



ADAPTATION FUND

AFB/PPRC.37/25/Add.1
16 March 2026

Adaptation Fund Board
Project and Programme Review Committee
Thirty seventh Meeting
Bonn, Germany, 7-8 April 2026

Agenda Item 6 (c)

PROJECT FORMULATION GRANT FOR BOLIVIA, BRAZIL, CHILE, PARAGUAY, URUGUAY

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.37/25 “Proposal for Bolivia, Brazil, Chile, Paraguay, Uruguay” includes a request for a Project Formulation Grant, requesting a budget of US\$ 110,000, which was received by the secretariat along with the concept for the regional programme AF00000488 “MERCOSUR Regional Project for Climate Change Adaptation in Family Farming (RPCCAFF)”. This proposal was submitted by Development Bank of Latin America (CAF), which is a Regional Implementing Entity of the Adaptation Fund, in time for consideration by the Adaptation Fund Board at its forty-sixth 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; field work, data collection and regional workshops.

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.



ADAPTATION FUND

ADAPTATION FUND BOARD SECRETARIAT TECHNICAL REVIEW OF PROJECT/PROGRAMME PROPOSAL

PROJECT/PROGRAMME CATEGORY: Regional Project Concept

Countries/Region: Bolivia, Brazil, Chile, Paraguay, and Uruguay/ MERCOSUR (South America)

Project Title: MERCOSUR Regional Project for Climate Change Adaptation in Family Farming (RPOCCAF)

Thematic Focal Area: Food Security

Implementing Entity: Development Bank of Latin America and the Caribbean (CAF)

Executing Entities: Inter-American Institute for Cooperation on Agriculture (IICA)

AF Project ID: AF00000488

IE Project ID:

Requested Financing from Adaptation Fund (US Dollars): 30,000,000

Reviewer and contact person: Ahmad Ghosn

Co-reviewer(s): Estefanía Jiménez

IE Contact Person:

Technical Summary

The project “MERCOSUR Regional Project for Climate Change Adaptation in Family Farming (RPOCCAF)” aims to reduce climate vulnerability and strengthen the resilience of family, peasant, and indigenous agriculture (FPIA) production systems and livelihoods in selected prone areas in Bolivia, Brazil, Chile, Paraguay and Uruguay. This will be done through the four components below:

Component 1: Strengthening regional networks and climate governance for FPIA adaptation (USD 3,267,200).

Component 2: Promotion of the implementation of validated practices, such as agroecology and others, at the level of territories and their ecosystems (USD 15,553,000)

Component 3: Innovation in sustainable, solidarity-based or inclusive financial services associated with risk transfer, payment for ecosystem services or others (USD 4,826,600).

Component 4: Monitoring, evaluation, and learning from climate change adaptation in FPIA (USD 2,440,157).

Requested financing overview:

Project/Programme Execution Cost: USD 2,086,957

Total Project/Programme Cost: USD 28,173,914

Implementing Fee: USD 1,826,086

Financing Requested: USD 30,000,000

	<p>The proposal includes a request for a project formulation grant of USD 121,000.</p> <p>The first technical review raised several issues, such as: revising objectives, outcomes and outputs statements for clarity; ensuring document length is within AF limit; revising components financing table; providing details on the outputs activities and related USPs, if any; inclusion of an initial gender assessment; further clarification of the project cost-effectiveness; adding other relevant national plans; clarifying to which activities the national standards apply and adding other standards, if/ as applicable; revising related projects table; providing more details on consultations and disaggregating participants by gender; revising alignment the with AF RF table; revising sustainability section as per AF requirements; specifying the project risks/ impacts and their level in the AF E&S; among other Clarification Requests (CRs) and Corrective Action Request (CARs) raised in the review.</p> <p>The second technical review finds that most of the CRs and CARs raised in the first review are addressed, however some CARs and CRs remain including on calculations in the components financing table updating the alignment table if/ as needed.</p> <p>The third technical review finds that all pending CARs and CRs of the second review have been addressed.</p> <p><i>Please be advised that the findings of the AFB Secretariat's review of the funding proposal(s) do not reflect, indicate, or prejudge the outcome of the reaccreditation process currently underway. The Implementing Entity (IE) shall acknowledge that the funding proposal will not be approved by the Board if the IE's accreditation has expired, and reaccreditation has not been achieved at the time of the Board's decision. Notwithstanding this potential risk, the IE has elected to proceed with the development of the funding proposal.</i></p>
Date	11 March 2026

Review Criteria	Questions	First Technical Review Comments 15 December 2025	Second Technical Review Comments 28 January 2026	Third Technical Review Comments 11 March 2026
Country Eligibility	1. Are all of the participating countries party to the Kyoto Protocol and/or the Paris Agreement?	Yes. All participating countries (Brazil, Bolivia, Chile, Paraguay and Uruguay) are parties to both the Kyoto Protocol and the Paris Agreement.	-	-
	2. Are all of the participating	Yes. All participating countries are vulnerable to climate change risks	-	-

