



## ADAPTATION FUND

AFB/PPRC.36/22/Add.1  
15 September 2025

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

Agenda Item 4(t)

### **PROJECT FORMULATION GRANT FOR PHILIPPINES**

## 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.36/22 “Proposal for Philippines” 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 AF00000437 “*Agricultural Interventions for Development: Harnessing and Enhancing Adaptation and Resilience Tools and Strategies for the Philippine Fruit and Vegetable Industry*”. This proposal was submitted by United Nations Industrial Development Organization (UNIDO), 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 stakeholders consultation; Climate Risk and Vulnerability Assessment (CRVA); prepare a baseline report; Gender, Environmental and Social Management assessment; and development of the full proposal document.

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 Form<sup>1</sup> (additions in red)**

**Project Formulation Grant (PFG)**

**Submission Date:**

**Adaptation Fund Project ID:**

**Country/ies:** The Philippines

**Title of Project/Programme:** Harnessing and Enhancing Adaptation and Resilience Tools and Strategies for the Philippine Fruit and Vegetable Industry

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

**Implementing Entity:** UNIDO

**Executing Entity/ies:** UNIDO

**A. Project Preparation Timeframe**

|                               |               |
|-------------------------------|---------------|
| <b>Start date of PFG</b>      | November 2025 |
| <b>Completion date of PFG</b> | June 2026     |

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

| <b>List of Proposed Project Preparation Activities</b>   | <b>Output of the PFG Activities</b> | <b>US\$ Amount</b> | <b>Budget note<sup>2</sup></b>  |
|--|-------------------------------------|--------------------|---|
| To conduct a Climate Risk and Vulnerability Assessment (CRVA)  | CRVA assessment report              | <b>13,000</b>      | National expertise and support staff: US\$ 10,000<br>National travel: US\$ 3,000  |
| To prepare a baseline report against the interventions proposed and indicators/targets aimed                                     | Baseline report                     | <b>13,000</b>      | National expertise and support staff: US\$ 10,000<br>National travel: US\$ 3,000  |
| To carry out detailed stakeholders' consultations at local and national level specifically on selected project sites, with local | Stakeholders' consultation report   | <b>30,000</b>      | National expertise and support staff: US\$ 10,000<br>National travel: US\$ 5,000<br>Meetings and workshop expenses: US\$ 15,000 |

<sup>1</sup> As presented in AFB/PPRC.33/40 Annex 1.

<sup>2</sup> 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.

|   |  |               |   |
|---|--|---------------|---|
| communities and indigenous populations.   |  |               |   |
| To conduct an Environmental and Social Management assessment  | Environmental and Social Management Plan (ESMP) and a UNIDO Environmental and Social (E&S) Screening form                            | <b>16,000</b> | National expertise: US\$ 6,000<br>National travel: US\$ 5,000<br>Meeting expenses: US\$ 5,000               |
| To carry out an In-depth gender analysis in order to effectively mainstream gender issues into the design and formulation of the project.   | Plan of action for gender mainstreaming is developed, Project document is gender mainstreamed and costs for implementation estimated | <b>14,000</b> | National expertise: US\$ 6,000<br>National travel: US\$ 5,000<br>Meetings and workshop expenses: US\$ 3,000 |
| Drafting of the full fledge project document and required annexes, with the identification of project or programme indicators and development of monitoring and evaluation plan.  | Full fledge proposal   | <b>14,743</b> | National/international technical expertise: US\$ 14,743   |
| To carry out a monitoring mission by the backstopping officer of UNIDO  | Mission report   | <b>12,506</b> | International and national travel: US\$ 7,000<br>Technical Report: US\$ 5,506                               |
| To organize prevalidation and a validation workshop based on local consultations, workshops to discuss the specific project and program ideas (including translation into local languages, preparation of background papers, etc. | Validation workshop report   | <b>25,000</b> | Expertise and support staff: 10,000<br>Local travel: 5,000<br>Workshop expenses: 10,000                     |
| <b>IE fee (support costs)</b>   | IE admin and technical support for project development, monitoring and supervision<br><br>Compliance assurance                       | <b>11,751</b> | Technical and admin support services.   |

|  |  |                |  |
|--|--|----------------|--|
| <b>Total Project Formulation Grant</b> |  | <b>150,000</b> |  |
|--|--|----------------|--|

