



ADAPTATION FUND

AFB/PPRC.31/38/Add.1
13 March 2023

Adaptation Fund Board
Project and Programme Review Committee
Thirty-first Meeting
Bonn, Germany, 22-23 March 2022

Agenda Item 6 e)

PROJECT FORMULATION GRANT FOR BANGLADESH, NEPAL

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”.

7. The Board in its thirty-seventh meeting, having considered the recommendation of the Project and Programme Review Committee (PPRC), the Adaptation Fund Board decided:

(a) To request the secretariat to analyse the issues related to the use of unidentified sub- projects and present the findings to the PPRC at its twenty-ninth meeting;

(b) To further request the secretariat to clarify regional implementation and execution costs, including where implementing entities provide part or all of the execution services, and present the findings to the PPRC at its twenty-ninth meeting;

(c) To limit, for all projects where the implementing entity provides a portion of the execution services, the execution costs of the implementing entity proportionally to the cost of the part of the project or programme executed by the implementing entity;

(d) To raise the maximum amount of individual project formulation grants available to national implementing entities to US\$ 50,000;

(e) To discontinue project formulation assistance grants for future review cycles.

(Decision B.37/1)

II. The Project Formulation Grant Request

8. This addendum to the document AFB/PPRC.31/38 “Proposal for Bangladesh and Nepal” includes a request for a Project Formulation Grant, requesting a budget of US\$ 20,000, which was received by the secretariat along with the pre-concept for AF00000337 “*Hydrological Status and Outlook system for integrated water resources management and climate resilience in Bangladesh and Nepal (HydroSOS-BaNe)*”. This proposal was submitted by World Meteorological Organization (WMO), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its fortieth Board meeting.

9. 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 performing a needs assessment and developing operational solutions proposal for the HydroSOS pilot sites; identify country specific activities needed for developing HydroSOS system and; organizing and participating in the regional workshop organized by WMO and National Meteorological and Hydrological Services (NMHSs) to define tasks distribution and pilot areas.

10. 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: 09 January 2023

Adaptation Fund Project ID:

Country/ies: Bangladesh and Nepal

Title of Project/Programme: Hydrological Status and Outlook system for integrated water resources management and climate resilience in Bangladesh and Nepal (HydroSOS-BaNe)

Type of IE (NIE/MIE): MIE

Implementing Entity: World Meteorological Organization

Executing Entity/ies: National Meteorological and Hydrological Services of the targeted two countries (Bangladesh Meteorological Department (BMD), Bangladesh Water Development Board (BWDB), and Department of Hydrology and Meteorology (DHM) of Nepal)

A. Project Preparation Timeframe

Start date of PFG	27 March 2023
Completion date of PFG	06 August 2023


B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
Hire a consultant to contribute to the development of the concept note by: <ul style="list-style-type: none"> · Performing a need assessment and developing operational solutions proposal for the HydroSOS pilot sites · Identify country specific activities needed for developing HydroSOS system 	Obtain full description of problems to be solved, available data and historical events, define needs and priorities and propose operational activities needed for developing HydroSOS system	5,000
Organizing and participating to the regional Workshop organized by WMO and National Meteorological and Hydrological Services (NMHSs) to define tasks distribution and pilot areas	Meet the national and regional partners and stakeholders to validate the draft concept note and discuss detailed implementation arrangements, pilot testing areas, and finalize the above	15,000
Total Project Formulation Grant		20,000

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
Moyenda Chaponda, Project Officer, World Meteorological Organization		January 09 2023	Dr Hwirin Kim	+41 22 730 8358	hkim@wmo.int

সচিব
পরিবেশ, বন ও জলবায়ু পরিবর্তন মন্ত্রণালয়
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার
বাংলাদেশ সচিবালয়, ঢাকা-১০০০



Secretary
Ministry of Environment, Forest and
Climate Change
Govt. of the People's Republic of Bangladesh
Bangladesh Secretariat, Dhaka-1000

Letter of Endorsement on behalf of the Government of Bangladesh

Record No- 22.00.0000.078.99.011.17- 25

Date: 19 August 2022

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

Subject: Endorsement for Hydrological Status and Outlook system for integrated water resources management and climate resilience in the Ganga Brahmaputra Meghna Basin (HydroSOS-GBM)

In my capacity as designated authority for the Adaptation Fund in Bangladesh, I confirm that the above regional grant proposal is in accordance with the government's national priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the Bangladesh.

Accordingly, I am pleased to endorse the above grant proposal with support from the Adaptation Fund. If approved, the project will be implemented by the World Meteorological Organization (WMO) and executed by the Bangladesh Meteorological Department (BMD), Bangladesh Water Development Board (BWDB), National Center for Hydrology and Meteorology (NCHM)-Bhutan, Central Water Commission (CWC) and India Meteorological Department (IMD), Department of Hydrology and Meteorology of Nepal).

Sincerely,

Dr. Farhina Ahmed
Secretary

Ministry of Environment, Forest and Climate Change
and
Designated authority for the Adaptation Fund in Bangladesh



Government of Nepal
Ministry of Forests and Environment



P.O.Box No.3987
Singha Durbar, Kathmandu

Ref.No. 10

Date:- July 31, 2022

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

Subject: Endorsement of the pre-concept note "Hydrological status and outlook system for integrated water resources management and climate resilience in the Ganga Brahmaputra Meghna Basin (HydroSOS-GBM)".

In my capacity as designated authority for the Adaptation Fund, I confirm that the above mentioned pre-concept note is in accordance with the Government of Nepal's national and regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in Nepal.

Accordingly, I am pleased to endorse the pre-concept note with support from the Adaptation Fund-Regional Projects (2+ countries, USD 14 million). If approved, the project will be implemented by the World Meteorological Organization (WMO) and executed by the relevant National Meteorological and Hydrological Services in Bangladesh, Bhutan, India, and Nepal in close coordination with the climate change focal ministry in these countries.

Thank you very much for your support and cooperation.

Best regards

Arun Prakash Bhatta (PhD)
Designated Authority, Adaptation Fund
Climate Change Management Division
Ministry of Forests and Environment
Singhadurbar, Kathmandu, NEPAL.

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