	<p>countries developing countries particularly vulnerable to the adverse effects of climate change?</p>	<p>including erratic rainfall patterns, increased frequency/ intensity of droughts, flash floods, heat waves, forest fires, frosts, and unseasonal hailstorms. These risks negatively impact the social and economic development, particularly for rural populations and family, peasant, and indigenous agriculture (FPIA) production systems.</p>		
<p>Project Eligibility</p>	<p>1. Have the designated government authorities for the Adaptation Fund from each of the participating countries endorsed the project/programme?</p>	<p>Yes. As per the Endorsement letters indicated/ dated below: <i>Bolivia: 17 July 2025; Brazil: 22 October 2025; Chile: 17 July 2025; Paraguay: 17 July 2025; Uruguay: 16 July 2025</i></p>	<p>CAR1 (NEW): 1. Please include the signed endorsement letter and IE certification as annexes to the CN, or insert in Part IVA & IVB, as appropriate. 2. Please update the stage of submission date on page 1 of the proposal.</p>	<p>CAR1 (NEW): Cleared. See p. 1, and IE response.</p>
	<p>2. Does the length of the proposal amount to no more than fifty (50) pages for the project/programme concept, including its annexes?</p>	<p>No. The document is 57 pages (no annexes, and more details are needed as per the comments of this review). Also, the overall objective and specific objectives 2&4 are lengthy and need to be revised for more focus. Same applies to the outcomes and outputs statements (<i>no need to reflect in the statements how they will be realized, as such details should normally be included in the</i></p>		

		<p><i>discussion of the activities to be conducted under the outputs as part of the components description in Part IIA).</i></p> <p>CR1: It is suggested to rephrase the overall objective statement for more focus. A proposed statement is: <u>“reduce climate vulnerability and strengthen the resilience of family, peasant, and indigenous agriculture (FPIA) production systems and livelihoods in selected prone areas in Bolivia, Brazil, Chile, Paraguay and Uruguay”.</u></p> <p>Also, revise specific objectives 2&4 statements to read as follows respectively:</p> <ul style="list-style-type: none"> • <u>Promote the identification, adoption, and scaling up of climate change adaptation technologies and practices in local production systems and ecosystems.</u> • <u>Strengthen monitoring, evaluation, and learning systems on climate change adaptation in FPIA.</u> <p>CR2: Revise outcomes 2&3, and outputs statements for more focus/ clarity and reflect revisions in the components financing table, Part IIA, and other relevant sections</p>	<p>CR1: Cleared. See pp. 18-19.</p> <p>CR2: Cleared. See Table 2, pp. 20-21, Part IIA, pp. 22-28, etc.</p>	<p>-</p> <p>-</p>
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		<p>across the document. Examples of alternative statements are:</p> <p><u>Outcomes 2&3:</u> <u>Outcome 2. Comprehensive adaptation solutions adopted in FPIA territories.</u> <u>Outcome 3. Enabling conditions identified and strengthened for the development and implementation of sustainable, solidarity-based or inclusive financial instruments aimed at climate adaptation in FPIA.</u></p> <p><u>Outputs (examples below are for component1/ outcome1 outputs - similar revisions need to be done for all output statements of other components/ outcomes):</u></p> <p><u>Output 1.1: Regional network of FPIA organizations from the five countries operational and strengthened.</u> <u>Output 1.2: Regional systematization of successful climate change adaptation technologies and practices developed, implemented, documented, and disseminated.</u> <u>Output 1.3: Governance spaces strengthened in the five participating countries.</u></p>	<p>CR1(NEW):</p> <ol style="list-style-type: none"> 1. Please rename “2.2. Territorial technical assistance mechanism” to territorial capacity building mechanism throughout the proposal. 2. Please clarify why “4.2.7 Five pilot implementations (one per country) of the defined adaptation indicators in the Project’s intervention sites” is only \$250,000. 3. Please clarify why 4.3.4 cannot be subsumed in 4.1.3 and why the entire system cost approximately \$295K. 4. Please delete 1.3.3 as the Adaptation Fund does not fund the development of NAPs but will support the concrete actions identified in NAPs. <p><u>At the fully developed proposal stage please review the activity costs so that they represent the best value for money.</u></p>	<p>CR1(NEW): Cleared. See IE response, para 63, p. 24, and para 74, p. 28.</p>
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	<p><u>Output 1.4 National agroclimatic information systems coordinated at the regional level.</u></p> <p>CAR1: Revise the components financing table, pp. 13-14, to reflect allocated budgets at output, and component levels. By additional rows. Also, see CR2 above.</p>	<p>CAR1: Not cleared.</p> <ol style="list-style-type: none"> 1. Please delete the activities column, only include costs at outputs (under each outcome) and components levels, and add a column to list countries covered. 2. Based on revised components costs, total components cost would \$26,086,357 not \$26,086,957, \$600 less. Also, based on the revised execution costs (\$2,086,957) and IE fee (\$1,826,087) total project cost would be \$28,173,314 (components cost + EC) and requested funding would be \$29,999,401 (total project cost + IE fee), \$599 less than \$30,000,000. Please amend. 3. General guidance on the above is available at IE and EE Fees Calculator (EXCEL). Please revise <u>components costs as necessary based on point 2 above.</u> 	<p>CAR1: Cleared. Changes in Table 2 and Table 11 were made.</p>
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		<p>CAR2: Maintain document length (including annexes) of 50 pages or less, excluding table of contents and lists of abbreviations, figures and tables.</p> <p>CR3: In Part I, add a brief paragraph for each country to discuss the demographic/ gender aspects (supported by some statistics as related to project interventions context).</p> <p>Notes: Please address the following to improve the document clarity and quality:</p> <ol style="list-style-type: none"> 1. Add Table of contents, and Lists of acronyms/ abbreviations, tables and figures. 	<p>4. <u>To maintain the \$30,000,000 requested funding, deduct \$1 from either EC or IE fee. Revise financing table as per the above and reflect related revisions as appropriate in the AF RF alignment table.</u></p> <p>CAR2: Not Cleared. Please ensure that the proposal beings with the template cover page and not the Table of Contents etc.</p> <p>CR3: Cleared. See pp. 7-12.</p> <p>Note: <u>Another quick round of proofreading is recommended</u> to fix some typing errors (e.g. months first letter in project calendar should be capitalize, project in the title of Part IID is repeated twice, centering/ legibility of tables titles, capitalization of “project” in some texts, etc.). Also note that para 95 is a footnote, delete para number and adjust para numbering after accordingly.</p>	<p>CAR2: Cleared. See pp. 1-6.</p> <p>-</p> <p>-</p>
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		<ol style="list-style-type: none"> 2. Add table numbers and headings to all tables (e.g.: components financing table, project. Calendar, AF E&S checklist, etc., and adjust tables numbers accordingly. 3. Reference is made to project and program inter-changeably. Please use the term project. 4. in para 110, p. 32, change "presented" to "implemented". 5. On page 1, spell out "IICA" (the executing entity). 6. In Part IV B "Implementing Entity Certification" replace "y" after Chile by "and". 7. Conduct a quick round of editing/ proofreading for the whole document after revising it to address the review comments. 		
	<ol style="list-style-type: none"> 1. Does the regional project / programme support concrete adaptation actions to assist the participating countries in addressing the adverse effects of climate change and build in climate resilience, and do so providing added value through the regional approach, 	<p>Unclear. See Part IIA, pp. 15-20. Only general discussions with some key words are provided and imply actions to strengthen networks/ territorial governance, adopt technologies and adaptation practices appropriate for FPIA production systems, promote sustainable and inclusive financial innovations, and develop monitoring, evaluation, and learning systems. It is also stated in Part IIL, pp. 42-43 that <i>"most activities are aimed at strengthening institutional</i></p>		

