will be on a full adaptation cost basis to address the adverse effects of climate change.⁵

⁴ The designated authority referred to in paragraph 21 of the operational guidelines.

- (b) Disbursement: The Trustee will disburse funds on the written instruction of the Board, signed by the Chair and the Vice-Chair, or any other Board Member designated by the Chair and the Vice-Chair, and report to the Board on the disbursement of funds.

⁵ Para. 14 of the *“Provisional Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund”*, and para. 12 of the *“Strategic Priorities, Policies, and Guidelines of the Adaptation Fund.”*

Adaptation Fund Project Review Criteria

1. The following review criteria for adaptation fund projects are applicable to both the small-size projects and regular projects under the single-approval process. For regular projects using the two-step approval process, only the first four criteria will be applied when reviewing the 1st step for regular project concept. In addition, the information provided in the 1st step approval process with respect to the review criteria for the regular project concept could be less detailed than the information in the request for approval template submitted at the 2nd step approval process. Furthermore, a final project document is required for regular projects for the 2nd step approval, in addition to the approval template.

Review Criteria	
1. Country Eligibility	<ul style="list-style-type: none"> • Is the country party to the Kyoto Protocol? • Is the country a developing country particularly vulnerable to the adverse effects of climate change?⁶
2. Project Eligibility	<ul style="list-style-type: none"> • Has the government endorsed the project?⁷ • Does the project / programme support concrete adaptation actions to assist the country in addressing the adverse effects of climate change? • Does the project provide economic, social and environmental benefits, with particular reference to the most vulnerable communities? • Is the project cost-effective? • Is the project consistent with national sustainable development strategies, national development plans, poverty reduction strategies, national communications or adaptation programs of action, or other relevant instruments? • Does the project meet the relevant national technical standards, where applicable? • Is there duplication of project with other funding sources? • Does the project have a learning and knowledge management component to capture and feedback lessons? • Has the project provided justification for the funding requested on the basis of the full cost of adaptation?
3. Resource Availability	<ul style="list-style-type: none"> • Is the requested project funding in accordance with the funding allocation decisions of the Adaptation Fund Board per country/project?
4. Eligibility of NIE/MIE	<ul style="list-style-type: none"> • Is the project submitted through an eligible NIE/MIE that has been accredited by the Board?
5. Implementation Arrangement	<ul style="list-style-type: none"> • Is there adequate arrangement for project management?

⁶ Further reference to the eligibility of country can be found in the document: “*Strategic Priorities, Policies, and Guidelines of the Adaptation Fund*”

⁷ Each Party shall designate and communicate to the Secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.

	<ul style="list-style-type: none">• Are there measures for financial and project risk management?• Are arrangements for monitoring and evaluation clearly defined, including a budgeted M&E plan?• Is a project results framework included?
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Attached with this note are the following:

Appendix A: Request for Project/Programme Funding from Adaptation Fund

Appendix B: Government Endorsement Letter Template (submitted through NIEs/MIEs)



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REQUEST FOR PROJECT/PROGRAMME FUNDING FROM ADAPTATION FUND

The annexed form should be completed and transmitted to the Adaptation Fund Board Secretariat by email or fax.

Please type in the responses using the template provided. The instructions attached to the form provide guidance to filling out the template.

Please note that a project/programme must be fully prepared (i.e., fully appraised for feasibility) when the request is submitted. The final project/programme document resulting from the appraisal process should be attached to this request for funding.

Complete documentation should be sent to

The Adaptation Fund Board Secretariat
1818 H Street NW
MSN G6-602
Washington, DC. 20433
U.S.A
Fax: +1 (202) 522-3240/5
Email: secretariat@adaptation-fund.org



PROJECT/PROGRAMME PROPOSAL

PART I: PROJECT/PROGRAMME INFORMATION

PROJECT/PROGRAMME CATEGORY:

COUNTRY/IES:

TITLE OF PROJECT/PROGRAMME:

TYPE OF IMPLEMENTING ENTITY:

IMPLEMENTING ENTITY:

EXECUTING ENTITY/IES:

AMOUNT OF FINANCING REQUESTED: (in U.S Dollars Equivalent)

PROJECT / PROGRAMME BACKGROUND AND CONTEXT:

Provide brief information on the problem the proposed project/programme is aiming to solve. Outline the economic social, development and environmental context in which the project would operate.

