



ADAPTATION FUND

AFB/PPRC.33/19/Add.1
26 March 2024

Adaptation Fund Board
Project and Programme Review Committee
Thirty third Meeting
Bonn, Germany, 16-17 April 2024

Agenda Item 6a)

**PROJECT FORMULATION GRANT FOR
ANTIGUA AND BARBUDA, ST. KITTS AND NEVIS, SAINT VINCENT
AND THE GRENADINES**

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.33/19 “Proposal for Antigua and Barbuda, St. Kitts and Nevis, Saint Vincent and the Grenadines” 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 AF00000370 “*Climate Resilient Agriculture Programme: Strengthening Adaptation and Productivity for Sustainable Growth*”. This proposal was submitted by Caribbean Development Bank (CDB), which is a Regional Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its [forty-second 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 comprehensive consultation process at national level; vulnerability assessment studies, Environment Impact Studies, Gender assessment, proposal development, conduct feasibility studies contextualized for each country etc.
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: 06/30/2023

Adaptation Fund Project ID:

Country/ies: Antigua and Barbuda, St. Kitts and Nevis, and St. Vincent and the Grenadines

Title of Project/Programme: Building Climate Resilience of Agriculture Sector

Type of IE (NIE/MIE): Regional

Implementing Entity: Caribbean Development Bank

Executing Entity/ies: Food and Agriculture Organization of the United Nations – Sub-regional Office for Caribbean, and ministries responsible for Agriculture in Antigua and Barbuda, St. Kitts and Nevis, and St. Vincent and the Grenadines (National)

A. Project Preparation Timeframe

Start date of PFG	February 1, 2024
Completion date of PFG	August 31, 2024

B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Co-financing (USD)
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<p>a. Assess the climate change problem (observed and projected changes) as well as other relevant conditions in each of the three partner countries, define sub-projects, identify project sites, and undertake feasibility analysis to inform sub-project design.</p> <p>b. Under this Activity the consultants/firm will lead the process of identifying the sub-projects to be implemented in each partner country. To accomplish this, the consultants/firm will:</p> <p>c. work with government stakeholders, smallholder farming communities, indigenous peoples, and other relevant actors, including women and youth, to</p>	<ol style="list-style-type: none"> 1. Stakeholder engagement plan. 2. Baseline study (inclusive of climate modelling report) and climate change vulnerability and impact assessment report. 3. Project area and implementation site selection report, inclusive of maps with georeferenced information. 4. Description of clearly defined sub-projects and 	<p>40,000</p>	<p>CDB – amount to be determined.</p>
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List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Co-financing (USD)
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<p>identify and prioritise specific sites for the sub-projects based on agreed selection criteria.</p> <p>d. based on outputs of relevant projects led by Food and Agriculture Organization (FAO) and other agencies (e.g., Green Climate Fund Readiness project in Saint Vincent and the Grenadines), study the vulnerability to climate change in each country, with a specific emphasis on the agriculture sector, and assess the observed and projected impacts of climate change on local production systems as well as barriers to effective adaptation, define the key climate change challenges and opportunities in regard to the project sites (justification for choosing these sites).</p> <p>e. based on outputs of relevant projects led by FAO and other agencies (e.g., SOILCARE Phase 1, project addressing the water-agriculture nexus in Antigua and Barbuda, project under FAO's Technical Cooperation Programme), collect baseline information to inform the design of the sub-projects. This will include assessing soil health and crop suitability as well as conducting water balance studies, analyzing current agricultural water supply and management systems as well as water use efficiency of prioritized crops with a view to identifying gaps and improving infrastructure and technical capacity, amongst others.</p> <p>f. scope and evaluate potential interventions, in particular soil-based technologies and climate-smart agricultural practices for open field and protected cultivation.</p> <p>g. based on outputs of relevant projects led by FAO, carry out the necessary</p>	<p>recommended adaptation solutions per country.</p> <p>5. Consolidated feasibility study that is informed by individual country studies (inclusive of crop suitability assessments and water balance studies) completed.</p>		
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List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Co-financing (USD)
<p>feasibility studies in each partner country to inform sub-project design. This will include technically appraising the proposed adaptation solutions, analyzing the cost-benefit ratio and cost-effectiveness of these; assessing the regulatory, policy and institutional environment and private sector landscape; and undertaking a project financial analysis.</p> <p>h. develop a stakeholder engagement plan.</p>			
<p>a. Undertake a Gender Assessment, prepare a Gender Action Plan, conduct an Environmental and Social Impact Assessment (ESIA) and develop an Environmental and Social Management Plan (ESMP) for the project/programme in the three countries. This will be done according to the Adaptation Fund (AF) requirements and those of the Implementing Entity and will inform the design of the project/programme. The preparation of a separate Indigenous Peoples Plan will be part of this activity if the climate change vulnerability assessment and the outcome of the consultations lead to the conclusion that project activities will be undertaken in areas under the jurisdiction.</p> <p>b. Under this activity the consultants/firm will:</p> <p style="text-align: center;">Gender Assessment and Gender Action Plan:</p> <p>a. Undertake desk review of all relevant documents.</p> <p>b. Using differential participatory and consultative (qualitative) as well as</p>	<ol style="list-style-type: none"> 1. Consolidated Gender Assessment completed and Gender Action Plan prepared. 2. Consolidated ESIA and ESMP (+ Indigenous Peoples Plan if needed) completed and informed by the Gender Assessment. 	25,000	CDB – amount to be determined.