	<p>compared to implementing similar activities in each country individually?</p>	<p><i>capacities, disseminating agroclimatic information, and promoting sustainable production systems without major infrastructure or land use changes, some interventions do involve direct interaction with vulnerable communities and fragile ecosystems".</i> <u>Details on the specific activities supported with relevant quantification are needed to clarify the soft and/ or concrete actions/ activities to be undertaken and to substantiate allocated budgets. The provided discussion also implies unidentified sub-project activities (USPs), among other issues indicated below.</u></p> <p>CR4: The information provided in part IIA "components description) are repetitive/ very similar to those indicated in the outputs listed in components financing table and only refers to outputs without providing enough details on the activities under these outputs. <u>Revise the layout and discussion under Part IIA to reflect, component, outcome, output and activities under each output supported with adequate details quantifications (e.g.: number and frequency meetings, aspects to be strengthened, technologies/ adaptation practices to be adopted</u></p>	<p>CR4. Cleared. See pp. 22-28.</p>	<p>-</p>
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		<p><u>and locations, technical assistances to be provided, financial innovations to be promoted and associated activities to be implemented, key details of the MEL systems to be developed/ installed, etc.) to substantiate allocated budgets.</u></p> <p>CAR2: Please clarify whether there will be any unspecified project activities (USPs) and briefly discuss how they will be managed to satisfy related AF requirements. Please consult the USP Guidance document at Guidance Document for Project/Programme with Unidentified Sub-Projects</p> <p>CR5: At the end of Part I (after project objectives or components financing table, or at the beginning of Part IIA, please provide a brief paragraph on the project Theory of Change (TOC) to reflect on the suitability of the project activities/ interventions in responding to the threats posed by the likely climate scenarios/ gaps discussed in the background and context section, and provide a schematic presentation of this TOC.</p> <p>CR5: In part I (after objectives) or as appropriate at the introduction of Part IIA, please add a brief</p>	<p>CAR2. Cleared. See para 65, p. 25, para 71, p. 27, and IE response.</p> <p>CR5. Cleared. See p.19, and IE response. Note: <u>Please attach TOC Annex to the CN document.</u></p> <p>CR5. Cleared. See para 55, p. 21.</p>	<p>-</p> <p>-</p> <p>-</p>
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		paragraph to highlight the AF strategic objectives/ outcomes supported by the project (related information can be extracted from Part III alignment with AF RF table).		
	2. Does the project / programme provide economic, social and environmental benefits, particularly to vulnerable communities, including gender considerations, while avoiding or mitigating negative impacts, in compliance with the Environmental and Social Policy of the Fund?	<p>Yes. Sufficient for CN level. See Part IIC, pp. 21-24. A more detailed discussion on the benefits would be required at full proposal stage. <u>However</u>, compliance with the AF Gender Policy requires the inclusion of an initial gender analysis/ assessment at the earliest stage of the project preparation to determine the different needs, capabilities, roles and knowledge resources of women and men, and/or identify how changing gender dynamics might drive lasting change. Also, quantification of economic and environmental benefits, as possible at this stage, would be recommended.</p> <p>CAR5: Please provide an initial gender assessment/ analysis, and include under a dedicated heading in Part I, or as annex and refer to it at relevant sections (e.g.: Part I, Parts IIC and L, etc.)_</p> <p>CR 3: Please provide, as possible at this stage, supporting quantification</p>	<p>CAR 5: Cleared. See pp. 17-18.</p> <p>CR3: Cleared. See pp. 30-33.</p>	-