PROJECT / PROGRAMME OBJECTIVES:

List the main objectives of the project.

PROJECT / PROGRAMME COMPONENTS AND FINANCING:

Fill in the table presenting the relationships among project components, activities, expected concrete outputs, and the corresponding budgets. If necessary, please refer to the attached instructions for a detailed description of each term.

For the case of a programme, individual components are likely to refer to specific subsets of stakeholders, regions and/or sectors that can be addressed through a set of well defined interventions / projects.

PROJECT COMPONENTS	EXPECTED CONCRETE OUTPUTS	EXPECTED OUTCOMES	AMOUNT (US\$)
1.			
2.			
3.			
4.			
5.			
6. Project/Programme Execution cost			
7. Total Project/Programme Cost			
8. Project Cycle Management Fee charged by the Implementing Entity (if applicable)			
Amount of Financing Requested			

PROJECTED CALENDAR:

Indicate the dates of the following milestones for the proposed project/programme

MILESTONES	EXPECTED DATES
Start of Project/Programme Implementation	
Mid-term Review (if planned)	
Project/Programme Closing	
Terminal Evaluation	

PART II: PROJECT / PROGRAMME JUSTIFICATION

- A. Describe the project / programme components, particularly focusing on the concrete adaptation activities of the project, and how these activities contribute to climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience.
- B. Describe how the project / programme provides economic, social and environmental benefits, with particular reference to the most vulnerable communities.
- C. Describe or provide an analysis of the cost-effectiveness of the proposed project / programme.
- D. Describe how the project / programme is consistent with national or sub-national sustainable development strategies, including, where appropriate, national or sub-national development plans, poverty reduction strategies, national communications,

or national adaptation programs of action, or other relevant instruments, where they exist.

- E. Describe how the project / programme meets relevant national technical standards, where applicable.
- F. Describe if there is duplication of project / programme with other funding sources, if any.
- G. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.
- H. Describe the consultative process, including the list of stakeholders consulted, undertaken during project preparation.
- I. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.

PART III: IMPLEMENTATION ARRANGEMENTS

- A. Describe the arrangements for project / programme implementation.
- B. Describe the measures for financial and project / programme risk management.
- C. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.
- D. Include a results framework for the project proposal, including milestones, targets and indicators.

■ PART IV: ENDORSEMENT BY GOVERNMENT AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT⁸ *Provide the name and position of the government official and indicate date of endorsement. If this is a regional project/programme, list the endorsing officials all the participating countries. The endorsement letter(s) should be attached as an annex to the project/programme proposal. Please attach the endorsement letter(s) with this template; add as many participating governments if a regional project/programme:*

<i>(Enter Name, Position, Ministry)</i>	<i>Date: (Month, day, year)</i>
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B. IMPLEMENTING ENTITY CERTIFICATION *Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project/programme contact person's name, telephone number and email address*

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans (.....list here.....) and subject to the approval by the Adaptation Fund Board, understands that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this project/programme.	
<i>Name & Signature</i> Implementing Entity Coordinator	
<i>Date: (Month, Day, Year)</i>	<i>Tel. and email:</i>
<i>Project Contact Person:</i>	
<i>Tel. And Email:</i>	

⁶. Each Party shall designate and communicate to the Secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.



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INSTRUCTIONS FOR PREPARING A REQUEST FOR PROJECT OR PROGRAMME FUNDING FROM THE ADAPTATION FUND

Project and programme applications must be clear on the problem to be addressed, the objective(s), what the project/programme will deliver when, how and by whom. Clear baselines, milestones, targets and indicators should be included to ensure progress and results can be measured. Programmes will generally be more complex and will require greater oversight and management which should be properly explained under Implementation Arrangements for programmes.