quantitative methodologies, conduct a comprehensive gender analysis of the

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List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Co-financing (USD)
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project. This will include examining the different roles, rights, needs and opportunities of women and men in the context of the proposed project and the respective partner countries; their access to resources, services, and capacity development; their activities; and the constraints they face relative to each other. This assessment will specifically consider the baseline knowledge, attitudes and practices (KAP) of females and males with regards to climate change, climate variability and adaptation in the agriculture sector and draw on data and information produced under relevant initiatives (e.g, the EnGenDER project in Antigua and Barbuda and Saint Vincent and the Grenadines). The analysis will adopt an intersectionality perspective which will allow cross-referencing of intersecting variables such as age, disability, and geographic location.

- c. Design and implement a post evaluation assessment of primary and secondary (institutional) beneficiaries, disaggregated by sex, to measure changes in KAP.
- d. Recommend project design features that help address existing gender disparities and foster gender equality.
- e. Undertake public consultations.
- f. Define gender-sensitive/-responsive indicators and associated mid-term and final targets to be included in the logical framework at impact, outcome and output level; determine the budgetary allocations for undertaking each of the proposed gender-sensitive/-responsive activities; and recommend mechanisms to ensure implementation of the gender action plan.

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Co-financing (USD)
<p>ESIA and ESMP:</p> <ul style="list-style-type: none"> a. For each partner country, identify the nature and magnitude of any actual or potential changes to the physical, biological, climatic and socioeconomic and cultural environment that may result from the proposed project, and rate the probability of these risks occurring. b. Determine the environmental and social impacts of the project construction and operational impacts, both negative and positive. c. Develop an ESMP that identifies measures to avoid, minimise or mitigate and compensate the potential negative environmental and social risks. Specifically, the ESMP will provide details on the project outputs, environmental and social project impacts, mitigation measures being proposed, their estimated costs, parameters to be measured, frequency or timing of measurements and responsibilities for monitoring and reporting during the project's life cycle. d. Undertake public consultations of potentially affected groups and civil society organisations in a culturally appropriate, non-discriminatory and gender sensitive manner to improve the understanding of local conditions and stakeholders' concerns and enable the co-development of appropriate risk mitigation measures. e. Outline the institutional arrangements for implementing the ESMP, including provisions for supervision and regular monitoring. 			

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Co-financing (USD)
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<p>Formulate the project/programme full funding proposal guided by the outline and requirements of the AF – “Fully Developed Proposal for Regional Project/Programme” template. A summary of the requirements of the template is provided below:</p> <p>PART I: PROJECT/PROGRAMME INFORMATION</p> <ul style="list-style-type: none"> a. Project/Programme Background and Context b. Project/Programme Objectives c. Project/Programme Components and Financing <p>PART II: PROJECT/PROGRAMME JUSTIFICATION</p> <ul style="list-style-type: none"> a. Describe the project/programme components, particularly focusing on the concrete adaptation activities. b. Describe how the project/programme would promote new and innovative solutions to climate change adaptation. c. Describe how the project/programme would provide economic, social and environmental benefits. d. Describe or provide an analysis of the cost-effectiveness of the proposed project/programme. e. Describe how the project/programme is consistent with national or subnational sustainable development strategies. f. Describe how the project/programme meets relevant national technical standards. g. Describe if there is duplication of project/programme with other funding 	<ol style="list-style-type: none"> 1. Completed Funding Proposal with all necessary annexes and terms of references for consultancies to support project implementation. 	<p>35,000</p>	<p>CDB – <i>amount to be determined.</i></p>
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List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Co-financing (USD)
<p>sources.</p> <p>h. If applicable, describe the learning and knowledge management component to capture and disseminate lessons learned.</p> <p>i. Describe the consultative process, including the list of stakeholders consulted, undertaken during project/programme preparation.</p> <p>j. Provide justification for funding requested, focusing on the full cost of adaptation reasoning.</p> <p>k. Describe how the sustainability of the project/programme outcomes has been taken into account when designing the project/programme.</p> <p>l. Provide an overview of the environmental and social impacts and risks identified as being relevant to the project/programme.</p>			