		of the economic and environmental benefits.		
	3. Is the project / programme cost-effective and does the regional approach support cost-effectiveness?	<p>To a large extent. See Part IID, pp. 24-24. <u>However</u>, some clarifications are needed as indicated in the comment below.</p> <p>CAR6: The discussion on cost benefits is based on previous examples of interventions that are not clearly indicated as part of the project activities. Also, clarify in the discussion and in Part IIA whether the referenced activities are included in the proposed project or are being upscaled by it. Moreover, kindly note that cost-effectiveness of should be compared against current situation (no action) and/ or against other alternative interventions/ options (if available). <u>Please, revise the cost effectiveness discussion based on the above, and note that a more comprehensive cost-effectives analysis would be needed at full proposal stage.</u></p>	<p>CAR6: Cleared. See pp. 33-35, and IE response. Sufficient for CN stage. <u>A more detailed cost-effectiveness analysis will be provided at full proposal stage.</u></p>	-
	4. Is the project / programme consistent with national or sub-national sustainable development strategies, national or sub-national	<p>To a large extent. See Part IIE, pp. 27-31. However, the countries related commitments under UNCCD and UNCBD could be relevant, and include other relevant sectoral plans related to agriculture, food security, and water management if/ as available.</p>		

	<p>development plans, poverty reduction strategies, national communications and adaptation programs of action and other relevant instruments? If applicable, it is also possible to refer to regional plans and strategies where they exist.</p>	<p>Also, some dates need to be corrected, among others.</p> <p>CR6: Double check the relevance of national commitments under UNCCD and UNCBD and include in table 3 (Part IIL, E&S checklist table last row indicates they are relevant). Also, include other relevant sectoral plans related to agriculture, food security, and water management if/ as available.</p> <p>CR7: Please correct/ revise some incorrect dates/years in table 3 (e.g.: 20, 2, etc.).</p> <p>CR8: To save space and meet AF document length page limits, delete paras 92-109, as they are reflected in Table 3 which is sufficient for CN stage (only keep table 3 and an introduction para to this table).</p>	<p>CR6: Cleared. See Table 5 pp. 36-38.</p> <p>CR7: Cleared. See Table 5, pp. 36-38.</p> <p>CR8: Cleared. See IE response.</p>	<p>-</p> <p>-</p> <p>-</p>
	<p>5. Does the project / programme meet the relevant national technical standards, where applicable, in compliance with the Environmental and Social Policy of the Fund?</p>	<p>Yes. See Part IIF, pp. 32-33. <u>However</u>, please clarify to which project activities these standards apply, and double check the relevance of other standards, such as water quality regulations, and any other sector-specific regulations triggered by the project activities.</p> <p>CAR7: clarify to which project activities these standards apply, and double check the relevance of other standards, such as water</p>	<p>CAR7: Cleared. See Table 6, pp. 38-39.</p>	<p>-</p>