DATE OF RECEIPT. Please leave this space on the top right of the page blank. The Adaptation Fund Board Secretariat will fill in the date on which the proposal is received at the Secretariat.

ADAPTATION FUND PROJECT ID. Please leave this space on the top right of the page blank. The Adaptation Fund Board Secretariat will assign a number to your project internally.

PART I: PROJECT / PROGRAMME INFORMATION

CATEGORY: Please specify which type of project you are proposing. The two options are:

- A) SMALL-SIZED PROJECT/PROGRAMME.** Proposals requesting grants up to \$1 million.
- B) REGULAR PROJECT/PROGRAMME.** Proposals requesting grants of more than \$1 million.

A programme will generally fulfil the following criteria: A series of projects which could include small-size projects or regular projects aimed at achieving an outcome that is otherwise not achievable by a single project. Projects under a programme would have synergies in their objectives and implementation. A programme may also cover more than one sector and cross borders. Programmes usually engage multiple partners / stakeholders.

COUNTRY/IES: Please insert the name of the country requesting the grant. Please note that regional projects / programmes should mention all the participating countries.

TITLE OF PROJECT / PROGRAMME: Please enter the title of the proposed project / programme.

TYPE OF REQUESTING ENTITY: Please specify which type of Implementing Entity the project will be managed by. The two options are:

- A) NATIONAL IMPLEMENTING ENTITY**
- B) MULTILATERAL IMPLEMENTING ENTITY**

NAME OF IMPLEMENTING ENTITY: Please specify the name of the Implementing Entity

EXECUTING ENTITY(IES). Please specify the name of the organisation(s) that will execute(s) the project funded by the Adaptation Fund under the oversight of the Implementing Entity.

AMOUNT OF FINANCING REQUESTED. Please fill the grant amount (in US Dollars equivalent) requested from the Adaptation Fund for this proposal.

PROJECT / PROGRAMME BACKGROUND AND CONTEXT. Provide brief information on the problem the proposed project is aiming to solve. Outline the economic, environmental and social development context in which the project would operate. For the case of a programme, the analysis will be more complex, focusing on how climate change is expected to affect multiple stakeholders, sectoral and/or economic activities within a well defined region.

PROJECT / PROGRAMME OBJECTIVES. List the main objectives of the project. For the case of a programme, this is likely to involve multiple objectives by stakeholder / sector / region, based on an overall strategic plan at the regional, national or local level.

PROJECT / PROGRAMMES COMPONENTS AND FINANCING. Please fill out the table presenting the relationships among project components, activities, expected concrete outputs, and their corresponding budgets to accomplish them. For the case of a programme, individual components are likely to refer to specific sub-sets of stakeholders, regions and/or sectors that can be addressed through a set of well defined interventions / projects.

The aforementioned terms are defined below to facilitate the process of completing the table:

PROJECT / PROGRAMME COMPONENTS. The division of the project/programme into its major parts; an aggregation of set of activities

ACTIVITIES. Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs. For the case of programmes, list the likely types and number of projects that the programme will support

MILESTONES / TARGETS. Milestones help with regular monitoring of progress towards the target. Targets indicate the desired result at the end of the project.

INDICATORS – What is going to be measured?

EXPECTED CONCRETE OUTPUTS. The product, capital goods and services which result from a development intervention relevant to the achievement of outcomes.

EXPECTED OUTCOMES. The change in conditions, or intended effects of an intervention, usually brought about by the collective efforts of partners. Outcomes are achieved in the short to medium term.

AMOUNT (\$). Indicate grant amounts in US dollars by project/programme components.

PROJECT / PROGRAMME EXECUTION COST. The main items supported by the Adaptation Fund for project management including consultant services, travel and office facilities, etc.

TOTAL PROJECT / PROGRAMME COST. This is the sum of all project/programme components requesting Adaptation Fund Board approval.

IMPLEMENTING ENTITY PROJECT CYCLE MANAGEMENT FEE. This is the fee that is requested by an Implementing Entity for project cycle management services.