| Description of the required activity   | Justification for the need and for the amount   |
|--|---|
| To conduct a Climate Risk and Vulnerability Assessment (CRVA):   | The Climate Risk and Vulnerability Assessment covers assessments of climate risks, climate exposure, sensitivity, and vulnerability and identification of adaptation measures for the target sector in the identified regions. Measuring the sector's vulnerability to climate change impacts is necessary to increase the sector's resilience. This assessment will be conducted by a national adaptation expert, with the support of a project assistant to facilitate related travel of the adaptation expert and coordination with various stakeholders   |
| To conduct a baseline assessment   | The baseline assessment will be conducted so that the data and information is provided to support the interventions proposed and indicators/targets aimed at. The methodology will be based on a participatory approach, collecting primary data at the local, community level and secondary data.  |
| To carry out detailed stakeholders' consultations at local and national level:                             | Stakeholder consultation serves as a fundamental mechanism for collecting information, perspectives, and feedback from individuals involved in a project. This activity will serve to ensure further alignment of an engagement plan with the needs, expectations, and concerns of all relevant stakeholders. The stakeholders' consultations will target specifically selected project sites, involving local communities and indigenous populations;  |
| To conduct an Environmental and Social Management assessment:  | This activity is an integral part of UNIDO Environmental and Social Safeguards Policy and Procedures, applicable to all UNIDO projects and programmes submitted to the AF. It requires that UNIDO projects and programmes undergo environmental and social risk (E&S) assessments which will help decide on the categorization of the project and identify environmental and social issues that should be addressed in its development and implementation. The ESM will provide guidance on how to mitigate the environmental and social risks during the project implementation phase. This activity will be conducted by a technical expert and will require local travel to the project sites.                   |
| To carry out an In-depth gender analysis in order to effectively mainstream gender issues into the design: | This activity will allow mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making both women and men's concerns, experiences and aspirations an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that they benefit equally, and inequality is not perpetuated. This activity will be conducted by a national gender expert and will require travel to the project sites and consultations with various groups of beneficiaries. |
| To carry out a monitoring mission by the backstopping officer of UNIDO                                     | This travel is earmarked for the project manager of UNIDO who needs to contribute in terms of technical backstopping, supporting the mobilization of the endorsement letter and the stakeholders' consultations with key institutions and providing orientation on the project design, scope and budgeting. The fee of the project manager is covered by the support costs  |
| To prepare the full-fledge project proposal as per the   | This activity will gather the results of all the assessments conducted during the preparation of the full fledge project proposal, following the template of the Adaptation fund and the requirements of UNIDO. The full-fledge proposal will   |

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| requirements of the Adaptation Fund<br><br>To organize validation workshops | be presented to all key stakeholders for validation during a national workshop. The drafting and compiling of the project proposal will be conducted by a national adaptation expert, supported by an internal expert in programming. The validation workshop will involve in person pre-validation workshops at the level of the target communities and indigenous populations in order to ensure their buy in of the proposed project interventions. This will be conducted during pre-validation workshops. A final validation workshop will bring key institutions together, presenting the final project document. |
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### 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

|   |  |                                   |
|---|--|-----------------------------------|
| <b>Implementing Entity Coordinator, IE Name</b> | Ms. Ganna Onysko<br><br>Senior GEF, GCF, AF Coordinator<br><br>Division of Funding Partner Relations<br><br>Directorate of Global Partnerships and External Relations<br><br>United Nations Industrial Development Organization - UNIDO<br><br>Implementing Entity Coordinator |                                   |
| <b>Signature</b>                                |  | <b>Date:</b><br><br>8 August 2025 |
| <b>Project Contact Person</b>                   | Meryem SGHIR<br><br>+43 1 26026 364743<br><br><a href="mailto:M.SGHIR@unido.org">M.SGHIR@unido.org</a>   |                                   |
| <b>Telephone</b>                                | +43 1 26026 3708   |                                   |
| <b>E-mail</b>                                   | TO: <a href="mailto:g.onysko@unido.org">g.onysko@unido.org</a><br><br>CC: <a href="mailto:gef@unido.org">gef@unido.org</a> / <a href="mailto:glo@unido.org">glo@unido.org</a> / <a href="mailto:f.haidara@unido.org">f.haidara@unido.org</a>                                   |                                   |



ADAPTATION FUND

JUN 27 2025

**Letter of Endorsement by Government**

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

Subject: Endorsement for the Concept Proposal **“Agricultural interventions for development: harnessing and enhancing adaptation and resilience tools and strategies for the Philippine fruit and vegetable industry”**

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

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 United Nations Industrial Development Organization (UNIDO) and executed by UNIDO and Mindanao Development Authority (MinDA). UNIDO will also act as partial executing entity, in line with the request and agreement of the Government of the Philippines

Thank you.

Very truly yours,

**ATTY. ANALIZA REBUERTA-TEH**  
Undersecretary  
Finance, Information Systems and Climate Change  
and National Designated Authority-Adaptation Fund