		quality regulations, and any other sector-specific regulations triggered by the project activities.		
	6. Is there duplication of project / programme with other funding sources?	<p>To a large extent. See Part IIG, pp. 33-36. <u>However</u>, Table 5 need to be revised to add dates, status (ongoing/ completed), and complementarity/ lessons learned and how they are considered in the proposed project design. Also, identify other related ongoing or completed projects and include in the table, among other issues indicated below.</p> <p>CAR8: Revise Table 5, to include the dates, status (ongoing/ completed), complementarities/ lessons learned. and how they are considered/ reflected in the proposed project design. Also, identify other related ongoing or completed project and include in the table.</p> <p>CR 9: Please provide some details on the coordinating mechanisms, if any, currently in place to ensure complementarity and synergy.</p> <p>CR10: To save space to allow for the revisions needed to address the review comment and meet AF document length page limits, delete paras 92-109 as related most information in Table 5, except for</p>	<p>CAR8: Cleared. See Table 7, pp. 40-43.</p> <p>CR9: Cleared. See Table 7, pp. 40-43.</p> <p>CR10: Cleared. See IE response.</p>	-

		the project budgets which can be included in the table. The revised Table 5 along with a brief introductory paragraph will be sufficient for CN stage.		
	7. Does the project / programme have a learning and knowledge management component to capture and feedback lessons?	Yes. See Part IIH, p. 36. Component 4: "Monitoring, evaluation, and learning of climate change adaptation in FPIA," is designed to generate useful evidence, systematize learning, and provide feedback on climate adaptation interventions in FPIA. The information provided in Part IIH are sufficient for CN level, but more details would be needed at full proposal stage.	-	-
	8. Has a consultative process taken place, and has it involved all key stakeholders, and vulnerable groups, including gender considerations in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	Yes. See Part II"l", pp. 37-39. <u>However</u> , some additional information on the conducted consultations need to be provided. CAR9: In Table 6, please include the dates of the consultations, and the number of participants disaggregated by gender. <u>Also include the consultations mentioned in para 127 (p. 38), particularly those conducted with COPROFAM and its members, in the table and in consultations annex, if any.</u>	CAR9. Cleared. See pp. 44-47.	-
	9. Is the requested financing justified on the basis of full cost of adaptation reasoning?	Yes. See Part IIJ, pp. 39-40. The discussion provided is sufficient for CN stage, but more details would be needed at full proposal stage.		

		<p>CR11: Para 134 states that “The interventions would not be feasible under normal conditions of public or private investment”. Please explain why this is the case.</p>	<p>CR11. Cleared. See para 126, pp. 47-48.</p> <p>CAR2 (NEW): At paragraph 125 please include language to indicate that the project will be able to achieve its objectives solely with the AF resources and will not be adversely impacted by any other resources which may come alongside the AF funding.</p>	<p>-</p> <p>CAR2 (NEW): Cleared. See para 124, p. 47.</p>
	<p>10. Is the project / program aligned with AF’s results framework?</p>	<p>Not clearly presented. See Part III, pp. 47-49. Alignment with AF related template related requirements among other inconsistencies and revisions need to be addressed as indicated below.</p> <p>CAR10: Please address the following:</p> <ol style="list-style-type: none"> 1. Revise the AF alignment table as per the latest AF guidance found at: Results Framework Alignment Table (Amended in November 2025) (77 kB, DOC) 2. Specify AF outcomes and outputs <u>indicators</u> in the upper and lower part of the table and ensure consistency. 3. The bottom row of the table for AF output level indicates AF 	<p>CAR10. Not cleared.</p> <ol style="list-style-type: none"> 1. <u>Please ensure that the totals at outcome and output levels add up to the correct total components cost (See CAR1 above regarding revised financing table).</u> 2. <u>Please note that components values should be adjusted if and as needed based</u> 	<p>CAR10. Cleared. See Table 11, pp. 52-54.</p>

		<p>output 7.2 (which is logically associated with AF outcome 7). However, Outcome 7 and related allocated amount is not indicated in the upper part of the table (objectives/ AF outcomes level). Please ensure consistency and revise para 152 (p. 47) accordingly.</p> <p>4. Ensure alignment of the project specific objectives and outcome statements listed in the table with those to be revised as requested in CR1 and CR2 above.</p> <p>Include table number and heading.</p>	<p><u>on issues raised at CAR1.</u></p>	
	<p>11. Has the sustainability of the project/programme outcomes been taken into account when designing the project?</p>	<p>Not fully. See Part IIK, pp. 40-42. The discussion layout should be presented to: i) address sustainability aspects under dedicated headings (economic, social, environmental, institutional, financial, etc.); ii) explain arrangements through which sustainability would be achieved, <u>taking into account the operation and maintenance (O&M)</u> of infrastructure/ installations to be developed; and iii) potential replication/ scaling up of project outcomes with other funds after its end.</p> <p>CAR11: Please revise Part IIK discussions to address sustainability aspects under</p>	<p>CAR11. Cleared. See pp. 48-51 and IE response.</p>	<p>-</p>