AMOUNT OF FINANCING REQUESTED. This amount includes the total project cost plus the project cycle management fee.

PROJECTED CALENDAR. Please indicate the dates of the following milestones for the proposed project.

START OF PROJECT / PROGRAMME IMPLEMENTATION The date on which project becomes effective and disbursement can be requested. This is also the trigger date for the Adaptation Fund Trustee to allow the Implementing Entities to request for disbursement

MID-TERM REVIEW. The date on which the Implementing Entity completes its mid-term review of the project.

PROJECT / PROGRAMME CLOSING. Project closing is set as six months after Project Completion. This is the date on which Implementing Entity completes disbursement from the grant and may cancel any undisbursed balance in the grant account.

TERMINAL EVALUATION. The date on which the Implementing Entity completes the terminal evaluation report, normally two months after project completion but in any case, no later than twelve months after project completion.

PART II: PROJECT / PROGRAMME JUSTIFICATION

- A.** Describe the project / programme components, including details of activities in each component, regarding how the components will meet project objectives. Describe how the activities will help with adaptation to climate change and improve climate resilience. For the case of a programme, show how the combination of individual projects will contribute to the overall increase in resilience
- B.** Describe how the outputs and outcomes of the project / programme will provide economic, social and environmental benefits, particularly to the most vulnerable communities in the targeted area.
- C.** How is the project / programme cost-effective. Compare to other possible interventions that could have been taken to achieve similar project objectives.



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- D. Describe how the project / programme is located in the framework of national development strategies, plans, action plans, etc.
- E. Describe how the project / programme design meets national technical standards.
- F. Describe if the project / programme overlaps or duplicates similar activities from other funding sources.
- G. Describe the activities included in the project / programme to gather lessons learned from project design and implementation and for their dissemination.
- H. Describe the consultative process undertaken during project design. List the stakeholders consulted and the methods of consultation.
- I. Provide the full cost of adaptation reasoning for the funding requested for the project / programme.

PART III: IMPLEMENTATION ARRANGEMENTS. Describe the various elements of project implementation as enumerated below:

- A. Adequacy of project / programme management arrangements. For the case of a programme, explain how the programme strategy will be managed and evaluated, and how individual projects will be identified, designed, appraised, approved, implemented and evaluated against programme's strategic objectives. Provide a full organogramme of the executing agents and how they report to each other.
- B. Measures for financial and project / programme risk management. For the case of a programme, provide detailed information to illustrate how risk will be managed.
- C. Monitoring and evaluation arrangements including budgeted M&E plan.
- D. Procurement arrangements including standards and safeguards.
- E. Results framework. Guidance and a template for a Results Framework will be provided.

PART IV: ENDORSEMENT BY THE DESIGNATED GOVERNMENT AUTHORITY FOR ADAPTATION FUND AND CERTIFICATION BY THE IMPLEMENTING ENTITY

- 9. **RECORD OF ENDORSEMENT BY DESIGNATED GOVERNMENT AUTHORITY.** Provide the name, position, and government office of the designated government authority and indicate date of endorsement. If this is a regional project, list the designated government authorities of all participating countries endorsing the project. The endorsement letter(s) should be attached as an annex to the project proposal.
- 10. **IMPLEMENTING ENTITY CERTIFICATION.** Provide the name and signature of the Implementing Entity Coordinator and the date of signature. Provide also the project contact person's name, telephone number and email address.

Letter of Endorsement by Government

[Government Letter Head]

[Date of Endorsement Letter]

To: The Adaptation Fund Board
c/o Adaptation Fund Board Secretariat
Email: Secretariat@Adaptation-Fund.org
Fax: 202 522 3240/5

Subject: Endorsement for [Title of Project]

In my capacity as designated authority for the Adaptation Fund in [country], I confirm that the above (select national or regional) project proposal is in accordance with the government's (select national or regional) priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the (select country or region).

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the proposal will be coordinated and implemented by [national or local executing entity].

Sincerely,

[Name of Designated Government Official]
[Position/Title in Government]