



ADAPTATION FUND

AFB/PPRC.33/20/Add.1
26 March 2024

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

Agenda Item 6b)

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”.

II. The Project Formulation Grant Request

7. This addendum to the document AFB/PPRC.33/20 “Proposal for Bangladesh, Nepal” includes a request for a Project Formulation Grant, requesting a budget of US\$ 80,000, which was received by the secretariat along with the concept for the project 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 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 draft project proposal and organize and conduct consultations with agencies and partners of the past and on-going projects in the GBM region to understand their expertise, experience, and to identify connections with the local stakeholders and beneficiaries, available resources and services, communication channels as well as to executing entities along with national partners.

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: 08 August 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: World Meteorological Organization, 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	15 October 2023
Completion date of PFG	15 January 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
Hire consultants to draft project proposal and organize and conduct consultations with agencies and partners of the past and on-going projects in the GBM region to understand their expertise, experience, and to identify connections with the local stakeholders and beneficiaries, available resources and services, communication channels etc.	Meetings are successfully conducted, and past or on-going project knowledge, experience and contacts are noted and shared with WMO and other executing partners, which will be integrated into the full project proposal.	15,000

Performing a consultation workshop involving implementing and executing entities along with national partners of the six countries, finalizing roles and responsibilities, project result framework, M&E plan, budget, and time estimation for implementing each activity of the HydroSOS BaNe project	Roles and responsibilities of each stakeholder are assigned, M&E, project result framework, budget and time period for every activity are finalized along with the list of potential partners is identified with their budget estimation.	45,000
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Hire consultant(s) to contribute to the development of the environmental and social risk management plan of the HydroSOS BaNe project through the environmental and social impact assessment (ESIA) aligning with the Environmental and Social (ES) and Gender policies of the Adaptation Fund	Environmental and social risk management plan is available and included in the project proposal	20,000
Total Project Formulation Grant		80,000*

*- the amount is inclusive of 10% project support or admin fee for the implementing entity

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, World Meteorological Organization		August 08 2023	Dr Hwirin Kim	+41 22 730 8358	hkim@wmo.int



Letter of Endorsement on behalf of the Government of Bangladesh

Record No. 00.0000.067.019.17.part(1).155

Date: 20 July 2023

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 Bangladesh and Nepal (HydroSOS-BaNe) project

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 Bangladesh and Nepal region.

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 World Meteorological Organization (WMO), Bangladesh Meteorological Department (BMD), Bangladesh Water Development Board (BWDB), and Department of Hydrology and Meteorology of Nepal in close coordination with the climate change focal ministry in these two countries.

Justification to include WMO as an executing partner is provided below in the Annex 1.

Sincerely,


20.07.2023

Dr. Farhina Ahmed
Secretary

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



Annex 1: Request for Change in Project Execution Arrangements: HydroSOS Bane Project (Bangladesh and Nepal)

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

Record No.00.0000.067.019.17.part(1).155

Date: 20 July 2023

Subject: Agreement on the implementation of HydroSOS BaNE project by the WMO together with the Bangladesh Meteorological Department (BMD), Bangladesh Water Development Board (BWDB), and Department of Hydrology and Meteorology of Nepal

Dear Adaptation Fund Secretariat,

As the Designated Authority for Bangladesh, I would like to present my compliments to the Secretariat.

I am writing this letter to endorse the change requested by the Implementing and Executive Partners regarding the Executing Entities responsible for the implementation of the regional project " Hydrological Status and Outlook system for integrated water resources management and climate resilience in Bangladesh and Nepal (HydroSOS-BaNe) " that WMO is also executing the project in Bangladesh and Nepal.

The Designated Authority was informed about the need to officially submit an endorsement letter in order to formalize the change and to obtain the approval by the Project and Programme Review Committee (PPRC) and the Adaptation Fund Board, and would like to state that such change does not represent any inconvenience but represents, in fact, the best solution to ensure continuity and quality implementation of the project activities at the regional, national and local levels, considering the limited capacity (technical and human) of the Bangladesh Meteorological Department (BMD), Bangladesh Water Development Board (BWDB), and Department of Hydrology and Meteorology of Nepal to execute the activities at the national and regional level. Also, WMO being an United Nations specialized agency has several advantages such as VAT exemption during the procurement of goods and services, expertise and availability of technical tools and products etc. which will be instrumental in the execution of the project activities.

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



Ref.No. 14

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

Date:- 3rd August, 2023

Letter of Endorsement

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 Bangladesh and Nepal (HydroSOS-BaNe) project

In my capacity as designated authority for the Adaptation Fund in Nepal, 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 Bangladesh and Nepal region.

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 World Meteorological Organization (WMO), Bangladesh Meteorological Department (BMD), Bangladesh Water Development Board (BWDB), and Department of Hydrology and Meteorology of Nepal in close coordination with the climate change focal ministry in these two countries.

Justification to include WMO as an executing partner is provided in separate letter.

Sincerely,


3rd August, 2023

Mr. Yam Nath Pokharel
Designated Authority, Adaptation Fund
Position: Under Secretary (Technical)
Head, Adaptation Section
Climate Change Management Division
Ministry of Forests and Environment, Government of Nepal
Singhadurbar, Kathmandu, Nepal
Tel: +977 14211996, Mobile: +977-9851112634
Email: ynpokharel@gmail.com
Web: <https://mofe.gov.np/>



Government of Nepal

Ministry of Forests and Environment



Ref.No. 15

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

Date:- 3rd August, 2023

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

Subject: Agreement on the implementation of HydroSOS BaNE project by the WMO together with the Bangladesh Meteorological Department (BMD), Bangladesh Water Development Board (BWDB), and Department of Hydrology and Meteorology of Nepal

Dear Adaptation Fund Secretariat,

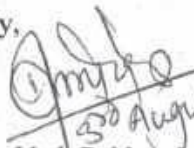
As the Designated Authority for Nepal. I would like to present my compliments to the Secretariat.

I am writing this letter to endorse the change requested by the Implementing and Executive Partners regarding the Executing Entities responsible for the implementation of the regional project " **Hydrological Status and Outlook system for integrated water resources management and climate resilience in Bangladesh and Nepal (HydroSOS-BaNe)** " that WMO is also executing the project in Bangladesh and Nepal.

The Designated Authority was informed about the need to officially submit an endorsement letter in order to formalize the change and to obtain the approval by the Project and Programme Review Committee (PPRC) and the Adaptation Fund Board, and would like to state that such change does not represent any inconvenience but represents, in fact, the best solution to ensure continuity and quality implementation of the project activities at the regional, national and local levels, considering the limited capacity of the Bangladesh Meteorological Department (BMD), Bangladesh Water Development Board (BWDB), and Department of Hydrology and Meteorology of Nepal to execute the activities at the national and regional level. Also, WMO being a United Nations specialized agency has several advantages such as VAT exemption during the procurement of goods and services, expertise and availability of technical tools and products etc. which will be instrumental in the execution of the project activities.

I trust that you will look on this endorsement favorably.

Sincerely,


3rd August, 2023

Mr. Yam Nath Pokharel

Designated Authority, Adaptation Fund

Position: Under Secretary (Technical)

Head, Adaptation Section

Climate Change Management Division

Ministry of Forests and Environment, Government of Nepal

Singhadurbar, Kathmandu, Nepal

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