		dedicated headings (economic, social, environmental, institutional, and financial) with due consideration to the O&M of infrastructures/ installations to be developed, and potential replication/ scaling up of the project outcomes with other funds after its end.			
	12. Does the project / programme provide an overview of environmental and social impacts / risks identified, in compliance with the Environmental and Social Policy and Gender Policy of the Fund?	<p>Not fully. See Part IIL, pp. 42-47. Potential risks/ impacts based on initial screening need to be clearly specified, and reference to the initial gender assessment (to be provided as per CAR5) should be made at relevant E&S principles in the AF checklist table, among others.</p> <p>CAR12: Please specify the potential risks/ impacts (based on the initial screening that classified the overall project risk as category B) as well as their levels (e.g.: no risk/ impact, low, medium or high) in column 3 of the table as applicable to the E&S principles.</p> <p>CR12: Please refer to the initial gender assessment (to be provided as per CAR5) at relevant E&S principles and provide the AF E&S checklist table number and heading.</p>	<p>CAR12. Cleared. See pp. 51-52.</p> <p>CR12. Cleared. See Table 10, pp. 51-52.</p>	-	-
	13. Does the project promote new and innovative solutions	Yes. sufficient for CN stage. See Part IIB, p. 21. More details would be needed at full proposal stage.	-	-	

	to climate change adaptation, such as new approaches, technologies and mechanisms?			
Resource Availability	1. Is the requested project / programme funding within the funding windows of the regional projects/programmes?	Yes.	-	-
	2. Are the administrative costs (Implementing Entity Management Fee and Project/ Programme Execution Costs) at or below 10 per cent of the project/programme for implementing entity (IE) fees and at or below 10 per cent of the project/programme cost for the execution costs?	Yes. The IE Fee (USD 2,727,272) is 10% of total project/ programme Cost (USD 27,272,728). Also, execution costs (USD 2,727,270) are 10%) of total project/programme Cost.	-	-
Eligibility of IE	1. Is the project/programme submitted through an eligible Multilateral or Regional Implementing Entity	No. The Development Bank of Latin America (CAF) is under re-accredited as its accredited entity status expired on 14 September 2025.	No. The Development Bank of Latin America (CAF) is under re-accredited as its accredited entity status expired on 14 September 2025.	No. The Development Bank of Latin America (CAF) is under re-accredited as its accredited entity status expired on 14 September 2025.

	<p>that has been accredited by the Board?</p>	<p><i>Please be advised that the findings of the AFB Secretariat's review of the funding proposal(s) do not reflect, indicate, or prejudice the outcome of the reaccreditation process currently underway. The Implementing Entity (IE) shall acknowledge that the funding proposal will not be approved by the Board if the IE's accreditation has expired, and reaccreditation has not been achieved at the time of the Board's decision. Notwithstanding this potential risk, the IE has elected to proceed with the development of the funding proposal.</i></p>	<p><i>Please be advised that the findings of the AFB Secretariat's review of the funding proposal(s) do not reflect, indicate, or prejudice the outcome of the reaccreditation process currently underway. The Implementing Entity (IE) shall acknowledge that the funding proposal will not be approved by the Board if the IE's accreditation has expired, and reaccreditation has not been achieved at the time of the Board's decision. Notwithstanding this potential risk, the IE has elected to proceed with the development of the funding proposal.</i></p>	<p><i>Please be advised that the findings of the AFB Secretariat's review of the funding proposal(s) do not reflect, indicate, or prejudice the outcome of the reaccreditation process currently underway. The Implementing Entity (IE) shall acknowledge that the funding proposal will not be approved by the Board if the IE's accreditation has expired, and reaccreditation has not been achieved at the time of the Board's decision. Notwithstanding this potential risk, the IE has elected to proceed with the development of the funding proposal.</i></p>
<p>Implementations</p>	<p>1. Is there adequate arrangement for project / programme management at the regional and national level, including coordination arrangements within countries and among them? Has the potential to partner with national institutions,</p>	<p>n/a at concept stage</p>	<p>-</p>	

	and when possible, national implementing entities (NIEs), been considered, and included in the management arrangements?			
	2. Are there measures for financial and project/programme risk management?	n/a at concept stage	-	
	3. Are there measures in place for the management of for environmental and social risks, in line with the Environmental and Social Policy and Gender Policy of the Fund? Proponents are encouraged to refer to the Guidance document for Implementing Entities on compliance with the Adaptation Fund Environmental and Social Policy, for details.	n/a at concept stage	-	
	4. Is a budget on the Implementing Entity	n/a at concept stage	-	