<p>PART III: IMPLEMENTATION ARRANGEMENTS</p> <p>a. Describe the arrangements for project/programme management at the regional and national level, including coordination arrangements within countries and among them.</p> <p>b. Describe the measures for financial and project/programme risk management.</p> <p>c. Describe the measures for environmental and social risk management, in line with the Environmental and Social Policy of the Adaptation Fund.</p> <p>d. Describe the monitoring and evaluation arrangements and provide a budgeted M&E plan.</p>			
List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount	Co-financing (USD)
<p>e. Include a results framework for the project/programme proposal, including milestones, targets and indicators.</p> <p>f. Demonstrate how the project/programme aligns with the Results Framework of the Adaptation Fund.</p> <p>g. Include a detailed budget with budget notes, broken down by country as applicable, a budget on the Implementing Entity management fee use, and an explanation and a breakdown of the execution costs.</p> <p>h. Include a disbursement schedule with time-bound milestones.</p>			
Total Project Formulation Grant		100,000	

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(s)	Telephone	Email Address
Ms. Valerie Isaac Caribbean Development Bank			Mr. Luther St. Ville Mr. Derek Gibbs	1 246 5391688 1 246 5391928	Luther.stville@caribank.org Derek.gibbs@caribank.org



GOVERNMENT OF ANTIGUA AND BARBUDA

Department of Environment
Ministry of Health, Wellness and the Environment
#1 Victoria Park, Botanical Garden
P.O. Box W693
St. John's
Antigua, W.I.
Tel: (268) 462-6265
Fax: (268) 462-4625
Email: doe@ab.gov.ag

April 20, 2023

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

Subject: Endorsement for “Building Climate Resilience of Agriculture Sector”

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

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Caribbean Development Bank (CDB) and executed by the Food and Agriculture Organization of the United Nations (FAO) and the Ministries responsible for Agriculture in Antigua and Barbuda, Saint Kitts and Nevis, and Saint Vincent and the Grenadines.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Black-Layne".

Mrs. Diann Black-Layne
Director of Environment and Ambassador for Climate Change
Department of Environment, Ministry of Health and the Environment
Antigua and Barbuda

Tel: (869) 467-1177/1178
Email: environment@gov.kn



SAINT CHRISTOPHER AND NEVIS

Ministry of Environment, Climate Action,
and Constituency Empowerment
Unit C2, Sands Complex
Bay Road
Basseterre
St. Kitts, West Indies



Letter of Endorsement by Government

24th May 2023

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

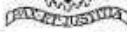
Subject: Endorsement for “Building Climate Resilience of Agriculture Sector”

As designated authority for the Adaptation Fund in Saint Kitts and Nevis, I confirm that the above regional project proposal is in accordance with the government’s regional priorities in implementing adaptation activities to reduce adverse impacts of, and risks, posed by climate change in the Caribbean.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by the Caribbean Development Bank (CDB) and executed by the Food and Agriculture Organization of the United Nations (FAO) and the Ministries responsible for Agriculture in Antigua and Barbuda, Saint Kitts and Nevis, and Saint Vincent and the Grenadines.

Sincerely,

Ms. Sharon Rattan
Permanent Secretary
Ministry of Environment, Climate Action,
And Constituency Empowerment


**Ministry of Finance,
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P.O. Box 608, Kingstown
St. Vincent & the Grenadines

August 28, 2023

Mr. Mikko Ollikainen
Manager of the Adaptation Fund Secretariat
Mail stop: N 7-700
1818 H Street NW
Washington DC 20433
USA

Dear Mr. Ollikainen,

Subject: St. Vincent and the Grenadines: Designated Authority to the Adaptation Fund

Please be advised that in my capacity as the Minister of Finance, Economic Planning and Information Technology and in compliance with Paragraphs 21-23 of the Adaptation Fund Amended Operational Guidelines for 2022, nominates on behalf of the Government of St. Vincent and the Grenadines, Mr. Recardo Frederick, Director of Economic Planning as the Designated Authority to the Adaptation Fund. Mr. Frederick's contact information is as follows:

Ministry: Ministry of Finance, Economic Planning and Information Technology
Address: 1st Floor Administrative Building
Bay Street, Kingstown
Saint Vincent and the Grenadines
Tel: 1-784-457-1746
Email: cenplan@svgcpd.com, rfr frederick@svgcpd.com

Thank you for your cooperation.

Yours sincerely,



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Hon. Camillo Gonsalves

Minister of Finance, Economic Planning and Information Technology