



ADAPTATION FUND

AFB/PPRC.36/18/Add.1
15 September 2025

Adaptation Fund Board
Project and Programme Review Committee
Thirty sixth Meeting
Bonn, Germany, 7-8 October 2025

Agenda Item 4(p)

PROJECT FORMULATION GRANT FOR BOTSWANA

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.36/18 “Proposal for Botswana” includes a request for a Project Formulation Grant, requesting a budget of US\$ 150,000, which was received by the secretariat along with the concept for the project AF00000385 “*Enhancing Climate Resilient Water, Food, and Energy Systems in Botswana through Sustainable Natural Resources Management*”. This proposal was submitted by International Fund for Agricultural Development (IFAD), which is a Multilateral Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-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 support: comprehensive consultation; technical and feasibility studies; preparation of environmental safeguards; and formulation of concept note.

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.



Revised PFG Submission Form¹
Project Formulation Grant (PFG)

Submission Date: 26 August 2025

Adaptation Fund Project ID:

Country/ies: Botswana

Title of Project: Enhancing climate resilient water, food, and energy systems in Botswana through sustainable natural resources management

Country: Republic of Botswana

Type of IE (NIE/RIE/MIE): MIE

Implementing Entity: International Fund for Agricultural Development (IFAD)

Executing Entity/ies: IFAD for the PFG

Ministry of Agricultural Development and Food Security (Lead); Ministry of Land Management, Water and Sanitation Services; Ministry of Minerals and Energy (MME); Ministry of Environment, Natural Resources Conservation and Tourism; Ministry of Finance (MoF); Global Water Partnership Southern Africa; Food and Agriculture Organisation of the United Nations (FAO) for the project

A. Project Preparation Timeframe

Start date of PFG	Upon Concept Note approval date
Completion date of PFG	(10 months) after Concept Note approval date

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note²
Stakeholder consultations	Engagement reports, stakeholder inputs, aligned priorities groups, in the proposal.	20 000	Stakeholder consultations ensure inclusivity, transparency, and ownership of the project by all relevant actors.

¹ As presented in AFB/PPRC.33/40 Annex 1.

² The proposal should include a detailed budget with budget notes indicating the break- down of costs at the activity level. It should also include a budget on the Implementing Entity management fee use.

Technical and Feasibility Assessments	Climate risk reports, feasibility studies, intervention options	27 250	Grounds the project in evidence-based, practical, and cost-effective approaches.
Preparation of Environmental safeguards studies	Comprehensive Environmental and Social Safeguards screening and management planning.	20 000	Aligns the project with environmental and social policies, ensuring long-term sustainability.
Hiring a multi-disciplinary team of consultants	Final project proposal, logical framework, stakeholder feedback integration	70 000	Consultancy fees, allowances and travel for proposal development
Project formulation grant for concept note		137 250	Total PFG allocation for concept preparation
Implementing Entity (IE) Fee (8.5%)		12 750	IE fee based on 8.5% of total PFG
Project Formulation Grant + IE fee		150 000	Total PFG budget inclusive of IE fee

Please describe below each of the PFG activities and provide justifications for their need and for the amount of funding required:

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. The PFG will be executed by the IE. The EE will be responsible for execution of the project once approved.

Implementing Entity Coordinator, IE Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Mr Pierre Yves Guedez, Lead, Multilateral Climate and Environmental Funds,		12/17/2024	Mr Claus Reiner, Regional Climate and Environment Specialist, IFAD	+254 11 5492302	E - mail: p.guedez@ifad.org E - mail: c.reiner@ifad.org

ECG Division, IFAD					
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REPUBLIC OF BOTSWANA

BOTSWANA METEOROLOGICAL SERVICES
P.O. BOX 10100
GABORONE
BOTSWANA

ALL CORRESPONDENCE TO BE ADDRESSED TO THE DIRECTOR

REF: DMS 1/10/2 XVI (54)

30 July 2025

The Chairman,
Adaptation Fund Board
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**ENDORSEMENT FOR THE "ENHANCING CLIMATE RESILIENT
WATER, FOOD, AND ENERGY SYSTEMS IN BOTSWANA
THROUGH SUSTAINABLE NATURAL RESOURCES MANAGEMENT"**

In my capacity as designated authority for the Adaptation Fund in Botswana, I confirm that the above national project 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 Botswana.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by International Fund for Agriculture Development (IFAD) and executed by Ministry of Lands and Agricultural of Botswana in partnership with Global Water Partnership Southern Africa (GWPSA) and Food and Agriculture Organisation of the United Nations (FAO).

Kindly accept this letter as a testament to my utmost commitment and highest consideration.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Balisi J. Gopolang'.

Balisi J. Gopolang

Adaptation Fund Designated Authority for Botswana