



ADAPTATION FUND

AFB/PPRC.36/27/Add.1
15 September 2025

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

Agenda Item 5(d)

PROJECT FORMULATION GRANT FOR MALAWI, TANZANIA

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.36/27 “Proposal for Malawi, Tanzania” includes a request for a Project Formulation Grant, requesting a budget of US\$ 30,000, which was received by the secretariat along with the pre-concept for the project AF00000428 *“Promoting Resilience and Adaptation to Climate Change in the Songwe River Basin”*. This proposal was submitted by UN Environment Programme (UNEP), 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 consultations and concept note formulation.

9. 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.



Revised PFG Submission Form¹ (additions in red)

Project Formulation Grant (PFG)

Submission Date: 30 September 2024

Adaptation Fund Project ID: N/A

Country/ies: Tanzania and Malawi

Title of Project/Programme: Promoting Resilience and Adaptation to Climate Change in the Songwe River Basin

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

Implementing Entity: United Nations Environment Programme (UNEP)

Executing Entity: UNEP

A. Project Preparation Timeframe

Start date of PFG	1 October 2025
Completion date of PFG	31 May 2026

B. Proposed Project Preparation Activities (\$)

List of Proposed Project Preparation Activities	Output of the PFG Activities	US\$ Amount	Budget note²
Concept formulation*	Outputs 1-4	17,500	Consultancy firm. Output based price.
Consultation processes*	Outputs 1-4	10,000	2 multi-stakeholder workshops, one in each country
Activity total		27,500	
IE Fee		2500	
Total Project Formulation Grant		30,000	

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

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.

The concept will be based on the endorsed pre-concept. The concept formulation will entail the following tasks:

Task 1: Develop the project Problem statement, Theory of Change and intervention strategy

- Organize consultations with key stakeholders in Tanzania, Malawi and SONGWECOM and collect all information needed for the development of the concept note;
- Further develop the problem and solution tree analysis and develop the project problem statement that aligns with this (including baseline drivers of vulnerability, root causes and barriers to proposed solutions). Ensure that the climate and non-climate drivers and their interactions are fully integrated, and consider the multiple plausible systems futures;
- Further develop the project Theory of Change and intervention strategy. Ensure that the project strategy responds directly to the adaptation challenges identified in the problem statement, accurately reflects the needs and capacities of targeted communities, and prioritizes interventions in target ecosystems

Task 2: Draft and prepare the concept note for submission to Adaptation Fund Board

- Further develop the description of project adaptation alternative (components, outcomes and outputs). Develop project targets and associated budget. Refine project output statements as tangible and measurable deliverables;
- Coordinate and confirm the selection of the project sites, articulate the rationale for their selection and develop a detailed map of the sites;
- Identify lessons learned and good practices from relevant initiatives, for replication and/or upscaling through this project and ensure that the project intervention strategy aligns with lessons learned;
- Identify other ongoing and planned initiatives for the project to coordinate and collaborate with;
- Draft all sections of the Adaptation Fund [Fully Developed Regional Project Proposal Template](#), integrating information on Adaptation Fund requirements as outlined in the template and in the accompanying [guidance](#);
- Screen the project for environmental and social safeguards risks using UNEP’s screening tool (Safeguard Risk Identification Form, SRIF).
- Assess implementation capacity of executing partners

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
UNEP Mirey Atallah, Chief, Adaptation and Resilience Branch, Climate Change Division.	 Mirey Atallah	30 September, 2024	Jessica Troni	+254795062	jessica.troni@un.org

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Ministry of Finance and
Economic Affairs
P.O. Box 30049
LILONGWE 3

Ref No. FIN/DAD/RM/5/2/1/1

29th February, 2024

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

Dear Sir/Madam,

**ENDORSEMENT FOR THE PROJECT ON PROMOTING RESILIENCE AND
ADAPTATION TO CLIMATE CHANGE IN THE SONGWE RIVER BASIN**

I write as the designated authority for the Adaptation Fund in the Republic of Malawi, the promoting resilience and adaptation to climate change in the songwe river basin regional 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 Malawi.

The Project will be implemented multilaterally at a cost amounting to \$13,850,000, I am pleased to endorse the attached project proposal with support from the Adaptation Fund. If approved, the project will be implemented by United Nations Environment Programme (UNEP) and executed by Ministry of Water and Sanitation and Joint Songwe River Basin Commission (SONGWECOM).

Your usual cooperation is highly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert Mwanamanga'.

Robert Mwanamanga.

DIRECTOR DEBT AND AID MANAGEMENT DIVISION

THE UNITED REPUBLIC OF TANZANIA
VICE PRESIDENT'S OFFICE

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In reply please quote:
Our Ref: BA.90/201/01A/

02 September, 2025

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

**RE: ENDORSEMENT FOR THE PROJECT ON PROMOTING RESILIENCE AND
ADAPTATION TO CLIMATE CHANGE IN THE SONGWE RIVER BASIN**

Refer to the subject captioned above

2. In my Capacity as the designated authority for the Adaptation Fund in the United Republic of Tanzania, I confirm that the above regional 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 Tanzania.
3. Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by United Nations Environment Programme (UNEP) and executed by Ministry of Water and Joint Songwe River Basin Commission (SONGWECOM).
4. Thank you for your continued cooperation.

A handwritten signature in blue ink, appearing to read 'Msoffe'.

Prof. Peter L.M. Msoffe
NATIONAL DESIGNATED AUTHORITY
DEPUTY PERMANENT SECRETARY-ENVIRONMENT

Copy:

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