	Management Fee use included?			
	5. Is an explanation and a breakdown of the execution costs included?	n/a at concept stage	-	
	6. Is a detailed budget including budget notes included?	n/a at concept stage	-	
	7. Are arrangements for monitoring and evaluation clearly defined, including budgeted M&E plans and sex-disaggregated data, targets and indicators, in compliance with the Gender Policy of the Fund?	n/a at concept stage	-	
	8. Does the M&E Framework include a break-down of how implementing entity IE fees will be utilized in the supervision of the M&E function?	n/a at concept stage	-	
	9. Does the project/programme's results framework align with the AF's results framework? Does it include at least one core	n/a at concept stage	-	

	outcome indicator from the Fund's results framework?			
	10. Is a disbursement schedule with time-bound milestones included?	n/a at concept stage	-	

inform public policies and practices in FPIA.	feeding information into the RIS-FPIA.	disseminate knowledge and learning.	
Total output level grant amount			USD 26,08696,957750

PART IV: ENDORSEMENT BY GOVERNMENTS AND CERTIFICATION BY THE IMPLEMENTING ENTITY

A. Record of endorsement on behalf of the government¹²⁵

<i>Carlos David Guachalla Terrazas, Viceministerio Planificación y Coordinación, Ministerio de Planificación del Desarrollo, Bolivia</i>	July, 17, 2025
<i>Ana Amelia Campos Toni Toni, National Secretary for Climate Change Ministry of Environment and Climate Change, Brasil</i>	October, 22, 2025
<i>Andres Pica Tellez, Climate Change Director, Ministry of Environment, Chile</i>	July, 17, 2025
<i>Silvano Domínguez Sanabria, Director National Office of Climate Change, Ministry of Environment, Paraguay</i>	July, 28, 2025
<i>Maria Fernanda Souza, National Director National Directorate of Climate Change, Ministry of Environment, Uruguay</i>	July, 16, 2025

B. Implementing Entity certification

I certify that this proposal has been prepared in accordance with guidelines provided by the Adaptation Fund Board, and prevailing National Development and Adaptation Plans of Brasil, Uruguay, Bolivia, Chile and Paraguay and subject to the approval by the Adaptation Fund Board, commit to implementing the Pproject in compliance with the Environmental and Social Policy of the Adaptation Fund and on the understanding that the Implementing Entity will be fully (legally and financially) responsible for the implementation of this Pproject.

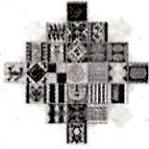
*Mr. Ignacio Lorenzo Arana
Technical Advisory on Biodiversity and Climate, Director Climate Action; Positive Biodiversity
Implementing Entity Coordinator*

Date: August 9, 2025 | Tel. and email: ilorenzo@caf.com

Project Contact Person: Miguel Guzman

Tel.+598 (2) 917-3280 Email: mguzman@caf.com

⁶. Each Party shall designate and communicate to the secretariat the authority that will endorse on behalf of the national government the projects and programmes proposed by the implementing entities.



ESTADO PLURINACIONAL DE
BOLIVIA

MINISTERIO DE
PLANIFICACIÓN DEL DESARROLLO

Letter of Endorsement by Government



ADAPTATION FUND

GOVERNMENT OF PLURINATIONAL STATE OF BOLIVIA

July 17th, 2025

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

Subject: Endorsement for "Regional Program for Adaptation to Climate Change in Family Farming in MERCOSUR (RPCCFF)"

In my capacity as designated authority for the Adaptation Fund in Plurinational State of Bolivia, I confirm that the above regional concept note 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 Plurinational State of Bolivia and MERCOSUR.

Accordingly, I am pleased to endorse the above project proposal with support from the Adaptation Fund. If approved, the project will be implemented by Corporación Andina de Fomento CAF (Development Bank of Latin America and the Caribbean) and executed by Ministry of Rural Development and Lands.

Sincerely,

Carlos David Guachalla Terrazas
Viceminister of Planning and Coordination
Designated Authority for Plurinational State of Bolivia



"2025 BICENTENARIO DE BOLIVIA"



MINISTÉRIO DO MEIO AMBIENTE E MUDANÇA DO CLIMA
SECRETARIA NACIONAL DE MUDANÇA DO CLIMA
GABINETE DA SECRETARIA NACIONAL DE MUDANÇA DO CLIMA

Brasília, 22 de outubro de 2025

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

Subject: Endorsement for the project “MERCOSUR Regional Programme for Climate Change Adaptation in Family Farming (RPOCCAF)”

In my capacity as designated authority for the Adaptation Fund in Brazil, I confirm that the above regional programme 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 South America.

Accordingly, I am pleased to endorse the above programme proposal with support from the Adaptation Fund. If approved, the project will be implemented by Development Bank of Latin America and the Caribbean (CAF) and executed by the Inter-American Institute for Cooperation on Agriculture (IICA).

Sincerely,



ALOISIO LOPES PEREIRA DE MELO

National Secretary for Climate Change

(logo del gobierno)

LETTER OF ENDORSEMENT BY GOVERNMENT

**GOVERNMENT OF CHILE
MINISTRY OF ENVIRONMENT**

July 17, 2025

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

Subject: Endorsement of the Concept Note: Regional Program for Adaptation to Climate Change in Family Farming in MERCOSUR (RPCFF)

In my capacity as designated authority for the Adaptation Fund in Chile, I confirm that the above national concept note 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 South America.

