



ADAPTATION FUND

AFB/PPRC.22-23/11/Add.1
6 June 2018

Adaptation Fund Board
Project and Programme Review Committee

PROJECT FORMULATION GRANT FOR (KAZAKHSTAN, TAJIKISTAN, UZBEKISTAN)

Background

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*
- v. 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. In its twenty-fourth meeting, the Board had initiated steps to launch a pilot programme on regional projects and programmes, not to exceed US\$ 30 million and had requested the secretariat to prepare for the consideration of the Board a proposal for such a pilot programme (Decision B.24/30). In its twenty-fifth meeting, the secretariat submitted such document and the Board decided to:

- (a) Approve the pilot programme on regional projects and programmes, as contained in document AFB/B.25/6/Rev.2;
- (b) Set a cap of US\$ 30 million for the programme;
- (c) Request the secretariat to issue a call for regional project and programme proposals for consideration by the Board in its twenty-sixth meeting; and
- (d) Request the secretariat to continue discussions with the Climate Technology Center and Network (CTCN) towards operationalizing, during the implementation of the pilot programme on regional projects and programmes, the Synergy Option 2 on knowledge management proposed by CTCN and included in Annex III of the document AFB/B.25/6/Rev.2.

(Decision B.25/28)

6. The approved document AFB/B.25/6/Rev.2 contained provisions for the approval of project formulated grants for regional project and programme proposals, at different development stages, as follows:

It is proposed that the Board open a structured call for MIEs and RIEs to submit pre-concepts for regional projects and programmes. The optional pre-concepts would be

very brief proposals of maximum 5 pages that would explain the proposed regional adaptation project/programme. The pre-concepts would be screened and technically reviewed by the secretariat, and subsequently reviewed by the PPRC. Together with the pre-concept, the proponent could submit a Phase I PFG request, up to the maximum level of US\$ 20,000. While endorsing the pre-concept, the Board could also approve the Phase I PFG request. The endorsement of the pre-concept would not create an obligation for the Board for later funding. As the next step, the proponent would submit a concept, and with it the proponent could submit a Phase II PFG request. The maximum AFB/PPRC.18/25/Add.1 level of the Phase II PFG would be US\$ 80,000 for proposals that had been previously granted Phase I PFG, and US\$ 100,000 for proposals that bypassed the optional preconcept stage. While endorsing the concept, the Board could also approve the Phase II PFG request. The endorsement of the concept would not create an obligation for the Board for later funding, as it is the case for the national projects. The final stage of the proposal process would be the submission of the fully-developed regional project document.

II. The Project Formulation Grant Request

7. This addendum to the document AFB/PPRC.22.23/11 “Proposal for Kazakhstan, Tajikistan, Uzbekistan” includes a request for a Project Formulation Grant, requesting a budget of US\$ 77,200, which was received by the secretariat along with the concept for the project ASI/MIE/DRR/2015/1 “Reducing vulnerabilities of populations in the Central Asia region from glacier lake outburst floods in changing climate”. This proposal was submitted on time by the United Nations Educational, Scientific and Cultural Organization (UNESCO), which is a Multilateral Implementing Entity of the Adaptation Fund, for its consideration by the Adaptation Fund Board at its thirty-first/thirty-second intersessional Board meeting.

8. 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 support a comprehensive consultation process at national and regional levels.

9. 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: 16 April 2018

Adaptation Fund Project ID: ASI/MIE/DRR/2015/1

Country/ies: Kazakhstan, Tajikistan, Uzbekistan

Title of Project/Programme: **Reducing vulnerabilities of populations in the Central Asia region from glacier lake outburst floods in changing climate**

Type of IE (NIE/MIE): MIE

Implementing Entity: UNESCO

Executing Entity/ies: National entities in charge of Disaster Risk Reduction in the countries, University of Zurich

A. Project Preparation Timeframe

Start date of PFG	May 15, 2018
Completion date of PFG	December 15, 2018

B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
1. Determine selection criteria for pilot areas and undertake selection of preliminary pilot areas and alternate pilot areas	Determination of pilot areas for project in Kazakhstan, Tajikistan, and Uzbekistan ¹	0
2. Conduct stakeholder consultations in vulnerable communities in participating countries with attention to participation by men and women, gender differences in hazard exposure and vulnerability and risk communication channels (e.g. radio, text, loudspeaker/siren, other)	Three-six consultations with vulnerable communities with supporting documentation in all participating countries	\$15,000
3. Commission background research that will allow the full project proposal to refine its focus and activities: *Rapid assessment of potential socioeconomic damages due to GLOFs / estimate of BAU scenario *Preliminary identification of GLOF areas with transboundary	Three-four background reports and corresponding sections of the project proposal and supporting documentation.	\$16,000 (10,000 (first two) +3,000 +3,000)

¹ If the participation of Kyrgyzstan is confirmed during the project preparation phase, they will be included in all relevant activities.

implications *Identification of entry points for DRR in local and sub-national development planning. *Scoping for project activities in Kazakhstan		
*Conduct outreach to national machineries for the advancement of women and women's NGOs and refine the description of their role in the project.	Consultations	1,200
5. Incorporate findings from consultations into site studies (in the case of Kyrgyzstan, an updated site study) and then into project design, activities, and documentation, including the ESIA	Complete documentation for the Full-Size Project, including translation as needed	15,000
6. Organize a validation workshop in order to review the findings from the project preparation phase and incorporate stakeholder feedback into the final proposal (organization and logistics)	Validation workshop for participating countries and revised project proposal incorporating consensus feedback.	30,000
Total Project Formulation Grant		77,200

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
Krista Pikkat, IE Coordinator, UNESCO Cluster Office in Almaty		16.04.2018	Kristine Tovmasyan, Program Specialist	+7 7272 582643 ext. 1402, 1414	k.pikkat@unesco.org k.tovmasyan@unesco.org