



## ADAPTATION FUND

AFB/PPRC.28/22/Add.1  
4 October 2021

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Adaptation Fund Board  
Project and Programme Review Committee  
Twenty-eighth Meeting  
Bonn, Germany (virtual), 11-13 March 2021

Agenda Item 5 c)

### **PROJECT FORMULATION GRANT FOR CUBA, PANAMA**

## 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.28/22 “Proposal for Cuba, Panama” includes a request for a Project Formulation Grant, requesting a budget of US\$ 100,000, which was received by the secretariat along with the concept for the project AF00000266 “Strengthening the adaptive capacity of coastal communities of Cuba and Panama to climate change through the binational exchange of best practices for climate management and local food security”. This proposal was submitted by the Food and Agriculture Organization of the United Nations (FAO), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its thirty-seventh 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 include a comprehensive consultation processes at national and regional levels, detailed mapping of project area, social vulnerability assessment studies as well as environmental risk assessments.

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: August 6<sup>th</sup>, 2021

**Adaptation Fund Project ID:**

**Country/ies:** Republic of Cuba and Panama

**Title of Project/Programme:** Strengthening the adaptive capacity of coastal communities of Cuba and Panama to climate change through the binational exchange of best practices for climate management and local food security

**Type of IE (NIE/MIE):** Multilateral Implementing Entity (MIE)

**Implementing Entity:** Food and Agriculture Organization of the United Nations (FAO)

**Executing Entity/ies:**  
**Cuba:** Environmental Agency of the Ministry of Science, Technology and Environment - CITMA (AMA), the Ministry of Agriculture (MINAG)

**Panama:** Ministry of Environment, Fundación Natura

### A. Project Preparation Timeframe

|                        |                          |
|------------------------|--------------------------|
| Start date of PFG      | <b>15 January 2022</b>   |
| Completion date of PFG | <b>15 September 2022</b> |

### B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

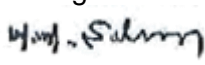
| List of Proposed Project Preparation Activities   | Output of the PFG Activities                    | USD Amount                                    |
|---|---|---|
| <b>Consultation with national and local stakeholders.</b> In order to ensure project activities will effectively address challenges faced by local communities, local-level gender-responsive consultations will be held in project target countries throughout the full project proposal design phase to enhance ownership and strengthen sustainability | Consultation and assessment tools and processes | 4 000.00 (Consultancy)<br>3 000.00 (Workshop) |
|   | Stakeholders' consultation reports              | Sub-total: 7 000.00                           |
|   | Stakeholders mapping.                           |   |
| <b>Institutional capacity assessment.</b> In order to identify institutional capacity gaps to be addressed and improved by the project, consultations will be held with national and local institutions   | Consultation and assessment tools and processes | 8 000.00 (Consultancy)<br>3 000.00 (Workshop) |
|   | Institutional capacity reports                  | Sub-total: 11 000.00                          |

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|---|--|--|
| <p>in project target countries to strengthen collaboration, enhance sustainability, and promote scalability</p>   | <p>Identify main element and gaps for damage and losses baseline (information, institutional, national and local level, targeted crops to be selected) for both countries in selected municipalities</p> <p>Proposal of indicators for damage and losses methodology</p> <p>Identify requirement for binational damage and losses information platform for both countries</p>  |  |
| <p><b>Sub-national and national consultations.</b> In order to raise awareness and report on progress toward project development, an inception meeting at regional level will be held, followed by a detailed mapping of project area to identify potential locations, and relevant baseline assessments, surveys and targeting exercises. Finally, a regional validation meeting will be conducted to finalize the full project proposal and strengthen the buying-in by authorities and implementing partners at all levels</p> | <p>Regional inception meeting</p> <p>Detailed mapping of project area to identify potential ecosystems and potential agricultural and fisheries location in targeted municipalities to be part of the assessment of EBA according to component 2 and productive mapping of agricultural, tourism and fisheries activities according with component 3 and associated relevant indicators</p> <p>Regional validation meeting</p> | <p>7 000.00 (Meetings)<br/>14 000 (Project area mapping EBA and NBS)</p> <p>Sub-total: 21 000.00</p> |
| <p><b>Environmental and social risk assessment and management plan.</b> In order to ensure full alignment with the AF Environmental and Social Policy, and environmental and social assessment will be carried out in project countries to develop the overall Environmental and Social risk management plan, to be included in the final project proposal</p>  | <p>Social vulnerability survey (women, youth, vulnerable refugees) for both countries</p> <p>Environmental and climate-risk baseline assessment (including, social, indigenous people, cultural minorities and gender analysis) of the project target areas in Cuba and Panama</p> <p>Environmental and Social risk management plan</p>  | <p>25 000 (Consultancy)</p> <p>Sub-total: 25 000.00</p>  |

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|---|---|--|
| <b>Project document development.</b><br>Collection and coordination of inputs from technical teams. Based on consultation meetings, refinement of project design, including final formulation of project outcomes and outputs and project activities. Design of project logframe with relevant indicators, and implementation arrangements. Definition of project detailed budget | Full-project proposal document in (English) | 25 000.00<br>(Consultancy)<br><br>Sub-total: 25 000.00 |
| <b>Project document translation to spanish</b>  |   | 11,000   |
| <b>Total Project Formulation Grant</b>  |   | <b>100 000.00</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  |
|--|---|-------------------------|------------------------|------------------|--|
| Maher Salman, FAO                        |  | 6 August 2021           | Maher Salman           | +39 06 570 54718 | <a href="mailto:maher.salman@fao.org">maher.salman@fao.org</a> |