If the Concept Note is approved, the full proposal will be submitted, with Corporación Andina de Fomento CAF (Development Bank of Latin America and the Caribbean) as the implementing entity and IICA as the executing entity.

Sincerely,


Andrés Pica Téllez
Climate Change Director
Ministry of Environment



MINISTERIO DE
**ECONOMÍA
Y FINANZAS**
PARAGUAY

PARAGUÁI
**TEMBIGUEREKOITA
HA VIRUÑANGAREKO**
MOTENONDEHA



ADAPTATION FUND

July 17, 2025

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

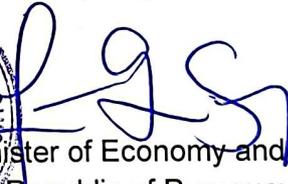
Subject: *Endorsement for Programa Regional de Adaptación al Cambio Climático de la Agricultura Familiar del MERCOSUR (PROCCAF)*

In my capacity as designated authority for the Adaptation Fund in Paraguay, 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 the country.

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 Development Bank of Latin America (CAF) and the Caribbean and executed by Inter-American Institute for Cooperation on Agriculture (IICA).

Sincerely,




Vice-Minister of Economy and Planning
Republic of Paraguay
Felipe González Soley



Ministerio
de Ambiente

LETTER OF ENDORSEMENT BY GOVERNMENT

GOVERNMENT OF URUGUAY
MINISTRY OF ENVIRONMENT

Montevideo, July 16, 2025

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

Subject: Endorsement of the Concept Note: Regional Program for Adaptation to Climate Change in Family Farming in MERCOSUR (RPCCF)

In my capacity as designated authority for the Adaptation Fund in Uruguay, I confirm that the above national concept note 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 Uruguay.

If the Concept Note is approved, the full proposal will be submitted, with Corporación Andina de Fomento CAF (Development Bank of Latin America and the Caribbean) as the implementing entity and Inter-American Institute for Cooperation on Agriculture (IICA) as the executing entity.

Sincerely,

MSc. María Fernanda Souza
National Director of Climate Change
Ministry of Environment

Juncal 1385
Montevideo - Uruguay
Teléfono: (+598 2) 917 33 80



Project Formulation Grant (PFG)

Submission Date: February 8, 2026

Adaptation Fund Project ID : -
 Country/ies : Brazil, Bolivia, Chile, Paraguay and Uruguay
 Title of Project/Programme : MERCOSUR Regional Project for Climate Change Adaptation in Family Farming (RPOCCAF)
 Type of IE (NIE/MIE) : RIE
 Implementing Entity : Development Bank of Latin America and the Caribbean - CAF
 Executing Entity/ies : Development Bank of Latin America and the Caribbean - CAF

A. Project Preparation Timeframe

Start date of PFG	April 2026
Completion date of PFG	August 2026

B. Proposed Project Preparation Activities (\$)

Describe the PFG activities and justifications:

List of Proposed Project Preparation Activities	Output of the PFG Activities	USD Amount
Consultative process planning: - Consultation general methodology (data collection and systematization) - Planning and implementation of field work. - Preparation of the general work plan - Data collection on the field - Systematization - Report preparation	<ul style="list-style-type: none"> ▪ Specialized support fees for coordination across five countries. 	USD 30,000 Specialized services and related travel costs for the design team, as required
- Stakeholder identification and invitations (key beneficiaries, institutions and partners). - Facilitation of five national workshops (one per country) to validate priorities and proposed activities. - Facilitation of one regional workshop to consolidate inputs from all countries and align them with national frameworks. - Consolidation of workshop agreements, inputs and action points for incorporation into the project design.	<ul style="list-style-type: none"> ▪ Consultative process 	USD 70,000 5 workshops (one per country) and 1 comprehensive workshop with genre emphasis (food, lodging, meals and workshop materials and Travel expenses for key project beneficiaries and Specialist)
Document translation costs		USD 10,000
Project Formulation Grant		USD 110,000
PFG Fee (10%) by CAF		USD 11,000
Project Formulation Grant		USD 121,000

Note: The amounts requested under the PFG represent partial support for project preparation. CAF and IICA are covering the costs related to the design and drafting of the concept note and the full proposal, as well as the consultative processes for the concept note across the five participating countries. The overall effort invested in project design exceeds the preparation costs reflected in this request.

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	Email Address
Ignacio Lorenzo Arana <i>Director for Technical Advisory on Climate and Biodiversity Climate Action and Positive Biodiversity Department</i> <i>AF CAF Coordinator</i>		12/12/2025	Miguel Guzman <i>Principal Executive for Technical Advisory on Climate and Biodiversity Climate Action and Positive Biodiversity Department</i>	+59 829 173 111 ilorenzo@caf.com +59 896 248 265 mguzman@caf.com