



## ADAPTATION FUND

AFB/PPRC.20/9/Add.1  
4 March 2017

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Adaptation Fund Board  
Project and Programme Review Committee  
Twentieth Meeting  
Bonn, Germany, 14-15 March 2017

Agenda Item 8 d)

### **PROJECT FORMULATION GRANT FOR THE DOMINICAN REPUBLIC**

## 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.

5. At the twenty-sixth meeting, the Board decided to revise the operational policies and guidelines to amend the review process for small-size project and programme proposals so that:

- a) *Small-size project and programme proposals can be submitted using a two-step review cycle, as an alternative to the one-step review cycle; and*
- b) *Small-size project and programme proposals are eligible for project formulation grants, at the time of endorsement of the concept for such proposal, provided that the total budget of the proposed concept is not less than US\$ 500,000.*

*(Decision B. 26/29)*

## **II. The Project Formulation Grant Request**

6. This addendum to the document AFB/PPRC.20/9 “Proposal for the Dominican Republic” 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 DOM/NIE/Water/2016/1 “Enhancing climate resilience in San Cristóbal Province, Dominican Republic - Integrated Water Resources Management and Rural Development Programme”. This proposal was submitted on time by the Dominican Institute of Integral Development (IDD), which is a National Implementing Entity of the Adaptation Fund for the Dominican Republic, for its consideration by the Adaptation Fund Board at its twenty-ninth meeting.

7. 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 comprise identifying most vulnerable communities, conducting Risk Analysis in compliance with the Environmental and Social Policy of the Fund, conducting a feasibility study of adaptation measures, selection of alternatives, formulating the full proposal, and conducting a Social and Environmental Impacts Assessment

8. 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: Feb. 6<sup>th</sup>, 2017

Adaptation Fund Project ID:  
 Country/ies: Dominican Republic  
 Title of Project/Programme: Enhancing climate resilience in San Cristóbal Province,  
 Dominican Republic - Integrated Water Resources Management  
 and Rural Development Programme  
 Type of IE (NIE/MIE): National  
 Implementing Entity: Dominican Institute of Integral Development (IDDI)  
 Executing Entity/ies: Ministry of Environment and Natural Resources; National Institute  
 for Water Supply and Sewerage; community-based NGOs

### A. Project Preparation Timeframe

Start date of PFG	<b>April 1, 2017</b>
Completion date of PFG	<b>May 31, 2017</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
Identify most vulnerable communities	Get more community participation	6,000
ESP Risk Analysis	Detect ESP risk of high impact	4,000
Feasibility study of adaptation measures	Establish priority of the adaptation measures	6,500
Selection of alternatives	Define sites and number of adaptation actions	4,500
Full proposal formulation	Develop the full proposal document	5,000
Social and Environmental Impacts Assessment	Detect E&S risk of high impact	4,000
<b>Total Formulation Grant</b>		<b>30,000</b>

### 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
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