



**ADAPTATION FUND**

AFB/PPRC.26.a-26.b/41/Add.1  
25 June 2020

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Adaptation Fund Board  
Project and Programme Review Committee

## **PROJECT FORMULATION GRANT FOR UGANDA**

## 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 pre-concept 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.26.a-26.b/41 “Proposal for Uganda” includes a request for a Project Formulation Grant, requesting a budget of US\$ 27,000, which was received by the secretariat along with the concept for the project UGA/NIE/Water/2019/1 “Enhancing Resilience of Communities and Fragile Ecosystems to Climate Change in Katonga Catchment”. This proposal was submitted by the Ministry of Water and Environment (MOWE) which is a National Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at intersessional period between the first and the second sessions of the thirty-fifth 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 undertake vulnerability assessment studies and consultation processes at national level.

9. Therefore, the PPRC may want to consider and recommend to the Board to approve the PFG Request, provided that the related pre-concept proposal is endorsed.



**Project Formulation Grant (PFG)**

Submission Date: 18/02/2020

Adaptation Fund Project ID: **UGA/NIE/Water/2019/1**  
 Country/ies: **UGANDA**  
 Title of Project/Programme: **ENHANCING RESILIENCE OF COMMUNITIES AND FRAGILE ECOSYSTEMS TO CLIMATE CHANGE IN KATONGA CATCHMENT, UGANDA**  
 Type of IE (NIE/MIE): **NIE**  
 Implementing Entity: **MINISTRY OF WATER AND ENVIRONMENT**  
 Executing Entity/ies: **MINISTRY OF WATER AND ENVIRONMENT IN PARTNERSHIP WITH GLOBAL WATER PARTNERSHIP EASTERN AFRICA**

**A. Project Preparation Timeframe**

Start date of PFG	<b>June 2020</b>
Completion date of PFG	<b>August 2020</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
<p><b>Environmental and Social Assessment studies</b>                      This activity will involve undertaking an assessment of existing environment and social issues in Katonga catchment in relation to the national and AF ESP policies. The detailed breakdown of the activities include:</p> <ul style="list-style-type: none"> <li>• Review of existing documents</li> <li>• Consultations with grassroot stakeholders, key informants at local governments within Katonga catchment (this will include politicians and technical staffs)</li> <li>• Analysis of collected data and report writing.</li> </ul>	<p>An Environment and Social risk management plan for the project</p>	<p>8000</p>

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<p><b>Develop Grievance mechanism for the project</b>                  This activity will involve developing a grievance redress mechanism (GRM) for the project in consultation with stakeholders. To ensure consistency, lessons will be learned from the MWE Grievance and complaints available system to assist in designing for the Katonga catchment. The breakdown activities include:</p> <ul style="list-style-type: none"> <li>• Review of existing documents</li> <li>• Consultations of grassroots stakeholders, at local governments within Katonga catchment (this will include politicians and technical staffs)</li> <li>• Analysis of collected data and report writing</li> </ul>	<p>Grievance Redress Mechanism</p>	<p>7000</p>
<p><b>Workshops (4 workshops)</b></p> <ol style="list-style-type: none"> <li>1. Consultative workshop targeting stakeholders in the project area to gather data on Environment and social issues</li> <li>2. Validation workshop on Environment and social issues</li> <li>3. Consultative workshop to gather input into the Operationalization of the Grievance Redress Mechanism</li> <li>4. Validation workshop to input into the draft GRM report</li> </ol> <p>The workshops will target key stakeholders in the</p>	<ul style="list-style-type: none"> <li>- Consultative report of workshop on Environment and Social management issues.</li> <li>- A report with stakeholder inputs/validated of Environment and social management issues</li> <li>- Consultative report of workshop on GRM</li> <li>- Validate report of GRM</li> </ul>	<p>12,000</p>

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<p>catchment. These include: grass-root stakeholders, local government staff (politicians and technical staff) with representatives from all political units in the catchment, Private sector, Bos, academia and research institutions in the catchment. The MWE staff from the headquarters will be part of the consultative meetings                  Cost of workshop: 4 workshops @USD\$3000 will be conducted = USD\$12,000</p>		
<b>Total Project Formulation Grant</b>		<b>27,000</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
<b>Mr. Alfred Okot Okidi</b> , Permanent Secretary, Ministry of Water and Environment (NIE)		18/02/2020	<b>Mr. James Kawesi</b> , Ministry of Water and Environment	+256 785800094	<a href="mailto:jkaweesi11@gmail.com">jkaweesi11@gmail.com</a>

